Directors' Report
For The Year Ended 31 March 2009

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2009.

Principal activities

The Company is principally engaged in the undertaking of civil engineering and construction works, whilst the principal activities of the subsidiaries are as stated in Note 9 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Loss attributable to		
Shareholders of the Company	(3,127)	(1,962)
Minority interest	(497)	-
	(3,624)	(1,962)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year.

Dividends

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

Directors of the Company

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

Johar Salim bin Yahaya
Tan Sri Dato' Lim Kang Yew
Dato' Hj Ibrahim bin Haji Keling
Dato' Lim Kang Hoo
Hisham bin Mahmood
Kang Hui Ling
Dato' Lim Kang Poh
Lee Hun Kheng *(appointed on 1.8.2008)*

Directors' interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Directors' interests (Cont'd)

	Number of ordinary shares of RM0.20 each			
	At 1.4.2008	Bought	Sold	At 31.3.2009
Interest of Tan Sri Dato' Lim Kang Yew in the Company	29,975,000	6,200,000	-	36,175,000
Interest of Dato' Lim Kang Poh in the Company	-	27,073,000	-	27,073,000

By virtue of their interests in the shares of the Company, Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh 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 2009 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 or the fixed salary of a full time employee of the Company or of related companies) 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 29 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.

Issue of shares

There were no changes in the authorised, 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 balance sheets and income 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.

Directors' Report
For The Year Ended 31 March 2009 (Cont'd)

Other statutory information (Cont'd)

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 operation of the Group and of the Company for the financial year ended 31 March 2009 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 on behalf of the Board of Directors in accordance with a resolution of the Directors:

Johar Salim bin Yahaya

Tan Sri Dato' Lim Kang Yew

Kuala Lumpur,

Date: 29 July 2009

Statement by Directors

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 30 to 71 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2009 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Johar Salim bin Yahaya

Tan Sri Dato' Lim Kang Yew

Kuala Lumpur,
Date: 29 July 2009

Statutory Declaration

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

I, **Hei Kum Hong,** 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 30 to 71 are, to the best of my knowledge and belief, correct and 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 above named in Kuala Lumpur on 29 July 2009.

Hei Kum Hong

Before me:
Manmohan Singh A/L Chanan Singh
Commission for Oaths
No. W186
Kuala Lumpur

Independent Auditors' Report To The Members of Pembinaan Limbongan Setia Berhad

Report on the Financial Statements

We have audited the financial statements of Pembinaan Limbongan Setia Berhad, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 71.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2009 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report To The Members of Pembinaan Limbongan Setia Berhad (Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

c) We are satisfied that the accounts 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chin Shoon Chong
Approval Number: 2823/04/11(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 29 July 2009

Balance Sheets at 31 March 2009

	Note	Group 2009 RM'000	Group 2008 RM'000 Restated	Company 2009 RM'000	Company 2008 RM'000
Assets					
Property, plant and equipment	3	55,189	37,883	1,420	1,770
Intangible assets	4	1,223	1,223	-	-
Prepaid lease payments	5	9,326	9,932	1,178	1,192
Investment property	6	518	531	518	531
Forest plantation project	7	30,766	31,109	-	-
Deferred interests	8	11,675	12,894	-	-
Investments in subsidiaries	9	-	-	1,491	1,491
Amount due from a related party	10	52,500	52,500	-	-
Total non-current assets		161,197	146,072	4,607	4,984
Inventories	11	5,986	2,469	-	-
Receivables, deposits and prepayments	12	5,712	6,698	29,348	30,851
Current tax assets		277	-	277	-
Assets classified as held for sale	13	-	6,152	-	6,152
Cash and cash equivalents	14	33,457	29,844	32,704	27,980
Total current assets		45,432	45,163	62,329	64,983
Total assets		206,629	191,235	66,936	69,967
Equity					
Share capital	15	65,340	65,340	65,340	65,340
Reserves		4,621	4,621	4,621	4,621
Retained earnings/(Accumulated losses)		158	3,285	(8,211)	(6,249)
Total equity attributable to shareholders of the Company		70,119	73,246	61,750	63,712
Minority interest		3,472	3,969	-	-
Total equity		73,591	77,215	61,750	63,712
Liabilities					
Amount due to Johor State Government	16	46,061	48,254	-	-
Amount due to a related party	17	10,000	15,000	-	-
Borrowings	18	19,027	783	44	405
Deferred tax liabilities	19	347	1,047	-	-
Total non-current liabilities		75,435	65,084	44	405
Payables and accruals	20	19,148	15,819	4,781	5,478
Amount due to Johor State Government	16	2,193	2,193	-	-
Amount due to a related party	17	35,000	30,000	-	-
Borrowings	18	1,262	911	361	359
Taxation		-	13	-	13
Total current liabilities		57,603	48,936	5,142	5,850
Total liabilities		133,038	114,020	5,186	6,255
Total equity and liabilities		206,629	191,235	66,936	69,967

The notes on pages 35 to 71 are an integral part of these financial statements.

