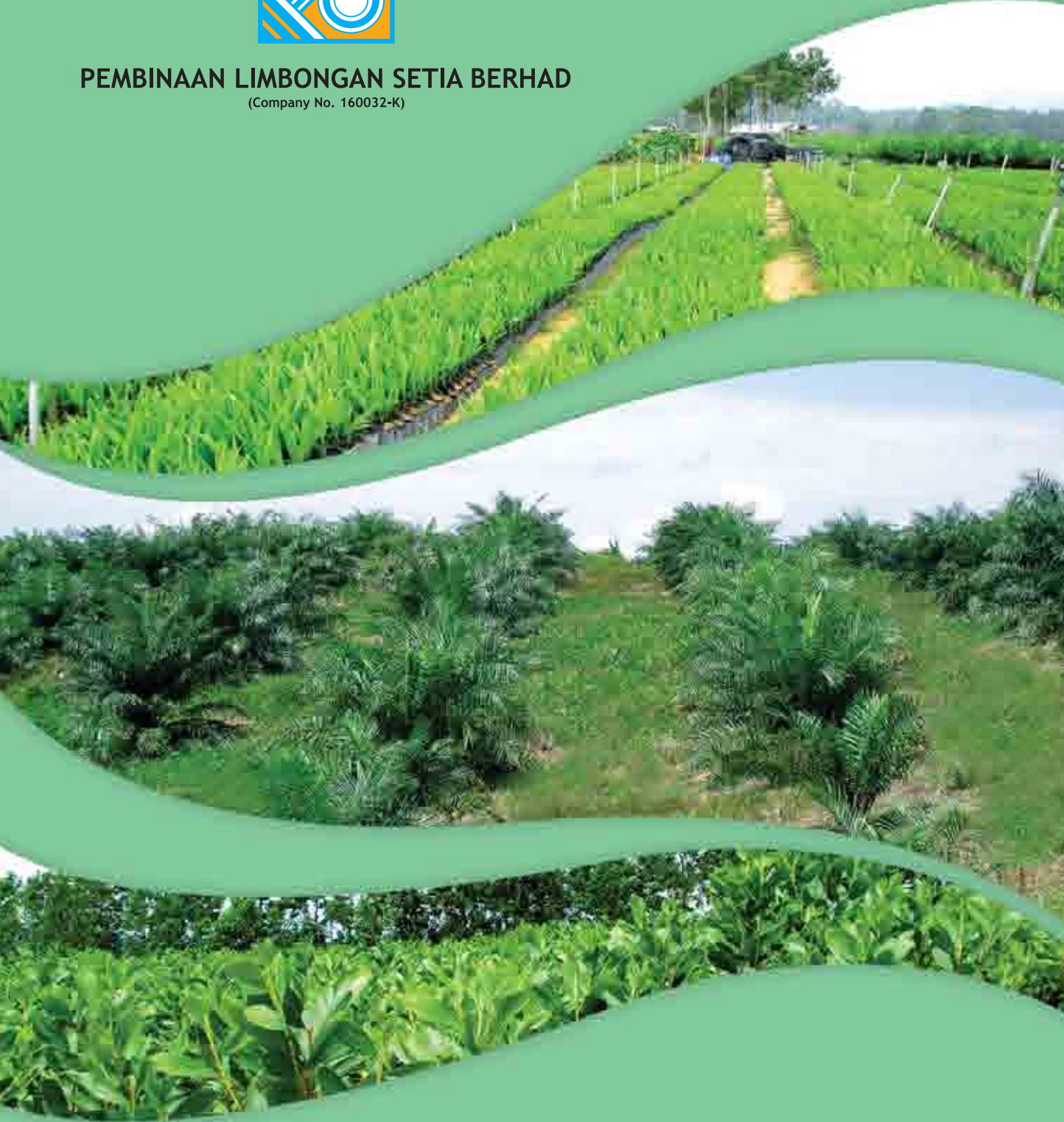




PEMBINAAN LIMBONGAN SETIA BERHAD

(Company No. 160032-K)





PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

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PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Notice of Twenty-First Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at Function Room, KKLub, Jalan Melawati 3, Taman Melawati, 53100 Selangor Darul Ehsan on Thursday, 25 September 2008 at 10.00 a.m. for the following purposes :-

