



# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

for the year ended 31 March 2003

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2003.

## Principal activities

The Company is principally engaged in the undertaking of civil engineering and construction works, whilst the principal activity of the subsidiaries are stated in Note 3 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## Results

	Group RM	Company RM
Net profit for the year	4,004,554	4,034,370

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

## Dividend

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

## Directors of the Company -

Directors who served since the date of the last report are:

Dato' Lim Kang Yew  
Tuan Haji Ibrahim Bin Haji Keling  
Encik Lokman Bin Omar  
Encik Johar Salim Bin Yahaya  
Mr Sum Kwai Sang  
Encik Hisham Bin Mahmood  
Madam Lim Soo San  
Dato' Amirullah Abdul Muhi Bin Mayudin (resigned on 9.4.2003)





# DIRECTORS' REPORT

for the year ended 31 March 2003 (continued)

The holdings and deemed holdings of the Directors in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each		
	At 1.4.2002	Bought	Sold
Shareholdings in which a Director has direct interest			
Interest of Dato' Lim Kang Yew in: Company	4,215,000	-	-
Shareholdings in which a Director, Encik Lokman Bin Omar, has deemed interest by virtue of shares held by:			
Limbongan Resources Sdn. Bhd.	4,998,000	-	-

By virtue of his interests in the Company, Dato' Lim Kang Yew and Encik Lokman Bin Omar are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Pembinaan Limbongan Setia Berhad has an interest.

None of the other Directors holding office at 31 March 2003 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 18 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.





# DIRECTORS' REPORT

for the year ended 31 March 2003 (continued)

## Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

## Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

.....  
**Dato' Lim Kang Yew**

Kuala Lumpur,  
Date: 17 July 2003

.....  
**Lokman Bin Omar**





# STATEMENT BY DIRECTORS

for the year ended 31 March 2003

## Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 32 to 58, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 March 2003 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....  
Dato' Lim Kang Yew

.....  
Lokman Bin Omar

Kuala Lumpur,  
Date: 17 July 2003

# STATUTORY DECLARATION

for the year ended 31 March 2003

## Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, Thian Yin Yin, the officer primarily responsible for the financial management of Pembinaan Limbongan Setia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 32 to 58, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 17 July 2003.

.....  
Thian Yin Yin

Before me:  
Barathan A/L Sinniah@Chinniah. AMN. PJK  
Commissioner for Oaths  
No. W2002  
Kuala Lumpur.







# REPORT OF THE AUDITORS TO THE MEMBERS

for the year ended 31 March 2003

We have audited the financial statements set out on pages 32 to 58. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - i) the state of affairs of the Group and of the Company at 31 March 2003 and the results of their operations and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Tang Seng Choon**  
Partner  
Approval Number: 2011/12/03(J)

Kuala Lumpur,  
Date: 17 July 2003



# CONSOLIDATED BALANCE SHEET

for the year ended 31 March 2003

	Note	Group 2003 RM	2002 RM
<b>Property, plant and equipment</b>	2	4,382,187	4,127,600
<b>Current assets</b>			
Trade and other receivables	4	38,555,416	22,239,032
Cash and cash equivalents	5	15,942,232	20,149,943
		54,497,648	42,388,975
<b>Current liabilities</b>			
Trade and other payables	6	37,442,159	25,310,944
Borrowings	7	321,404	3,025,973
Taxation		-	857,236
		37,763,563	29,194,153
<b>Net current assets</b>		16,734,085	13,194,822
		21,116,272	17,322,422
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	8	21,780,000	21,780,000
Share premium	9	5,512,121	5,512,121
(Accumulated losses)		(6,402,435)	(10,406,989)
<b>Shareholders' funds</b>		20,889,686	16,885,132
<b>Minority shareholder's interest</b>	10	18,376	45,887
<b>Long term liabilities</b>			
Borrowings	7	208,210	391,403
		21,116,272	17,322,422

The financial statements were approved and authorised for issue by the Board of Directors on 17 July 2003.

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.



# CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2003

	Note	Group 2003 RM	2002 RM
Contract revenue		93,551,089	57,937,889
Contract cost		(91,312,068)	(67,143,702)
<b>Gross profit/(loss)</b>		<b>2,239,021</b>	<b>(9,205,813)</b>
Other operating income		2,140,029	5,342,993
Administration expense		(1,539,730)	(1,340,723)
<b>Operating profit/(loss)</b>	11	<b>2,839,320</b>	<b>(5,203,543)</b>
Interest expense	12	(86,982)	(1,024,823)
Interest income		367,469	170,947
<b>Profit/(Loss) before taxation</b>		<b>3,119,807</b>	<b>(6,057,419)</b>
Tax expense	14	857,236	-
<b>Profit/(Loss) after taxation</b>		<b>3,977,043</b>	<b>(6,057,419)</b>
Minority interest		27,511	1,287
<b>Net profit/(loss) for the year</b>		<b>4,004,554</b>	<b>(6,056,132)</b>
Basic earnings/(loss) per ordinary share (sen)	15	18.39	(29.59)

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.







# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2003

Group	Share capital RM	Non-distributable Share premium RM	Accumulated losses RM	Total RM
At 1 April 2001	19,800,000	138,161	(4,350,857)	15,587,304
Net loss for the year	-	-	(6,056,132)	(6,056,132)
Issue of shares	1,980,000	5,464,800	-	7,444,800
Net loss not recognised in income statement: Private placement exercise expenses	-	(90,840)	-	(90,840)
At 31 March 2002/ 1 April 2002	21,780,000	5,512,121	(10,406,989)	16,885,132
Net profit for the year	-	-	4,004,554	4,004,554
At 31 March 2003	21,780,000	5,512,121	(6,402,435)	20,889,686
	Note 8	Note 9		

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.



# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2003

	2003 RM	Group 2002 RM
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	3,119,807	(6,057,419)
Adjustments for:		
Depreciation	869,134	1,312,403
Gain on disposal of property, plant and equipment	(2,067,852)	(4,535,030)
Interest expense	86,982	1,024,823
Interest income	(367,469)	(170,947)
Property, plant and equipment written off	4,481	-
Impairment loss on goodwill	-	2,000
Operating profit/(loss) before working capital changes	1,645,083	(8,424,170)
(Increase)/Decrease in working capital:		
Trade and other receivables	(16,899,369)	17,715,050
Trade and other payables	12,131,215	11,233,185
Net cash (used in)/generated from operating activities	(3,123,071)	20,524,065
<b>Cash flows from investing activities</b>		
Interest received	367,469	170,947
Proceeds from disposal of property, plant and equipment	2,089,100	4,571,899
Purchase of property, plant and equipment (ii)	(380,652)	(213,259)
Net cash generated from investing activities	2,075,917	4,529,587



# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2003 (continued)

	2003 RM	Group 2002 RM
<b>Cash flows from financing activities</b>		
Increase in pledged deposits placed with financial institutions	(980,433)	(3,388,152)
Interest paid	(86,982)	(922,987)
Repayment of hire purchase liabilities	(573,575)	(613,575)
Repayment of term loan	(2,500,000)	(7,500,000)
Repayment of revolving credit	-	(3,500,000)
Proceeds from issuance of ordinary shares net of private placement exercise expenses	-	7,353,960
<b>Net cash used in financing activities</b>	<b>(4,140,990)</b>	<b>(8,570,754)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,188,144)</b>	<b>16,482,898</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(i) 15,761,791</b>	<b>(721,107)</b>
<b>Cash and cash equivalents at end of year</b>	<b>(i) 10,573,647</b>	<b>15,761,791</b>

**i) Cash and cash equivalents**

Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	2003 RM	Group 2002 RM
Cash and bank balances	5,873,647	5,344,022
Deposits (excluding deposits pledged)	4,700,000	10,417,769
	<b>10,573,647</b>	<b>15,761,791</b>

**ii) Purchase of property, plant and equipment**

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,149,450 of which RM582,985 were acquired by way of contra of trade receivables against properties and RM185,813 were acquired by means of hire purchase.

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.



# BALANCE SHEET

for the year ended 31 March 2003

	Note	Company	
		2003 RM	2002 RM
<b>Property, plant and equipment</b>	2	4,181,219	4,117,661
<b>Investments in subsidiaries</b>	3	51,002	51,002
<b>Current assets</b>			
Trade and other receivables	4	37,811,960	22,334,808
Cash and cash equivalents	5	15,913,945	19,832,557
		53,725,905	42,167,365
<b>Current liabilities</b>			
Trade and other payables	6	36,501,327	25,168,601
Borrowings	7	321,404	3,025,973
Taxation		-	857,236
		36,822,731	29,051,810
<b>Net current assets</b>		16,903,174	13,115,555
		21,135,395	17,284,218
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Share capital	8	21,780,000	21,780,000
Share premium	9	5,512,121	5,512,121
Accumulated losses		(6,364,936)	(10,399,306)
<b>Shareholders' funds</b>		20,927,185	16,892,815
<b>Long term liabilities</b>			
Borrowings	7	208,210	391,403
		21,135,395	17,284,218

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.





# INCOME STATEMENT

for the year ended 31 March 2003

	Note	Company	
		2003 RM	2002 RM
Contract revenue		93,551,089	57,937,889
Contract cost		(91,312,068)	(67,143,702)
<b>Gross profit/(loss)</b>		2,239,021	(9,205,813)
Other operating income		2,140,029	5,345,663
Administration expense		(1,482,403)	(1,336,324)
<b>Operating profit/(loss)</b>	11	2,896,647	(5,196,474)
Interest expense	12	(86,982)	(1,024,823)
Interest income		367,469	170,947
<b>Profit/(Loss) before taxation</b>		3,177,134	(6,050,350)
Tax expense	14	857,236	-
<b>Net profit/(loss) for the year</b>		4,034,370	(6,050,350)

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.





# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2003

Company	Share capital RM	Non-distributable Share premium RM	Accumulated losses RM	Total RM
At 1 April 2001	19,800,000	138,161	(4,348,956)	15,589,205
Net loss for the year	-	-	(6,050,350)	(6,050,350)
Issue of shares	1,980,000	5,464,800	-	7,444,800
Net loss not recognised in income statement: Private placement exercise expenses	-	(90,840)	-	(90,840)
At 31 March 2002 / 1 April 2002	21,780,000	5,512,121	(10,399,306)	16,892,815
Net profit for the year	-	-	4,034,370	4,034,370
At 31 March 2003	21,780,000	5,512,121	(6,364,936)	20,927,185
	Note 8	Note 9		

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.