Income Statements

For The Year ended 31 March 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue					
- Contract revenue		-	1,157	-	1,157
- Sale of goods		19,509	31,606	-	-
- Logging income		150	1,830	-	-
- Management fees		90	510	-	-
		19,749	35,103	-	1,157
Cost of goods sold					
- Contract costs recognised as an expense		(148)	(2,380)	(148)	(2,380)
- Cost of goods sold		(17,823)	(27,358)	-	-
Gross profit/(loss)		1,778	5,365	(148)	(1,223)
Other income		1,146	1,076	670	545
Administrative expenses		(3,619)	(5,363)	(1,053)	(767)
Other expenses		(3,132)	(3,630)	(2,235)	(2,996)
Results from operating activities		(3,827)	(2,552)	(2,766)	(4,441)
Interest income		658	533	658	533
Finance costs	21	(1,327)	(1,348)	(26)	(38)
Loss before tax	22	(4,496)	(3,367)	(2,134)	(3,946)
Tax expense	24	872	706	172	(162)
Loss for the year		(3,624)	(2,661)	(1,962)	(4,108)
Attributable to:					
Shareholders of the Company		(3,127)	(3,094)	(1,962)	(4,108)
Minority interest		(497)	433	-	-
Loss for the year		(3,624)	(2,661)	(1,962)	(4,108)
Basic earnings per ordinary share (sen)	25	(0.96)	(0.95)		

The notes on pages 35 to 71 are an integral part of these financial statements.

Statements of Changes In Equity

For The Year ended 31 March 2009

	←Attributable to shareholders of the Company→					
	Non-distributable		*Distributable*			
Group	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Minority interest RM'000**	**Total equity RM'000**
At 1 April 2007	65,340	4,621	6,379	76,340	3,536	79,876
(Loss)/Profit for the year	-	-	(3,094)	(3,094)	433	(2,661)
At 31 March 2008/ 1 April 2008	65,340	4,621	3,285	73,246	3,969	77,215
Loss for the year	-	-	(3,127)	(3,127)	(497)	(3,624)
At 31 March 2009	65,340	4,621	158	70,119	3,472	73,591

	Non-distributable			
Company	**Share capital RM'000**	**Share premium RM'000**	**Accumulated losses RM'000**	**Total RM'000**
At 1 April 2007	65,340	4,621	(2,141)	67,820
Loss for the year	-	-	(4,108)	(4,108)
At 31 March 2008/1 April 2008	65,340	4,621	(6,249)	63,712
Loss for the year	-	-	(1,962)	(1,962)
At 31 March 2009	65,340	4,621	(8,211)	61,750

The notes on pages 35 to 71 are an integral part of these financial statements.

Cash Flow Statements

For The Year ended 31 March 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from operating activities					
Loss before tax		(4,496)	(3,367)	(2,134)	(3,946)
Adjustments for:					
Amortisation of prepaid lease payments	5	606	606	14	14
Amortisation of forest plantation project	7	343	622	-	-
Amortisation of deferred interests	8	1,219	1,218	-	-
Depreciation of property, plant and equipment	3	3,542	3,727	354	365
Depreciation of investment property	6	13	140	13	140
Gain on disposal of property, plant and equipment	22	(499)	(242)	(499)	(242)
Gain on disposal of assets classified as held for sale	22	(136)	-	(136)	-
Interest expense		108	130	26	38
Interest income		(658)	(533)	(658)	(533)
Property, plant and equipment written off	22	-	65	-	17
Allowance for doubtful debts		155	-	-	-
Operating profit/(loss) before working capital		197	2,366	(3,020)	(4,147)
Changes in working capital:					
Inventories		(3,517)	2,096	-	-
Receivables, deposits and prepayments		831	10,158	1,087	8,664
Payables and accruals		3,329	656	(697)	(3,111)
Amount due to Johor State Government		(2,193)	(2,193)	-	-
Cash (used in)/generated from operations		(1,353)	13,083	(2,630)	1,406
Income taxes (paid)/refund		(118)	652	(118)	68
Net cash (used in)/generated from operating activities		(1,471)	13,735	(2,748)	1,474