AGENDA

1. To receive and consider the Audited Financial Statements for the financial year ended 31 March 2008 together with the Reports of the Directors and the Auditors thereon. [Resolution 1]
2. To approve the payment of Directors' fees for the financial year ended 31 March 2008. [Resolution 2]
3. To re-elect the following Directors who retire in accordance with Article 82 and Article 89 of the Company's Articles of Association :

a) Dato' Lim Kang Hoo	(Article 82)	[Resolution 3]
b) Ms Kang Hui Ling	(Article 82)	[Resolution 4]
c) Mr Lee Hun Kheng	(Article 89)	[Resolution 5]
4. To re-elect Dato' Haji Ibrahim bin Haji Keling who retires in accordance with Section 129 (6) of the Companies Act, 1965. [Resolution 6]
5. To re-appoint Messrs. KPMG as auditors of the Company and to authorise the Directors to fix their remuneration. [Resolution 7]
6. As Special Business, to consider and if thought fit, to pass the following resolutions with or without modifications :-

ORDINARY RESOLUTION 1

Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

"That subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the Bursa Malaysia Securities Berhad and other relevant governmental / regulatory authorities, where such approvals are necessary, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company ."

[Resolution 8]

ORDINARY RESOLUTION 2

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature with the nine (9) related parties as per paragraph 3.3 (i) –(ix) of the Circular to Shareholders

"That authority be and is hereby given pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in paragraph 3.4 of the Circular to Shareholders dated 3 September 2008 with the related parties listed in paragraph 3.3 of the Circular to Shareholders which are necessary for the day-to-day operations, in the ordinary course of business, made at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those normally available to the public and are not to the detriment of the minority shareholders;



PEMBINAAN LIMBONGAN SETIA BERHAD
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Notice of Twenty-First Annual General Meeting (Cont'd)

And that the authority conferred by this Mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:

- i. the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that Annual General Meeting;
 - ii. the expiration of the period within which the next Annual General Meeting after the date, it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (but not extending to such extensions as may be allowed pursuant to Section 143 (2) of the Companies Act, 1965); or
 - iii. revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier". [Resolution 9]

6. To transact any other business for which due notice have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

By Order of the Board

LIM THIAM WAH, ACIS
MAH WAI HAR, ACIS
JOINT SECRETARIES

SELANGOR DARUL EHSAN

3 SEPTEMBER 2008

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.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- i. The Proposed Resolution 8 if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.
- ii. The Proposed Resolution 9, if passed, will authorize the Group to enter into recurrent related party transactions as specified in the Circular to shareholders dated 3 September 2008, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Statement Accompanying Notice of Annual General Meeting

Particulars of Directors who are standing for re-election at the Twenty-First Annual General Meeting

DETAILS	DATO' LIM KANG HOO	MS. KANG HUI LING	DATO' HAJI IBRAHIM BIN HAJI KELING	MR LEE HUN KHENG
Directorships	Non-Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Executive Director
Age	53	36	70	31
Nationality & Race	Malaysian Chinese	Malaysian Chinese	Malaysian Malay	Malaysian Chinese
Qualification	Details as disclosed on page 6	Details as disclosed on page 7	Details as disclosed on page 7	Details as disclosed on page 7
Working experience & occupations	Details as disclosed on page 6	Details as disclosed on page 7	Details as disclosed on page 7	Details as disclosed on page 7
Other directorships of public listed companies	Details as disclosed on page 6	Details as disclosed on page 7	Details as disclosed on page 7	Details as disclosed on page 7
Attendance at board meetings	3/5	5/5	5/5	-
Securities holdings in the Company	None	None	None	None
Family relationship with any director and/or major shareholder of the company	Details as disclosed on page 6	None	None	Details as disclosed on page 7
Conflict of interest	Details as disclosed on page 67	None	None	None
Convictions of offences	None	None	None	None

Place, date & hour of General Meeting held during the financial year ended 31 March 2008

Type	Date & Hour	Place
20th Annual General Meeting	28 September 2007 at 10.00 am	Function Room, KKlub, Jalan Melawati 3, Taman Melawati, 53100 Selangor Darul Ehsan



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Corporate Information

REGISTERED OFFICE

17 C, Wisma Limbongan Setia
Jalan SG 3/4
Taman Seri Gombak
68100 Batu Caves
Selangor Darul Ehsan.
Tel : 03-6187 5288 (10 lines)
Fax : 03-6187 5289

AUTHORISED & PAID-UP CAPITAL

Authorised RM200.0 million
Paid-up RM65.34 million

PRINCIPAL BANKERS

AmBank Bhd
Public Bank Bhd
EON Bank Bhd
Maybank Bhd

STOCK EXCHANGE

Bursa Malaysia Securities Berhad
(Second Board)
Sector: Plantation
Stock Name: PLS
Stock Code: 9695

AUDITORS

KPMG (Firm No : AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan.
Tel : 03-7721 3388
Fax : 03-7721 3399