# CASH FLOW STATEMENT

for the year ended 31 March 2003

	Company	
	2003 RM	2002 RM
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	3,177,134	(6,050,350)
Adjustments for:		
Depreciation	834,273	1,311,992
Gain on disposal of property, plant and equipment	(2,067,852)	(4,535,030)
Interest expenses	86,982	1,024,823
Interest income	(367,469)	(170,947)
Property, plant and equipment written off	4,481	-
Operating profit/(loss) before working capital changes	1,667,549	(8,419,512)
(Increase)/Decrease in working capital:		
Trade and other receivables	(16,060,137)	17,442,282
Trade and other payables	11,332,726	11,294,865
<b>Net cash (used in)/generated from operating activities</b>	<b>(3,059,862)</b>	<b>20,317,635</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	-	(2)
Interest received	367,469	170,947
Purchase of property, plant and equipment (ii)	(154,762)	(202,909)
Proceeds from disposal of property, plant and equipment	2,089,100	4,571,899
<b>Net cash generated from investing activities</b>	<b>2,301,807</b>	<b>4,539,935</b>



# CASH FLOW STATEMENT

for the year ended 31 March 2003 (continued)

	Company	
	2003 RM	2002 RM
Cash flows from financing activities		
Increase in pledged deposits placed with financial institutions	(980,433)	(3,388,152)
Interest paid	(86,982)	(922,987)
Repayment of term loan	(2,500,000)	(7,500,000)
Repayment of hire purchase liabilities	(573,575)	(613,575)
Repayment of revolving credit	-	(3,500,000)
Proceeds from issuance of ordinary shares net of private placement exercise expenses	-	7,353,960
Net cash used in financing activities	(4,140,990)	(8,570,754)
Net (decrease)/increase in cash and cash equivalents	(4,899,045)	16,286,816
Cash and cash equivalents at beginning of year (i)	15,444,405	(842,411)
Cash and cash equivalents at end of year (i)	10,545,360	15,444,405

## i) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Company	
	2003 RM	2002 RM
Cash and bank balances	5,845,360	5,030,436
Deposits (excluding deposits pledged)	4,700,000	10,413,969
	10,545,360	15,444,405

## ii) Purchase of property, plant and equipment

During the year, the Company acquired property, plant and equipment with an aggregate cost of RM923,560 of which RM582,985 were acquired by way of contra of trade receivables against properties and RM185,813 were acquired by means of hire purchase.

The notes set out on pages 42 to 58 form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

## 1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years except for the adoption of the following:

- (i) MASB 19, Events After Balance Sheet Date;
- (ii) MASB 20, Provisions, Contingent Liabilities and Contingent Assets;
- (iii) MASB 21, Business Combination;
- (iv) MASB 22, Segment Reporting;
- (v) MASB 23, Impairment of Assets; and
- (vi) MASB 24, Financial Instruments: Disclosure and Presentation.

Apart from the inclusion of the new policies and extended disclosures where required by these new standards, the effects of the changes in the above accounting policies are disclosed in Note 19 to these financial statements.

### (a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

### (b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.





# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## (c) Property, plant and equipment

Freehold land is stated at cost. All other property, plant and equipment are stated at cost less accumulated depreciation, and less accumulated impairment losses, if any.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

### *Depreciation*

Freehold land is not amortised. Leasehold land is amortised in equal instalments over the remaining lease period of ninety (90) years, while buildings are depreciated on a straight line basis over the shorter of fifty (50) years or the lease period. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Buildings	2%
Plant and machinery	20%
Office equipment	10% - 20%
Motor vehicles	20%
Fixture and fittings	10%

## (d) Goodwill

Goodwill represented the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and was stated at cost less accumulated amortisation and accumulated impairment losses (refer to Note 1(k)).

Goodwill was amortised from the date of initial recognition over its estimated useful life of not more than twenty (20) years. Goodwill was fully impaired in prior year.

## (e) Hire purchase

Assets acquired under hire purchase arrangements are capitalised at their purchase costs and are depreciated on the same basis as owned assets. The total amount payable under hire purchase arrangements is shown under hire purchase liabilities.

## (f) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

## (g) Investments

Long term investments in subsidiaries are stated at cost in the Company, less impairment loss where applicable.

## (h) Amount due from contract customers

Amount due from contract customers on construction contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.





# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## (i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments, which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

## (j) Liabilities

Borrowings and trade and other payables are stated at cost.

## (k) Impairment

The carrying amount of the Group's assets, other than assets arising from construction contracts, and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

## (l) Taxation

Deferred taxation is provided on the liability method for all timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## (m) Revenue

### i) *Construction contracts*

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to surveys of work performed.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

### ii) *Interest income*

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

## (n) Expenses

### i) *Operating lease payments*

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statements as an integral part of the total lease payment made.

### ii) *Financing costs*

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 2. Property, plant and equipment

<i>Group</i>	Long term leasehold land RM	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment RM	Motor vehicles RM	Fixture and fittings RM	Total RM
<b>Cost</b>								
At 1 April 2002	309,636	98,000	1,515,860	12,958,580	1,478,474	7,197,551	154,206	23,712,307
Additions	582,985	-	-	24,550	128,566	410,813	2,536	1,149,450
Disposals	-	-	-	(3,484,600)	-	(565,454)	-	(4,050,054)
Written off	-	-	-	-	(54,390)	-	(25,358)	(79,748)
At 31 March 2003	892,621	98,000	1,515,860	9,498,530	1,552,650	7,042,910	131,384	20,731,955
<b>Accumulated depreciation</b>								
At 1 April 2002	6,806	-	159,019	12,808,594	943,279	5,547,828	119,181	19,584,707
Charge for the year	3,948	-	30,318	77,702	141,324	603,073	12,769	869,134
Disposals	-	-	-	(3,484,600)	-	(544,206)	-	(4,028,806)
Written off	-	-	-	-	(49,910)	-	(25,357)	(75,267)
At 31 March 2003	10,754	-	189,337	9,401,696	1,034,693	5,606,695	106,593	16,349,768
<b>Net book value</b>								
At 31 March 2003	881,867	98,000	1,326,523	96,834	517,957	1,436,215	24,791	4,382,187
At 31 March 2002	302,830	98,000	1,356,841	149,986	535,195	1,649,723	35,025	4,127,600
Depreciation charge for the year ended 31 March 2002	3,403	-	30,317	440,565	139,124	684,467	14,527	1,312,403