Cash Flow Statements

For The Year ended 31 March 2009 (Cont'd)

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash flows from investing activities					
Interest received		658	533	658	533
Proceeds from disposal of property, plant and equipment		500	242	500	242
Proceeds from disposal of assets classified as held for sale		6,288	-	6,288	-
Acquisition of property, plant and equipment	(ii)	(18,017)	(10,738)	(5)	(16)
Repayments/Advances from subsidiaries		-	-	416	242
Net cash (used in)/generated from investing activities		(10,571)	(9,963)	7,857	1,001
Cash flows from financing activities					
Withdrawals in pledged deposits placed with licensed banks		1,031	9	1,031	9
Interest paid		(108)	(130)	(26)	(38)
Proceeds from drawdown of term loan		16,800	-	-	-
Repayments of finance lease liabilities		(1,037)	(1,295)	(359)	(557)
Net cash generated from/(used in) financing activities		16,686	(1,416)	646	(586)
Net increase in cash and cash equivalents		4,644	2,356	5,755	1,889
Cash and cash equivalents at 1 April		28,813	26,457	26,949	25,060
Cash and cash equivalents at 31 March	(i)	33,457	28,813	32,704	26,949

(i) Cash and cash equivalents

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash and bank balances	14,642	16,409	13,889	14,545
Deposits with licensed banks (excluding deposits pledged)	18,815	12,404	18,815	12,404
	33,457	28,813	32,704	26,949

(ii) Acquisition of property, plant and equipment

During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM21,360,000 and RM5,000 (2008 - RM15,533,000 and RM958,000) respectively, of which RM2,832,000 and Nil (2008 - RM1,529,000 and RM942,000) respectively were acquired by means of finance lease, Nil (2008 - RM2,695,000) was capitalised from prepayments of the Group and RM511,000 (2008 - RM571,000) was depreciation capitalised to plantation development expenditure of the Group.

The notes on pages 35 to 71 are an integral part of these financial statements.

Pembinaan Limbongan Setia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Second Board of Bursa Malaysia Securities Berhad. The address of its registered office which is also its principal place of business is as follow:

Registered office/Principal place of business
17C, Wisma Limbongan Setia
Jalan SG 3/4
Taman Seri Gombak
68100 Batu Caves
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 March 2009 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 March 2009 do not include other entities.

The Company is principally engaged in the undertaking of civil engineering and construction works while the principal activities of other Group entities are as stated in Note 9.

The financial statements were approved by the Board of Directors on 29 July 2009.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Group and the Company have not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	**Effective date**
FRS 4, *Insurance Contracts*	1 January 2010
FRS 7, *Financial Instruments: Disclosures*	1 January 2010
FRS 8, *Operating Segments*	1 July 2009
FRS 123, *Borrowing Costs*	1 January 2010
FRS 139, *Financial Instruments: Recognition and Measurement*	1 January 2010
IC Interpretation 9, *Reassessment of Embedded Derivatives*	1 January 2010
IC Interpretation 10, *Interim Financial Reporting and Impairment*	1 January 2010
IC Interpretation 11, *FRS 2 – Group and Treasury Share Transactions*	1 January 2010
IC Interpretation 13, *Customer Loyalty Programmes*	1 January 2010
IC Interpretation 14, FRS 119 – *The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2010
Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*	1 January 2010
Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*	1 January 2010

Notes To The Financial Statements (Cont'd)

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned FRSs/Interpretations from the annual period beginning 1 April 2010, except for FRS 4, IC Interpretation 13 and 14 which are not applicable to the Group and the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. The initial application of the other standards (and their consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

FRS 8 will become effective for financial statements of the Group for the year ending 31 March 2011. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments (Note 26). Under FRS 8, the Group will present segment information in respect of its operating segments: construction, management service and plantation.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those relating to assessment of impairment on the following:

- property, plant and equipment
- cash generating units containing goodwill
- prepaid lease payments
- forest plantation project
- deferred tax assets

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Minority interest

Minority interest at the balance sheet date, being the portion of the net assets (excluding goodwill) of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Significant accounting policies (Cont'd)

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in the income statements.

(ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is completed, at which time it is reclassified as investment property. Any gain or loss arising on remeasurement is recognised in the income statements.

2. Significant accounting policies (Cont'd)

(c) Property, plant and equipment (Cont'd)

(iii) Plantation development expenditure

Plantation development expenditure represents pre-cropping costs incurred on land preparation, construction of drains, roads and irrigation, fertilisation, plant and planting, labour and any general overheads directly attributed to the development of the rootstock.