COMPANY SECRETARIES

Mr. Lim Thiam Wah, ACIS
Madam Mah Wai Har, ACIS

SHARE REGISTRAR

Sectrars Services Sdn Bhd
28-1, Jalan Tun Sambanthan 3 Brickfields
50470 Kuala Lumpur.
Tel : 03-2274 6133
Fax : 03-2274 1016

BOARD OF DIRECTORS

Encik Johar Salim Bin Yahaya (Executive Chairman)
Dato' Lim Kang Yew (Managing Director)
Mr Lee Hun Kheng (Executive Director)
(Appointed on 1-08-2008)
Dato' Lim Kang Hoo (Non-Independent Non-Executive Director)
Dato' Lim Kang Poh (Non-Independent Non-Executive Director)
Dato' Haji Ibrahim Bin Haji Keling (Independent Non-Executive Director)
Encik Hisham Bin Mahmood (Independent Non-Executive Director)
Miss Kang Hui Ling (Independent Non-Executive Director)

AUDIT COMMITTEE

Dato' Haji Ibrahim Bin Haji Keling (Chairman)
Miss Kang Hui Ling (Member)
Encik Hisham Bin Mahmood (Member)



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Directors' Profile

Encik Johar Salim bin Yahaya, Executive Chairman

Encik Johar Salim bin Yahaya, a Malaysian and aged 55 was appointed to the Board on 4 March 1997 and as Executive Chairman on 1 August 2003. He graduated with a Bachelor of Economics (Hons) Degree from University Malaya, Kuala Lumpur. Encik Johar started his career with Bank of America in 1976 and later moved to Malaysian French Bank in 1983. He joined Kumpulan Prasarana Rakyat Johor Sdn Bhd in 1996 and is a Director of Tebrau Teguh Bhd. He is also a director in several other private limited companies.

Encik Johar Salim bin Yahaya does not have any conflict of interest nor any personal interest in any business arrangement involving the Company. He does not have any family relationship with any of the directors and / or substantial shareholders of the Company. Encik Johar Salim bin Yahaya does not hold any shares in PLS.

Dato' Lim Kang Yew, Managing Director

Dato' Lim Kang Yew, a Malaysian and aged 51 was appointed to the Board on 10 March 1987 and as Managing Director on 12 December 1994. He has more than 20 years of experience in the construction industry. He started with his own construction company mainly involved in civil engineering and building works and established good working relationship with some government agencies. His vast experiences in this field have proven to be invaluable to the Group. He is currently a Non-Executive Director of TSR Capital Bhd and also a director of several other private limited companies.

Dato' Lim Kang Yew is deemed to be interested in the related party transactions disclosed on page 68 of the Annual Report. He is the brother of Dato' Lim Kang Hoo and Dato' Lim Kang Poh. He is an uncle to Mr Lee Hun Kheng. The interest of Dato' Lim Kang Yew in the Company is disclosed on page 23 of the Annual Report.

Dato' Lim Kang Hoo, Non-Independent Non-Executive Director

Dato' Lim Kang Hoo, a Malaysian and aged 53 was appointed to the Board on 28 May 2004. He is a businessman with over 30 years of experience in the construction and machinery related industry. His dynamism and vision coupled with hard work saw the companies that he lead grow by leaps and bound. Ekovest Bhd and Knusford Bhd which are listed on the main board of Bursa Malaysia are results of his involvement. At present, he is the Executive Vice-Chairman of Ekovest Bhd and an Executive Director of Knusford Bhd and also a director of several other private limited companies.

Dato' Lim Kang Hoo is deemed to be interested in the related party transactions disclosed on page 68 of the Annual Report. He is the brother of Dato' Lim Kang Yew and Dato' Lim Kang Poh. He is an uncle to Mr Lee Hun Kheng. Dato' Lim Kang Hoo does not hold any shares in PLS.

Dato' Lim Kang Poh, Non-Independent Non-Executive Director

Dato' Lim Kang Poh, a Malaysian and aged 51 was appointed to the Board on 6 Oct 2005. He started his career in the construction industry in 1976 and the age of 19 under Syarikat Tas Jaya, a partnership with a class C licence from Pusat Khidmat Kontraktor. The partnership was subsequently converted to a private limited company under the name of Pembinaan Tasja Sdn Bhd on 20 Dec 1990 which now known as Tasja Sdn Bhd. At present, he is the Deputy Executive Chairman of Astral Asia Bhd.

Dato' Lim Kang Poh is deemed to be interested in the related party transactions disclosed on page 68 of the Annual Report. He is the brother of Dato' Lim Kang Yew and Dato' Lim Kang Hoo. He is an uncle to Mr Lee Hun Kheng. The interest of Dato' Lim Kang Poh in the Company is disclosed on page 23 of the Annual Report.