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 2. Property, plant and equipment (continued)

<i>Company</i>	Long term leasehold land RM	Freehold land and land RM	Buildings RM	Plant and machinery RM	Office equipment RM	Motor vehicles RM	Fixture and fittings RM	Total RM
<b>Cost</b>								
At 1 April 2002	309,636	98,000	1,515,860	12,958,580	1,478,474	7,197,551	143,856	23,701,957
Additions	582,985	-	-	24,550	127,676	185,813	2,536	923,560
Disposals	-	-	-	(3,484,600)	-	(565,454)	-	(4,050,054)
Write off	-	-	-	-	(54,390)	-	(25,358)	(79,748)
At 31 March 2003	892,621	98,000	1,515,860	9,498,530	1,551,760	6,817,910	121,034	20,495,715
<b>Accumulated depreciation</b>								
At 1 April 2002	6,806	-	159,019	12,808,594	943,279	5,547,828	118,770	19,584,296
Charge for the year	3,948	-	30,318	77,702	141,248	569,323	11,734	834,273
Disposals	-	-	-	(3,484,600)	-	(544,206)	-	(4,028,806)
Write off	-	-	-	-	(49,910)	-	(25,357)	(75,267)
At 31 March 2003	10,754	-	189,337	9,401,696	1,034,617	5,572,945	105,147	16,314,496
<b>Net book value</b>								
At 31 March 2003	881,867	98,000	1,326,523	96,834	517,143	1,244,965	15,887	4,181,219
At 31 March 2002	302,830	98,000	1,356,841	149,986	535,195	1,649,723	25,086	4,117,661
Depreciation charge for the year ended 31 March 2002	3,403	-	30,317	440,565	139,124	684,467	14,116	1,311,992





# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 2. Property, plant and equipment (continued)

The strata titles of buildings of the Group and of the Company costing RM593,523 (2002 - RM593,523) are still in the process of being transferred to the Company and the finalisation are pending approval of relevant authorities.

### *Assets under hire purchase*

Included in property, plant and equipment of the Group and of the Company are motor vehicles acquired under hire purchase agreements with net book value of RM815,318 (2002 - RM1,601,699).

## 3. Investments in subsidiaries

The strata titles of buildings of the Group and of the Company costing RM593,523 (2002 - RM593,523) are still in the process of being transferred to the Company and the finalisation are pending approval of relevant authorities.

	Company	
	2003 RM	2002 RM
Unquoted shares, at cost	51,002	51,002

The principal activities of the subsidiaries, their places of incorporation and the interest of Pembinaan Limbongan Setia Berhad are as follows:

Name of company	Principal activities	Country of incorporation	Effective ownership interest	
			2003 %	2002 %
Limbongan-Ekoveat Management Sdn. Bhd.*	Investment holding and management	Malaysia	51	51
PLS Construction Sdn. Bhd.*	Civil engineering and building works	Malaysia	100	100

\* Not audited by KPMG





# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 4. Trade and other receivables

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade receivables	20,305,078	10,685,280	20,305,078	10,685,280
Amount due from contract customers	5,454,034	4,601,747	5,454,034	4,601,747
Subsidiary	-	-	1,300,000	800,000
Retention sum receivables	9,691,023	5,448,917	9,691,023	5,448,917
Other receivables, deposits and prepayments	3,105,281	1,503,088	1,061,825	798,864
	38,555,416	22,239,032	37,811,960	22,334,808

Included in trade receivables of the Group and of the Company are advances made to sub-contractors amounting to RM248,110 (2002 - RM182,811). The advances to sub-contractors are unsecured and interest free. These advances will be recouped by way of setting off against future claims by these sub-contractors.

*Amount due from contract customers*

	Group and Company	
	2003 RM	2002 RM
Aggregate costs incurred to date	303,969,213	330,783,934
Add: Attributable profits	19,742,818	24,811,480
Less: Foreseeable losses	(18,719,928)	(15,524,623)
	304,992,103	340,070,791
Less: Progress billings	(299,538,069)	(335,469,044)
	5,454,034	4,601,747

## 5. Cash and cash equivalents

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Deposits placed with licensed banks	10,068,585	14,805,921	10,068,585	14,802,121
Cash and bank balances	5,873,647	5,344,022	5,845,360	5,030,436
	15,942,232	20,149,943	15,913,945	19,832,557

The deposits with a licensed bank of RM5,368,585 (2002 - RM4,388,152) are held under lien for overdraft facility granted to the Group and to the Company. The overdraft facility is not utilised during the year.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 6. Trade and other payables

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade payables	28,794,835	20,183,994	28,794,835	20,183,994
Retention sum payables	7,315,463	3,809,653	7,315,463	3,809,653
Other payables and accrued expenses	1,331,861	1,317,297	391,029	1,174,954
	37,442,159	25,310,944	36,501,327	25,168,601

Included in trade payables are interest free advances received from customers amounting to RM9,663,515 (2002 - RM15,800,134), which are secured by way of bank guarantees and will be repaid by way of setting off against the Company's progress claims to the customers.