Pre-cropping costs incurred are capitalised at cost and amortised over the useful life of the rootstock commencing from the date of maturity of the rootstock.

Interest costs on borrowing costs that are directly attributed to new planting or replanting incurred prior to maturity are also included in the pre-cropping costs.

(iv) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(v) Depreciation

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term in which case they will be depreciated over their useful lives. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Plant and machineries	5 years
Office equipment	3 – 10 years
Motor vehicles	5 years
Fixture and fittings	5 – 10 years
Chipping plant factory	33 years

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(d) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Notes To The Financial Statements (Cont'd)

2. Significant accounting policies (Cont'd)

(d) Leased assets (Cont'd)

(i) Finance lease (Cont'd)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Other leases are operating leases and, except for leasehold land classified as prepaid lease payments, the leased assets are not recognised on the Group's balance sheet.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

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

(e) Forest plantation project

The forest plantation project is to be amortised to the income statements over the management period ("Management Period") of sixty (60) years based on the following formula:

$$\frac{\text{Volume Extracted}}{\text{Projected Total Commercial Extractable Volume for the Management Period}} \quad \text{X} \quad \text{Cost of forest plantation project}$$

The projected total commercial extractable volume for the management period is based on the extractable volume projected by an independent professional firm of valuers.

The policy for the recognition and measurement of impairment loss is in accordance with Note 2(m).

(f) Intangible assets

Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

2. Significant accounting policies (Cont'd)

(f) Intangible assets (Cont'd)

Goodwill (Cont'd)

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

Goodwill with indefinite useful lives is tested for impairment annually and whenever there is an indication that it may be impaired.

(g) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(c).

Depreciation is charged to the income statements on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

(ii) Determination of fair value

The Directors estimate the fair values of the Group's investment properties without involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Significant assumptions in arriving at the fair value of investment properties are disclosed in Note 6.

2. Significant accounting policies (Cont'd)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost of inventories includes raw material, direct labour, and a proportion of operating overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(j) Non-current assets held for sale

Non-current assets or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

(k) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of receivables, deposits and prepayments in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

2. Significant accounting policies (Cont'd)

(l) 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 statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(m) Impairment of assets

The carrying amounts of assets except for inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investment in subsidiaries) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised.

(n) Employee benefits

Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to the statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Notes To The Financial Statements (Cont'd)

2. Significant accounting policies (Cont'd)

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(p) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(q) Revenue recognition

(i) Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statements in proportion to the stage of completion of the contact. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statements.

2. Significant accounting policies (Cont'd)

(q) Revenue recognition (Cont'd)

(ii) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(iii) Logging income

Revenue from logging is measured at the fair value of the consideration receivable and is recognised in the income statements when the rights of logging have been transferred to logging contractor.

(iv) Management fee

Management fee is recognised when services are rendered and on an accrual basis.

(v) Rental income

Rental income from investment property is recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(r) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

The difference between the nominal amount payable and the present value of deferred privatisation consideration is recognised as interest expense over the repayment period of the privatisation consideration.

Notes To The Financial Statements *(Cont'd)*

2. Significant accounting policies (Cont'd)

(s) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(u) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Property, plant and equipment