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Directors' Profile (Cont'd)

Dato' Haji Ibrahim bin Haji Keling, *Independent Non-Executive Director*

Dato' Haji Ibrahim bin Haji Keling, a Malaysian and aged 70 was appointed to the Board on 15 November 1994. He graduated with a Bachelor of Commerce degree and a Diploma in Business Administration in 1969 both from the Victoria University of Wellington, New Zealand. He also attended a senior management course at Cambridge University, England in 1975/1976, and a Senior Managerial Program conducted by the Harvard Business School in 1988. He retired in 1993 where the last position he held was as Director of Management Service Department, FELDA. He also sat on the Board of Perbadanan Binaan FelDa. Currently, he is a Director of several other private limited companies.

Dato' Haji Ibrahim bin Haji Keling does not have any conflict of interest nor any personal interest in any business arrangement involving the Company. He does not have any family relationship with any of the directors and / or substantial shareholder of the Company. Dato' Haji Ibrahim bin Haji Keling does not hold any shares in PLS.

Encik Hisham bin Mahmood, *Independent Non-Executive Director*

Encik Hisham bin Mahmood, a Malaysian and aged 49 was appointed to the Board on 4 March 1997. He graduated with a Bachelor of Arts Degree in Economics from University of Kent, Canterbury, United Kingdom. He started his career in the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad and later ventured into his own family business which deals in the tender of military equipment for the Malaysian Armed Forces as well as the supply of pipelines and tubular goods for the oil and gas industry. He is currently also a director of several other private limited companies.

Encik Hisham bin Mahmood does not have any conflict of interest nor any personal interest in any business arrangement involving the Company. He does not have any family relationship with any of the directors and / or substantial shareholders of the Company. Encik Hisham bin Mahmood does not hold any shares in PLS.

Miss Kang Hui Ling, *Independent Non-Executive Director*

Miss Kang Hui Ling, a Malaysian and aged 36, joined the Board on 6 April 2005. She holds a Bachelor of Accounting (Hons) Degree from University of Malaya in 1997. She is a member of the Malaysian Institute of Public Accountant and the Malaysian Institute of Accountants. Since her graduation, she acquired 4 years of audit experience in one of the big four audit firm. As audit senior associate, she also gained exposure in field of operation audit and financial due diligence. Subsequently she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures. She is presently a partner of a professional firm registered with Malaysian Institute of Accountants. She is also an independent Non-Executive Director of Ekovest Berhad and Knusford Berhad.

Miss Kang Hui Ling does not have any conflict of interest nor any personal interest in any business arrangement involving the Company. She does not have any family relationship with any of the directors and / or substantial shareholders of the Company. Miss Kang Hui Ling does not hold any shares in PLS.

Mr Lee Hun Kheng, *Executive Director*

Mr Lee Hun Kheng, a Malaysian and aged 31, was appointed to the Board on 1 August 2008. He graduated with a Degree in Mechanical Engineering from University of Monash, Melbourne, Australia in 2000. Upon his return to Malaysia, he commenced his career as a Sales Engineer in a Public Listed company specializing in Rental, Sales and Reconditioning of heavy and light machineries. During his 3 years service with the company, he has learnt commercial knowledge and marketing skills while providing machinery technical support and training to the users. Besides, he is also actively involved in new business development such as machinery product distributorship.

He then joined Aramijaya Sdn Bhd in 2003, a subsidiary of Pembinaan Limbongan Setia Berhad as a Marketing Manager, responsible for setting up new accounts of timber products, both domestic and export market. As part of plantation project research and development, he has explored various timber industries to increase product line as well as introducing modern timber processing systems to the company. Subsequently, he was appointed as the Executive Director and Chief Executive Officer of Aramijaya Sdn Bhd, positions that he currently hold.

He is the nephew of Dato' Lim Kang Hoo, Dato' Lim Kang Yew and Dato' Lim Kang Poh. Save for the above, he does not have any family relationship with any other directors of the Company. Mr Lee Hun Kheng does not hold any shares in PLS.



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Executive Chairman's Statement



On behalf of the Board of Directors of Pembinaan Limbongan Setia Bhd, I am pleased to present the Annual Report of the Company and the Group for the financial year ended 31st March 2008.

INDUSTRIAL TRENDS AND DEVELOPMENT

The growth of the global economy during the last financial year was sustained by the emerging market economies, led by China, India and ASEAN countries which mainly concentrated on exports to non US markets and domestic consumption.