## 7. Borrowings

	Group and Company	
	2003 RM	2002 RM
<b>Current</b>		
Hire purchase liabilities	321,404	525,973
Term loan - unsecured	-	2,500,000
	321,404	3,025,973
<b>Non-current</b>		
Hire purchase liabilities	208,210	391,403

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 7. Borrowings (continued)

### *Terms and debts repayment schedule:*

The term loan is fully repaid during the financial year and was subject to interest at 8.4% to 8.8% per annum in the previous year. The term loan was guaranteed by way of negative pledge over the Company's present and future assets.

The hire purchase is subject to interest at rates ranging from 3.90% to 6.7% (2002 - 4.25% to 6.7%) per annum.

	Total RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM
<b>Group and Company</b>				
Hire purchase liabilities	529,614	321,404	208,210	-

### *Hire purchase liabilities*

Hire purchase liabilities are payable as follows:

	Payments 2003 RM	Interest 2003 RM	Principal 2003 RM	Payments 2002 RM	Interest 2002 RM	Principal 2002 RM
<b>Group and Company</b>						
Less than one year	365,926	44,522	321,404	610,180	84,207	525,973
Between one and five years	235,232	27,022	208,210	446,385	54,982	391,403
	601,158	71,544	529,614	1,056,565	139,189	917,376

## 8. Share capital

	Group and Company 2003 RM	2002 RM
Ordinary shares of RM1 each:		
Authorised	25,000,000	25,000,000
Issued and fully paid		
Opening balance	21,780,000	19,800,000
Issued during the year	-	1,980,000
Closing balance	21,780,000	21,780,000

In the previous financial year, the Company completed its Proposed Private Placement of 1,980,000 new ordinary shares of RM1.00 each at an issue price of RM3.76 per ordinary share for cash for repayment of bank borrowings and working capital purposes.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 9. Share premium

	Group and Company	
	2003	2002
	RM	RM
Non-distributable Share premium	5,512,121	5,512,121

Share premium arose from issuance of ordinary shares at an issue price higher than its nominal value. Included in the share premium is an amount of RM5,464,800 arising from the issuance of 1,980,000 new ordinary shares of RM1.00 each at an issue price of RM3.76 for each share in the previous year.

## 10. Minority shareholder's interest

This consists of the minority shareholder's proportion of share capital and reserves of a subsidiary.

## 11. Operating profit/(loss)

	Group		Company	
	2003	2002	2003	2002
	RM	RM	RM	RM
<b>Operating profit/(loss) is arrived at after crediting:</b>				
Gain on disposal of property, plant and equipment	2,067,852	4,535,030	2,067,852	4,535,030
Property, plant and equipment written off	4,481	-	4,481	-
Rental income from hire of plant and machinery	56,000	130,000	56,000	130,000
<b>and after charging:</b>				
Auditors' remuneration	38,650	38,650	38,000	38,000
Depreciation (Note 2)	869,134	1,312,403	834,273	1,311,992
Company's Directors				
- Remuneration	612,879	625,596	612,879	625,596
- Fees	25,000	40,000	25,000	40,000
Hire of plant and machinery	56,000	130,000	56,000	130,000
Rental of premises	271,590	253,490	271,590	253,490
Impairment loss on goodwill	-	2,000	-	-

The estimated monetary value of Directors' benefits-in-kind is RM54,650 (2002 - RM75,900).



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 12. Interest expense

	Group and Company	
	2003	2002
	RM	RM
Interest payable:		
Hire purchase liabilities	86,982	108,143
Bank overdrafts	-	47,010
Term loan	-	741,925
Revolving credit	-	127,745
	86,982	1,024,823

## 13. Employee information

	Group and Company	
	2003	2002
	RM	RM
Staff costs	3,239,293	3,252,718

The number of employee of the Group and of the Company (including Directors) at the end of the year was 57 (2002 - 68) and 57 (2002 - 68) respectively.

## 14. Tax expense

	Group and Company	
	2003	2002
	RM	RM
Income tax expense		
- overprovision in prior years	857,236	-

There is no income tax expense in the current year for the Group and for the Company due to the utilisation of unutilised tax losses bought forward of RM3,920,000 and unabsorbed capital allowances. The tax savings derived from the utilisation of tax losses bought forward is approximately RM1,098,000 (2002 - Nil).

Subject to agreement by the Inland Revenue Board, the Group and the Company have potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	Group and Company	
	2003	2002
	RM	RM
Unutilised tax losses	(20,134,000)	(24,054,000)
Other timing differences	(1,925,000)	(2,523,000)



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 15. Earnings/(Loss) per ordinary share - group

### *Basic earnings/(loss) per ordinary share*

The calculation of basic earnings/(loss) per ordinary share is based on the net profit/(loss) attributable to ordinary shareholders of RM4,004,554 (2002 - RM6,056,132) and the weighted average number of ordinary shares outstanding during the year of 21,780,000 (2002 - 20,467,233).