Group Cost	Freehold land RM'000	Buildings RM'000	Plant and machineries RM'000	Office equipments RM'000	Motor vehicles RM'000	Fixture and fittings RM'000	Chipping plant factory RM'000	Plantation development expenditure RM'000	Capital work-in progress RM'000	Total RM'000
At 1 April 2007	98	590	17,775	1,383	5,836	881	5,105	8,192	1,401	41,261
Additions	-	246	1,356	29	996	57	196	12,653	-	15,533
Disposals	-	-	-	-	(1,497)	-	-	-	-	(1,497)
Write-off	-	-	(54)	(198)	(4)	-	-	-	-	(256)
Reclassification	-	1,401	52	-	(52)	-	-	-	(1,401)	-
At 31 March 2008/ 1 April 2008	98	2,237	19,129	1,214	5,279	938	5,301	20,845	-	55,041
Additions	-	181	304	45	328	399	-	14,659	5,444	21,360
Disposals	-	-	(180)	(19)	(1,829)	-	-	-	-	(2,028)
Write-off	-	-	-	-	(145)	-	-	-	-	(145)
Adjustment	-	-	2	2	49	1	-	-	-	54
At 31 March 2009	98	2,418	19,255	1,242	3,682	1,338	5,301	35,504	5,444	74,282
Accumulated depreciation										
At 1 April 2007	-	165	7,777	1,113	4,700	366	427	-	-	14,548
Charge for the year	-	12	3,358	81	529	159	159	-	-	4,298
Disposals	-	-	-	-	(1,497)	-	-	-	-	(1,497)
Write-off	-	-	(5)	(186)	-	-	-	-	-	(191)
Reclassification	-	-	5	-	(5)	-	-	-	-	-
At 31 March 2008/ 1 April 2008	-	177	11,135	1,008	3,727	525	586	-	-	17,158
Charge for the year	-	12	3,108	75	524	175	159	-	-	4,053
Disposals	-	-	(180)	(18)	(1,829)	-	-	-	-	(2,027)
Write-off	-	-	-	-	(145)	-	-	-	-	(145)
Adjustment	-	-	2	2	49	1	-	-	-	54
At 31 March 2009	-	189	14,065	1,067	2,326	701	745	-	-	19,093
Carrying amounts										
At 1 April 2007	98	425	9,998	270	1,136	515	4,678	8,192	1,401	26,713
At 31 March 2008/ 1 April 2008	98	2,060	7,994	206	1,552	413	4,715	20,845	-	37,883
At 31 March 2009	98	2,229	5,190	175	1,356	637	4,556	35,504	5,444	55,189

Notes To The Financial Statements (Cont'd)

3. Property, plant and equipment (Cont'd)

Company Cost	Freehold land RM'000	Buildings RM'000	Plant and machineries RM'000	Office equipments RM'000	Motor vehicles RM'000	Fixture and fittings RM'000	Total RM'000
At 1 April 2007	98	590	2,025	1,223	4,541	96	8,573
Additions	-	-	-	8	950	-	958
Disposals	-	-	-	-	(1,497)	-	(1,497)
Write-off	-	-	-	(198)	(4)	-	(202)
At 31 March 2008/ 1 April 2008	98	590	2,025	1,033	3,990	96	7,832
Additions	-	-	-	5	-	-	5
Disposals	-	-	(180)	(19)	(1,829)	-	(2,028)
Write-off	-	-	-	-	(145)	-	(145)
At 31 March 2009	98	590	1,845	1,019	2,016	96	5,664
Accumulated depreciation							
At 1 April 2007	-	165	2,017	1,048	4,057	92	7,379
Charge for the year	-	12	6	46	300	1	365
Disposals	-	-	-	-	(1,497)	-	(1,497)
Write-off	-	-	-	(185)	-	-	(185)
At 31 March 2008/ 1 April 2008	-	177	2,023	909	2,860	93	6,062
Charge for the year	-	12	2	36	303	1	354
Disposals	-	-	(180)	(18)	(1,829)	-	(2,027)
Write-off	-	-	-	-	(145)	-	(145)
At 31 March 2009	-	189	1,845	927	1,189	94	4,244
Carrying amounts							
At 1 April 2007	98	425	8	175	484	4	1,194
At 31 March 2008/ 1 April 2008	98	413	2	124	1,130	3	1,770
At 31 March 2009	98	401	-	92	827	2	1,420

3.1 Leased plant and machinery

At 31 March 2009, the net carrying amount of leased motor vehicles and plant and machineries of the Group and the Company were RM4,141,000 and RM825,000 (2008 - RM2,414,000 and RM1,127,000) respectively.

3.2 Capitalisation of depreciation and interest expense under plantation development expenditure

Depreciation and interest amounted to RM511,000 (2008 - RM571,000) and RM406,000 (2008 - Nil) respectively are capitalised under plantation development expenditure of the Group during the financial year.

4. Intangible assets

Group	Goodwill RM'000
Cost	
At 1 April 2007/31 March 2008/31 March 2009	1,223
Impairment loss	
At 1 April 2007/31 March 2008/31 March 2009	-
Carrying amounts	
At 1 April 2007/31 March 2008/31 March 2009	1,223

4.1 Impairment testing for goodwill

Goodwill of RM1,223,000 (2008 - RM1,223,000) represents the unamortised balance of goodwill arising from consolidation of a subsidiary, Aramijaya Sdn. Bhd.

The recoverable amount is estimated based on its value in use and it is higher than the carrying amount of goodwill. Hence, there is no impairment loss recognised during the year.