In Malaysia, real Gross Domestic Product (GDP) remained sturdy with a growth of 7.1% in the first quarter of 2008 as compared to 7.3% in the previous quarter, supported by positive growth in all sectors. Solid growth of 6.3% was recorded in the agriculture sector on account of buoyant production in oil palm due to improvement in palm oil yields and livestock sub-sectors. The construction sector expanded further by 5.3% on account of robust activity in the civil engineering sector due to higher activity in the oil and gas sector, the implementation of projects under the Ninth Malaysia Plan (9MP) and non-residential sub-sectors even though the residential sub-sector market contracted. Value added of fishing, cocoa, forestry and logging sub-sectors declined marginally

respectively. Other positive factors includes strong domestic demand underpinned by higher private consumption, firm commodity prices and stable labour market conditions with the supportive growth in both private and public investment.

Inflation rate remains manageable as the increase is reflective of the current escalating prices of food related commodities, such as wheat, rice, palm oil, cocoa and dairy products. Performance of the ringgit varied against the major and regional currencies, amid increased volatility in financial markets with the support from continued trade and investment inflows.

Global growth for 2008 is expected to be moderate due to higher oil prices and inflationary pressures as well as a protracted slowdown in the US economy. On the domestic front, the Malaysian economy will continue on its growth trajectory in the remaining quarters of 2008 supported by strong domestic demand and investment activities with expected drive from the robust services, construction and mining sectors.

(Source : Malaysian Economic Report 1st Quarter 2008)



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Executive Chairman's Statement (Cont'd)

FINANCIAL RESULTS AND OPERATION REVIEWS

For the financial year ended 31 March 2008, the Group registered a lower revenue of RM35.1 million as compared to RM55.4 million in the previous year. As a result, the Group recorded a pre-tax loss of RM3.4 million as compared to a pre tax profit of RM6.8 million attained in financial year 2007.

The lower revenue was mainly due to lower production and stocking of logs and woodchips in the timber activities, as the timber activities moved towards the completion of its first cycle in the 60 year concession period of the harvesting programme. As for construction operation, there was no new contract secured during the financial year. The Group, however, had secured a letter of intent for a "design and build" project known as 'Ward Hospital for Women and Children' in Seremban, the same of which is expected to contribute to the Group's earnings and book order.

The Group reported a marginal net asset per share attributable to equity holders of the holding company from RM0.23 per share in the previous financial year to RM0.22 in the current financial year based on the enlarged number of ordinary shares issued after the share split which had been completed on 22 October 2007.

CORPORATE DEVELOPMENT

In order to improve the marketability and liquidity of the holding company, the Board had completed the following corporate exercises on 22 October 2007 :

- i) Share split which involves the subdivision of every one (1) existing ordinary share of RM1.00 each into five (5) new ordinary shares of RM0.20 each in the Company; and
- ii) Amendments to the Memorandum and Articles of Association of the Company to reflect the subdivision of the par value and the alteration of the authorised share capital in order to facilitate the Share Split exercise.

The Board of Directors is confident that the corporate exercise stated above will benefit the Company and the Group. As at todate, the unutilised proceeds raised from previous right issue exercise remained at RM11.1 million. The Board will continue to explore other related business operations and credible investment opportunities to improve the Group's performances by utilising the funds.

OPERATION STRATEGY

In view of the Group's performance as at 31 March 2008, the Group and the Company have and will place more efforts in taking several counter-measures including the followings to remedy the situation for the incoming year :-

- to improve its productivity through maximizing the use of its existing resources by replanting better species such as Acacia Hybrid which has a shorter time span for growth to ensure the viability and continuity of the projects undertaken in timber division;
- to develop marketing strategies for a better pricing and be vigilant in selecting new customers;
- to increase the efficiency in both divisions' operations in order to remain resilient throughout the uncertain complex business environment. To this end, the introduction of smaller capacity and fuel-economy timber handling or harvesting machineries will enable our timber division to sustain its profit margin with a lower production cost; and
- to take advantage of the Government's subsidised diesel on our cargo trailer or goods carrying vehicles for woodchips and logs.

Barring all unforeseen circumstance, the Board of Directors is confident that the Group's operation will be more cost effective by implementing these measures and results for the incoming year will be more favourable than its previous year.



PEMBINAAN LIMBONGAN SETIA BERHAD
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Executive Chairman's Statement (Cont'd)

PROSPECT

Despite of the uncertainties in the global market economies, uncertain crude oil price and inflation pressure, the Board remains optimistic that the construction arm will be able to secure new projects from the 9MP and other various economic growth corridors such as Iskandar Malaysia (IM) and Economic Coast Economic Region (ECER).

At the same time, the Group will continue to increase its plantation landbank for the replanting of acacia wood. The Board is also considering the possibility of diversifying into rubber plantation while exploring such expansion program, the Group has ventured into down stream timber products such as the manufacturing of particle board which utilises wood waste derived from saw mills and forest clearance during the replanting process. The Board is also interested in seeking new strategic alliances with both local and multi-national companies for future investment and development.