### *Weighted average number of ordinary shares*

	2003	2002
Issued ordinary shares at beginning of the year	21,780,000	19,800,000
Effect of Private Placement	-	667,233
Weighted average number of ordinary shares	21,780,000	20,467,233
Basic earnings/(loss) per ordinary share (sen)	18.39	(29.59)

## 16. Goodwill on consolidation

	2003 RM	Group 2002 RM
Goodwill arising from consolidation of a subsidiary	-	2,000
Less: Impairment loss during the year	-	(2,000)
At 31 March	-	-

## 17. Segmental information

### **Business segments**

The Group is principally engaged in the undertaking of civil engineering and construction activities. Business segmental information has not been prepared as the Group's revenue, operating profit, assets and liabilities, depreciation, capital expenditure and non-cash expense are mainly confined to one industry segment carried out in Malaysia.

### **Geographical segments**

The activities of the Group are carried out in Malaysia and accordingly no segmental reporting by geographical location is presented.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 18. Related parties

### *Identity of related parties*

Controlling related party relationships are with its subsidiaries as disclosed in Note 3 to the financial statements.

### *Transactions with Directors*

Significant transactions and balances with companies in which certain Directors have interests and with close members of their families other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
<b>Transactions</b>				
With a company in which Dato' Lim Kang Yew, a Director's close family members have interests:				
Limbongan Setia Corporation Sdn. Bhd.				
Rental of premise	218,240	218,240	218,240	218,240
<b>Balances in respect of non-trade transactions</b>				
Subsidiary Limbongan-Ekoveest Management Sdn. Bhd.				
Amount due to in respect of:-				
Advances owing from	-	-	1,300,000	800,000

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

## 19. Changes in accounting policies

In the current financial year, the Group and the Company adopted six new MASB Standards. The adoption of these new standards resulted in changes in accounting policies as follows:

- MASB 19, Events After Balance Sheet Date. The adoption of this Standard has no material impact on the financial statements;
- MASB 20, Provisions, Contingent Liabilities and Contingent Assets and MASB 21, Business Combination, which is applied retrospectively. The adoption of these Standards have no material impact on the financial statements;
- MASB 22, Segment Reporting and MASB 24, Financial Instruments: Disclosure and Presentation, which have been adopted prospectively. The adoption of these Standards have no material impact on the financial statements; and
- MASB 23, Impairment of Assets; which is applied prospectively. The restatement of comparative figures and prior year adjustment are therefore not presented. The adoption of this Standard has no material impact on the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 20. Financial instruments

### Financial risk management objectives and policies

Exposure to credit risk, interest rate risk and foreign currency risk arises in the normal course of the Group and the Company's business. The financial risk management policy of the Group and the Company are summarised as follows:

#### Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group and the Company do not require collateral in respect of financial assets.

At balance sheet date, there were significant concentrations of credit risk of the Group and the Company by virtue of its trade receivables that are due from companies principally involved in the construction industry. The maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each financial asset.

#### Interest rate risk

The Group and the Company have no significant interest bearing financial liabilities at balance sheet date. Interest earnings financial assets are mainly deposits placed with licensed banks that attract interest income. However, the fluctuation in interest rate, if any, is not expected to have a material impact on the result of the Group and of the Company.

#### Foreign currency risk

The Group and the Company do not have significant exposure to foreign currency risk as its transactions and balances are substantially denominated in Ringgit Malaysia.

The following table shows information about exposure to interest rate risk.

#### Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the period in which they reprice or mature, whichever is earlier.

	Effective interest rate per annum %	2003	
		Total RM	Within 1 year RM
<b>Group and Company Financial asset</b>			
Deposits placed with licensed banks	3.4	10,068,585	10,068,585

#### Fair values

##### Recognised financial instruments

In respect of cash and cash equivalents, trade and other receivables, trade and other payables, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 21. Contingent liabilities

	Group and Company	
	2003	2002
	RM	RM
<b>Unsecured</b>		
Performance bond to third parties in respect of projects	14,330,276	17,894,348
Bank guarantee to third parties in respect of purchasing material for projects	473,500	506,412
Tender bond to a third party in respect of tendering for a project	-	4,000
Design bond to a third party in respect of a project	-	218,729
<b>Secured</b>		
Advance bond to a third party in respect of a project	2,300,000	15,920,134
	17,103,776	34,543,623

### Litigation

As previously reported, a claim of RM14.6 million was made by an ex-contractor against the Company for losses as a result of breach of a contract. In relation to this, the Company has counter-claimed for a sum of RM1.1 million. The matters were set down for arbitration, but the ex-contractor was under receivership. The solicitors of the ex-contractor had put forward a report to the Official Receiver and are pending for further instruction as whether to proceed with the claim.

Based on legal counsel's advice, the Directors are of the opinion that there is no merit to the claim made by the ex-contractor and the outcome of the arbitration would be in favour of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003 (continued)

## 22. Events subsequent to the balance sheet date

### 22.1 Proposed Rights Issue

- i) On 22 July 2002, the Company revised the earlier proposed rights issue and proposed increase in authorised share capital. The details of the revised terms are as follows:
  - a) Proposed renounceable rights issue of up to 43,560,000 new ordinary shares of RM1.00 each on the basis of two (2) new ordinary shares of RM1.00 each for every one (1) existing ordinary share of RM1.00 each held. The Company is proposing to fix its issue price at RM1.00 per rights issue. Upon the completion of the proposed rights issue, the issued and paid-up share capital of the Company shall increase from 21,780,000 ordinary shares of RM1.00 each to 65,340,000 ordinary shares of RM1.00 each. The proposed utilisation of the proceeds of RM43,560,000 would be for future projects financing and working capital purposes; and
  - b) Proposed increase in authorised share capital of the Company from RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each.

(Collectively referred to herein as the "Proposed Rights Issue")

On 26 November 2002, the Securities Commission ("SC") approved the Proposed Rights Issue.