The Board anticipates that the Group's performance will be satisfactory in the forthcoming financial year due to unabated demand in wood chips and other related products from both the local and overseas market in our forest plantation activities and the favourable prospect in the oil palm plantation.

DIVIDEND

The Board of Directors does not recommend any dividend payment in respect of the financial year ended 31 March 2008 at the forthcoming Annual General Meeting.

APPRECIATION

On behalf of the Board of Directors and Management, I would like to extend a warm welcome to Mr Lee Hun Kheng to our Board. My sincere gratitude and appreciation goes out to all our loyal shareholders, bankers, buyers and sellers, contractors, business associates, staff and management not least relevant government authorities for their continued support, confidence and trust in the Group and the Company.

JOHAR SALIM BIN YAHAYA
Executive Chairman



PEMBINAAN LIMBONGAN SETIA BERHAD
(Company No. 160032-K)

Statement on Corporate Governance

A) BOARD OF DIRECTORS

The Board

Pembinaan Limbongan Setia Berhad ("PLSB") is led and managed by an experienced and qualified Board comprising of members with a wide range of experience in business, construction and finance. The wide spectrum of skills and experience of the Directors have brought expertise and perspective to the leadership of PLSB. A brief profile of each Director is set out in pages 6 to 7 of this Annual Report.

The Board is responsible to ensure that PLSB and its Group of Companies are in compliance with the Malaysian Code of Corporate Governance. The Board is also responsible for the policies and general affairs of PLSB and retains full and effective control of the Company.

Composition

The Board is made up of eight (8) members, led by an Executive Chairman, Managing Director, Executive Director, two (2) Non-Independent Non Executive Directors and three (3) Independent Non-Executive Directors.

Board Balance

Affirmative actions have been taken by the Board to ensure that qualified independent individuals are appointed as Directors of the Company. The current composition of the Board is in compliance with the Malaysian Code of Corporate Governance and the Bursa Malaysia Securities Berhad ("Bursa Securities") requirements in respect of having at least one-third (1/3) of the membership of the Board comprising independent directors.

Size of Non-Executive Participation

To ensure Board balance, the Directors have given close consideration to the size of the non-executive participation in the Board. With the current composition of the Board, no individual is allowed to dominate the Board's decision making. The Board is satisfied that the current Board composition reflects the interest of the public shareholders of the Company.

Board Meetings

The Board meets on a scheduled basis at least four (4) times a year, with additional meetings convened when necessary. Five (5) Board Meetings were held during the financial year ended 31 March 2008. Details of the attendance of the Directors are as follows:

Members of the Board	Status	Attendance
1. Encik Johar Salim Bin Yahaya	Executive Chairman	5/5
2. Dato' Lim Kang Yew	Managing Director	5/5
3. Dato' Haji Ibrahim Bin Haji Keling	Independent Non-Executive Director	5/5
4. Encik Hisham Bin Mahmood	Independent Non-Executive Director	4/5
5. Miss Kang Hui Ling	Independent Non-Executive Director	5/5
6. Dato' Lim Kang Hoo	Non-Independent Non-Executive Director	3/5
7. Dato' Lim Kang Poh	Non-Independent Non-Executive Director	3/5
8. Mr. Lee Hun Kheng (Appointed on 1 August 2008)	Executive Director	-

Conduct of Meetings

It has been the practice of the Board that when a potential conflict of interest arises, it is mandatory for the Director concerned to declare his or her interests and abstain from further discussion and the decision making process.



PEMBINAAN LIMBONGAN SETIA BERHAD
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Statement on Corporate Governance (Cont'd)

Conduct of Meetings (Cont'd)

The Board has access to the advice and services of the Company Secretaries who are responsible for ensuring that the Board meetings are conducted in accordance with procedures and that all applicable rules and regulations are adhered to. The Company Secretaries maintain minutes and record all resolutions passed at the Board meetings.

Supply of Information

Head of each departments, divisions and wholly-owned subsidiaries of the Company is required to submit their reports at each scheduled Board meetings where required.

Access to Information

All Directors are provided with an agenda and board papers prior to every Board meeting to enable the Directors to obtain further information on major financial, operational and corporate matters as well as on the activities and performance of the Group and Company. This is in addition to the schedule of matters specifically reserved for the Board's decision.

Access to Advice

The Board is given unlimited access to all staff of the Group and Company to obtain any information pertaining to the Company's or the Group's affairs. In addition to the advice and services of the Company Secretaries, the Directors may also seek independent advice from external source should the need arises.