On 3 March 2003, the Board announced that the issue price for the Right Shares is fixed at RM1.00 per share, and the proposed increase in the authorised share capital of the Company shall be RM200,000,000 comprising 200,000,000 ordinary shares, instead of RM100,000,000 comprising 100,000,000 ordinary shares as announced on 22 July 2002.

On 9 June 2003, the SC approved a further extension of time of six (6) months from 26 May 2003 to 25 November 2003 for the implementation of Proposed Rights Issue.

### 22.2 Proposed Joint Venture and Proposed Advance

- ii) At the Extraordinary General Meeting held on 3 June 2003, the shareholders of the Company approved the following resolutions:
  - a) Proposed privatisation of the management, operation and maintenance of the Ladang Hutan Ulu Sedili in Johor Darul Ta'zim by the State Government of Johor Darul Ta'zim ("State Government") to YPJ Holdings Sdn. Bhd. ("YPJH") which shall be undertaken by YPJH and the Company jointly through a joint venture company, known as Aramijaya Sdn. Bhd. ("Aramijaya"), in which YPJH and the Company shall hold thirty percent (30%) and seventy percent (70%) equity interest respectively ("Proposed JVP"); and
  - b) Proposed advance by the Company to Aramijaya for the full settlement of RM12,129,597 together with interest accrued thereon at eight percent (8%) per annum owing by Aramijaya to Limbongan Resources Sdn. Bhd., a substantial shareholder of the Company ("Proposed Advance").

The Company also executed a corporate guarantee agreement whereby the Company shall provide a corporate guarantee in favour of the State Government for the repayment by Aramijaya of the Privatisation Consideration of RM62,269,805 to the State Government, in accordance with the terms of the Privatisation Agreement dated 4 December 2002.





# ANALYSIS OF SHAREHOLDING

as at 8 August 2003

Authorised Share Capital	:	RM25,000,000
Issued and Fully Paid-Up Capital	:	RM21,780,000
Class of Shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

## 1. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of Shareholders	% of Shareholders	No. of shares held	% of Issued Capital
Less than 500	5	0.72	1,000	0
500 - 5,000	590	85.01	953,600	4.38
5,001 - 10,000	27	3.89	226,500	1.04
10,001 - 100,000	47	6.77	1,804,600	8.29
100,001 - 1,000,000	21	3.03	5,979,300	27.45
Above 1,000,000	4	0.58	12,815,000	58.84
<b>TOTAL</b>	<b>694</b>	<b>100.00</b>	<b>21,780,000</b>	<b>100.00</b>



# ANALYSIS OF SHAREHOLDING

as at 8 August 2003

## 2. THIRTY (30) LARGEST SHAREHOLDERS

	Name	Shareholdings	%
1.	Dato' Lim Kang Yew	4,215,000	19.35
2.	Limbongan Resources Sdn. Bhd.	3,500,000	16.07
3.	BBMB Securities Nominees (Tempatan) Sdn. Bhd. - Kumpulan Prasarana Rakyat Johor Sdn. Bhd.	3,400,000	15.61
4.	OSK Nominees (Tempatan) Sdn. Bhd. - Kumpulan Prasarana Rakyat Johor Sdn. Bhd.	1,700,000	7.80
5.	Limbongan Resources Sdn. Bhd.	1,000,000	4.59
6.	Lim Keng Cheng	599,000	2.75
7.	Limbongan Resources Sdn. Bhd.	498,000	2.29
8.	Mohamad Nor bin Hamid	402,000	1.85
9.	Tan Lai Leng	354,000	1.63
10.	Mohd Saini bin Kariman	350,000	1.61
11.	Lim Kang Poh	350,000	1.61
12.	Amsec Nominees (Tempatan) Sdn. Bhd. pledged securities account for Goh Eng Keong	300,500	1.38
13.	Hee Foong Ngoh @ Hee Hong Ngoh	250,000	1.15
14.	Yap Shing @ Yap Sue Kim	236,700	1.09
15.	Khoo Nang Seng @ Khoo Nam Seng	211,000	0.97
16.	Wong Yit Choy	200,000	0.92
17.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Pang Piu Fong	181,000	0.83
18.	Roslee bin Daud	164,000	0.75
19.	Lee Hung Kheng	153,000	0.70
20.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Cheong Meow Yen	151,000	0.69
21.	Amsec Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Leak Goh	142,000	0.65
22.	Koh Bee Yong	119,900	0.55
23.	Hambali bin Idris	109,000	0.50
24.	SBBAM Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Simpanan Pekerja for Chuah Guat Kooi	105,200	0.48
25.	BBMB Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Cha Mei Ping	103,000	0.47
26.	BBMB Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Khai Shiang	99,000	0.45
27.	Koh Chaw Huah	95,000	0.44
28.	Lim Hoe	94,000	0.43
29.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Naharudin bin Nizam	91,000	0.42
30.	Lam Mee Ling	85,000	0.39
	<b>TOTAL</b>	<b>19,258,300</b>	<b>88.42</b>



# ANALYSIS OF SHAREHOLDING

as at 8 August 2003 (continued)

## 3. SUBSTANTIAL SHAREHOLDERS

Name	Shareholdings as at 8 August 2003			
	Direct Shareholdings	%	Indirect Shareholdings *	%
1. Limbongan Resources Sdn. Bhd.	4,998,000	22.95	-	-
2. Dato' Lim Kang Yew	4,215,000	19.35	-	-
3. Kumpulan Prasarana Rakyat Johor Sdn. Bhd.	5,100,000	23.42	-	-
4. Encik Lokman Bin Omar	-	-	4,998,000	22.95
5. Mr. Lim Keng Guan	-	-	4,998,000	22.95
<b>TOTAL</b>	<b>14,313,000</b>	<b>65.72</b>		