Appointment and Re-election of Directors

The Listing Requirements of Bursa Securities provides that each Director, including the Managing Director and/or Executive Directors, shall retire from office at least once in every three years and he/she can offer himself/herself for re-election. Directors who are newly appointed by the Board are subjected to re-election by the shareholders at the Annual General Meeting held following their appointment.

B) BOARD COMMITTEES

The following Board Committees have been established to assist the Board in the discharge of its duties and execution of specific responsibilities.

Audit Committee

The composition of the Audit Committee is in accordance with the Listing Requirements of Bursa Securities, whereby all of the members must be Non-Executive Directors with a majority of them being Independent Directors and one of the members being a qualified accountant.

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to financial reporting and internal control systems. The Audit Committee works under clearly defined terms of reference, which has been approved by the Board. The Audit Committee Report is set out on pages 19 to 21.

Nomination Committee

The duties of the Nomination Committee include considering candidates for Board vacancies and recommending all appointments to the Board of Directors. The Board will consider such recommended appointments and approve if they are found to be appropriate and suitable. The Nomination Committee works under clearly defined terms of reference, which has been approved by the Board.

The members of the Nomination Committee, all of whom are Independent Non-Executive Directors, are as follows:

1. Dato' Haji Ibrahim bin Haji Keling (Chairman)
2. Encik Hisham bin Mahmood
3. Miss Kang Hui Ling



PEMBINAAN LIMBONGAN SETIA BERHAD
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Statement on Corporate Governance (Cont'd)

Remuneration Committee

The duties of the Remuneration Committee is to ensure that the remuneration of the Directors commensurate with the skills, experience and responsibilities of the Directors. The Directors concerned would abstain from discussion pertaining to their own remuneration. The Remuneration Committee works under clearly defined terms of reference, which has been approved by the Board.

The members of the Remuneration Committee, a majority of whom are Independent Non-Executive Directors, are as follows:

1. Dato' Haji Ibrahim Bin Haji Keling (Chairman)
2. Encik Hisham Bin Mahmood
3. Miss Kang Hui Ling
4. Dato' Lim Kang Yew

C) DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Programme and the Continuing Education Programme as prescribed by Bursa Securities.

During the financial year, the following training courses were attended by different directors: -

- a) Corporate Governance and Media
- b) Intellectual Property – The Key to Malaysian Industries' Competitive Advantage

The Company will continue to arrange further development and training programmes for the Directors in order to update and enhance their skills and knowledge, which are important for carrying out their role effectively as a Director.

D) DIRECTORS' REMUNERATION

The Board as a whole determines the remuneration of each Director upon recommendation of the Remuneration Committee. Directors do not participate in decisions regarding their own remuneration packages.

Directors' fees are proposed for approval by the shareholders at the Company's Annual General Meeting, based on the recommendation of the Board.

Details of the remuneration of the Directors during the financial year ended 31 March 2008 are as follows:

	Fees (RM)	Salaries (RM)	Bonus (RM)	Benefit in kinds (RM)	Other emoluments (RM)	Total (RM)
Executive Directors	-	541,200	30,000	36,338	-	607,538
Non-Executive Directors	25,000	-	-	-	-	25,000

Number of Directors whose total remuneration falls within the following bands:

Remuneration Bands	Number of Directors	
	Executive	Non-Executive
Up to RM50,000	-	5
RM100,000 to RM150,000	1	-
RM450,000 to RM500,000	1	-



PEMBINAAN LIMBONGAN SETIA BERHAD
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Statement on Corporate Governance (Cont'd)

E) ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, investors and regulatory authorities, the Board of Directors aim at presenting a balanced and understandable assessment of the position and prospects of the Company and the Group. The Statement of Directors' Responsibilities pursuant to Section 169 of the Companies Act, 1965 is set out at page 26 of this Annual Report.

Internal Control

The Board is responsible in ensuring that the system of internal controls is in place and that its effectiveness be constantly reviewed to ensure the adequacy of the system. The review on the system of internal controls is set out under the Statement on Internal Control pages 17 to 18 of this Annual Report.

Relationship with the Auditors

The Board has established and maintains an active, transparent and professional relationship with the auditors, both external and internal, through the Audit Committee.

The External Auditors attend the Audit Committee Meetings at least twice a year and meet the Audit Committee without the presence of the management. The External Auditors are given access to books and records of the Group and Company at all times. The Board, through the Audit Committee, also seeks the External Auditors' professional advice in ensuring compliance with the appropriate accounting standards in Malaysia and the provisions of the Companies Act, 1965.