## 4. DIRECTORS' SHAREHOLDINGS

Name	Shareholdings as at 8 August 2003			
	Direct Shareholdings	%	Indirect Shareholdings *	%
1. Encik Johar Salim Bin Yahaya	-	-	-	-
2. Dato' Lim Kang Yew	4,215,000	19.35	-	-
3. Encik Lokman Bin Omar	-	-	4,998,000	22.95
4. Tuan Haji Ibrahim Bin Haji Keling	-	-	-	-
5. Encik Hisham Bin Mahmood	-	-	-	-
6. Mr. Sum Kwai Sang	-	-	-	-
7. Madam Lim Soo San	-	-	-	-
8. Encik Azman Bin Bachok @ Abd Majid	-	-	-	-
<b>TOTAL</b>	<b>4,215,000</b>	<b>19.35</b>		

\* Deemed interest by virtue of his shareholdings in Limbongan Resources Sdn. Bhd.





# LIST OF PROPERTIES

for the year ended 31 March 2003

NO	LOCATION	DESCRIPTION / EXISTING USE	AGE OF BUILDING	AREA	LAND TENURE	NET BOOK VALUE
1	H.S.(D) No.9469, PT No.7923, Mukim Batu Caves, Selangor Darul Ehsan	4-Storey Shop / Head Office Building	11 Years	226 sq.m (2,434sq.ft)	Freehold	570,000
2	H.S.(D) No.100241, PT No.62760, Mukim Plentong, Johor Darul Ta'zim	2-Storey Shop / Office Building Rented	15 Years	143.07 sq. m (1,540sq.ft)	Freehold	261,000
3	Lot 375, HS(M) 28582, PT 30603, Sector 4, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan,Pahang	Bungalow Lots / Vacant	-	1,380.1 sq.m	Leasehold 99 years expiring on 10 Sep 2092	172,383
4	Lot 378, HS(M) 28585, PT 30606, Sector 4, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang	Bungalow Lots / Vacant	-	871.8 sq.m	Leasehold 99 years expiring on 10 Sep 2092	127,045
5	HS(M) 28398, PT 30419, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang	Bungalow Lots / Vacant	-	1365.5 sq.m	Leasehold 99 years expiring on 10 Sep 2092	190,898
6	HS(M) 28402, PT 30423, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang	Bungalow Lots / Vacant	-	1401.5 sq.m	Leasehold 99 years expiring on 10 Sep 2092	195,931
7	HS(M) 28454, PT 30475, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang	Bungalow Lots / Vacant	-	1399.2 sq.m	Leasehold 99 years expiring on 10 Sep 2092	195,610
8	No. 21 Block A, Level 2, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA , 81200 Johor Bahru, Johor Darul Takzim.	Apartments / Vacant	3 Years	1043 sq.ft	Leasehold 99 years expiring on 22 March 2085	149,495
9	No. 22 Block A, Level 2, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA , 81200 Johor Bahru, Johor Darul Takzim.	Apartments / Vacant	3 Years	1043 sq.ft	Leasehold 99 years expiring on 22 March 2085	149,495
10	No. 21 Block A, Level 3, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA , 81200 Johor Bahru, Johor Darul Takzim.	Apartments / Vacant	3 Years	1043 sq.ft	Leasehold 99 years expiring on 22 March 2085	147,267
11	No. 22 Block A, Level 3, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA , 81200 Johor Bahru, Johor Darul Takzim.	Apartments / Vacant	3 Years	1043 sq.ft	Leasehold 99 years expiring on 22 March 2085	147,267







# PEMBINAAN LIMBONGAN SETIA BERHAD

(Incorporated in Malaysia)  
(160032-K)

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of the above named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing whom \_\_\_\_\_  
of \_\_\_\_\_

or the Chairman of the meeting as my/our proxy on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on Thursday, 25th day of September 2003 at 10.00 a.m, at Damai Utama Kelab Century Paradise, Jalan Melawati 3, Taman Melawati, 53100 Selangor Darul Ehsan.

*My/Our proxy is to vote either on a show of hands or on a poll as indicated below with an "X".*

ORDINARY/SPECIAL RESOLUTIONS		FOR	AGAINST
1.	Adoption of Reports and Accounts [Resolution 1]		
2.	Approval of Directors' Fee [Resolution 2]		
3.	Re-election of Directors :-		
	a. Encik Lokman Bin Omar [Resolution 3]		
	b. Tuan Haji Ibrahim Bin Haji Keling [Resolution 4]		
	c. Encik Azman Bin Bachok @ Abd Majid [Resolution 5]		
4.	Re-appointment of Auditors [Resolution 6]		
5.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965 [Resolution 7]		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2003

Number of shares held

\_\_\_\_\_  
Signature of Shareholder (s)

### Notes :

1. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company, and the provisions of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
3. If the appointor is a corporation, this proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, this proxy form, duly completed must be deposited at the Registered Office not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof.





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*AFFIX  
STAMP*

THE COMPANY SECRETARIES  
**PEMBINAAN LIMBONGAN SETIA BERHAD**  
17C, Wisma Limbongan Setia  
Jalan SG3/4, Taman Seri Gombak  
68100 Batu Caves  
Selangor Darul Ehsan

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