F) RELATIONSHIP WITH SHAREHOLDERS

Dialogue between Company and Investors

PLSB recognises its responsibility to its shareholders. The timely release of quarterly financial results of the Group and Company and the issue of the Group and Company's Annual Reports provide regular information on the state of affair of the Group and the Company. All of these together with announcements to Bursa Securities, circular to shareholders and, where appropriate, ad-hoc press statements and interviews are principal channels for dissemination of information to shareholders, investors and the public in general.

Annual General Meeting

Notice of Annual General Meeting and the Annual Report are sent out to the shareholders in accordance with the time period prescribed by law.

The shareholders are encouraged to attend the Annual General Meeting as it serves as an important avenue for the shareholders to communicate with the members of the Board. The Chairman includes in his agenda and allocates time for a question and answer session for each item in the agenda, whereby shareholders have the opportunity to raise questions, and seek clarification on business and performance of the Group and Company. The Chairman will respond to any questions raised during the meeting.



PEMBINAAN LIMBONGAN SETIA BERHAD
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Statement on Corporate Governance (Cont'd)

G) STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Group and Company at end of each financial year and of the results and cash flows for the financial year then ended.

The Directors considers that in preparing the financial statements, the group has:

- Applied appropriate accounting policies consistently;
- Made reasonable and prudent judgements and estimates; and
- Have considered that all applicable approved accounting standards have been adhered to.

The Directors are responsible for ensuring that the Group and Company maintain accounting records which disclose with reasonable accuracy the financial position of the Group and Company, which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

H) COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE AND BURSA SECURITIES LISTING REQUIREMENTS

The Board of Directors is committed to ensure that Corporate Governance are observed and practised by PLSB and its Group of Companies so that the affairs of the Group are conducted with integrity, full transparency and professionalism with the main objective of safeguarding the interest of shareholders.

The Group and Company were in compliance throughout the financial year ended 31 March 2008 with the principles and best practices as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance and Bursa Securities requirements except the following:

Ref. to the Code	Details	Reasons
Part 1, BIII	Details of individual Directors' remuneration are not disclosed.	The Board is of the opinion that the existing information on Directors' remuneration is sufficient to cater to the transparency and accountability of the Malaysian Code on Corporate Governance.

I) ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of Bursa Securities, the following are additional information in respect of the financial year ended 31 March 2008 to be disclosed in this Annual Report:

1. Utilisation of Proceeds

The status of utilisation of proceeds from Rights Issue as at 28 July 2008 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance RM'000
Construction of Akademi Audit Negara	5,500	5,500	-
Working capital	37,169	26,039	11,130
Expenses to related to Rights Issue*	891	891	-
Total	43,560	32,430	11,130

* Unutilised expenses of RM409,000 related to Rights Issue has been re-allocated to working capital. The utilisation of Rights Issue proceeds has been further extended from 13 February 2008 to 13 February 2009.



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Statement on Corporate Governance (Cont'd)

2. Share Buy Back

The Company did not carry out any share buy back during the financial year.

3. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year.

4. American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") Programme

The Company did not participate in any ADR or GDR Programme during the financial year.

5. Imposition of Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Director or management by the relevant regulatory bodies during the financial year under review.

6. Non-Audit Fees

In the financial year under review, the External Auditors were appointed to review the Statement of Internal Control as required by Bursa Securities Listing Requirement. The amount of non-audit fee incurred was RM 5,000.00.

7. Variation in Results

There was no significant variation in the financial results of the Company and the Group as compared to the previously announced unaudited profit.

8. Profit Guarantee

There was no profit guarantee given by the Company in respect of the financial year ended 31 March 2008.

9. Revaluation related party transaction

The Company did not adopt any revaluation policy on landed properties.

10. Recurrent related party transactions

At the 20th Annual General Meeting of the Company held on 28 September 2007, the Company had obtained shareholders approval for the renewal of the mandate to enter into recurrent related party transactions of revenue trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business with related parties. The said mandate takes effect on 28 September 2007 until the conclusion of the forthcoming Annual General Meeting of the Company.

The Company is seeking shareholders' approval to renew the existing mandate for recurrent related party transactions of revenue trading nature at the forthcoming Annual General Meeting to be held on 25 September 2008. The details of the shareholders' mandate to be sought are furnished in the Circular to shareholders dated 3 September 2008, accompanying this Annual Report.

The aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2008 is disclosed on page 68 of this Annual Report.

11. Material Contracts

There were no material contracts entered into the Company and its subsidiaries involving Directors and major shareholders.

12. Material Contracts Relating to Loans

There were no material contracts relating to loan entered into by the Company and its subsidiaries involving Directors and major shareholders.

13. Corporate Social Responsibility

The Company only carry out general activities in relation to corporate social responsibility and will only endorse those action and projects that benefits the society at large.