Value in use was determined by discounting the future cash flows generated from the continuing operations of the subsidiary and was based on the following key assumptions:

- Revenue and cash flows were projected based on actual operating results for timber business and projected operating results for oil palm business.
- The selling prices for timber and oil palm products were assumed to be consistently applied.
- Costs were assumed to increase by 3% per annum.

The key assumptions represent management's assessment of future operations and are based on both external sources and internal sources (historical data).

5. Prepaid lease payments

Group	Unexpired period less than 50 years RM'000	Unexpired period more than 50 years RM'000	Total RM'000
Cost			
At 1 April 2007/31 March 2008/31 March 2009	11,504	1,250	12,754
Accumulated amortisation			
At 1 April 2007	2,172	44	2,216
Amortisation for the year	592	14	606
At 31 March 2008/1 April 2008	2,764	58	2,822
Amortisation for the year	592	14	606
At 31 March 2009	3,356	72	3,428

Notes To The Financial Statements (Cont'd)

5. Prepaid lease payments (Cont'd)

Group	Unexpired period less than 50 years RM'000	Unexpired period more than 50 years RM'000	Total RM'000
Carrying amounts			
At 1 April 2007	9,332	1,206	10,538
At 31 March 2008/1 April 2008	8,740	1,192	9,932
At 31 March 2009	8,148	1,178	9,326

Company	Unexpired period more than 50 years RM'000
Cost	
At 1 April 2007/31 March 2008/ 31 March 2009	1,250
Accumulated amortisation	
At 1 April 2007	44
Amortisation for the year	14
At 31 March 2008/1 April 2008	58
Amortisation for the year	14
At 31 March 2009	72
Carrying amounts	
At 1 April 2007	1,206
At 31 March 2008/1 April 2008	1,192
At 31 March 2009	1,178

The titles to leasehold land of the Group and the Company with an aggregate carrying amount of RM818,000 (2008 - RM827,000) are in the process of being transferred to the Company as the finalisation of the transfer is pending approval from the relevant authorities.

6. Investment property

Group and Company	Note	Freehold land and building RM'000	Leasehold buildings Unexpired period more than 50 years RM'000	Total RM'000
Cost				
At 1 April 2007		6,375	626	7,001
Transfer to assets held for sale	13	(6,375)	-	(6,375)
At 31 March 2008/1 April 2008/ 31 March 2009		-	626	626
Accumulated depreciation				
At 1 April 2007		96	82	178
Depreciation for the year		127	13	140
Transfer to assets held for sale	13	(223)	-	(223)
At 31 March 2008/1 April 2008		-	95	95
Depreciation for the year		-	13	13
At 31 March 2009		-	108	108
Carrying amounts				
At 1 April 2007		6,279	544	6,823
At 31 March 2008/1 April 2008		-	531	531
At 31 March 2009		-	518	518
Fair value				
At 1 April 2007		6,585	550	7,135
At 31 March 2008/1 April 2008		-	635	635
At 31 March 2009		-	644	644

The strata titles of buildings of the Group and the Company with net book value of RM518,000 (2008 - RM531,000) are in the process of being transferred to the Company as the finalisation of the transfer is pending the approval from the relevant authorities.

The fair values of the investment properties are determined by considering the aggregate of the estimated cash flows expected to be received from letting the property using yield rates of 4.32% (2008 - 6.75%).

The following are recognised in the income statement in respect of investment properties:

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Rental income	25	22
Direct operating expenses:		
- income generating investment properties	13	13
- non-income generating investment properties	-	127

Notes To The Financial Statements (Cont'd)

7. Forest plantation project

		Group	
	Note	2009 RM'000	2008 RM'000
Cost			
At 1 April/31 March		35,429	35,429
Accumulated amortisation			
At 1 April		4,320	3,698
Amortisation charge for the year	22	343	622
At 31 March		4,663	4,320
Carrying amount		30,766	31,109

On 4 December 2002, the Company and a subsidiary, Aramijaya Sdn. Bhd. ("Aramijaya") entered into a Privatisation Agreement with the Johor State Government and YPJ Holdings Sdn. Bhd. ("YPJH") for the maintenance, operation and management of 35,223 hectares of forest plantation land for a period of sixty (60) years. The areas consist of 20,168 hectares of Acacia cultivated area, 5,754 hectares of unplanted area, 3,661 hectares of mining land and 5,640 hectares of water logged area. In addition, 2,897 hectares of agricultural land with ninety nine (99) years lease was also alienated to YPJH, and was sub-leased to Aramijaya for ninety nine (99) years less one (1) day. A total consideration of RM62,269,805 is therefore, payable to the Johor State Government for the concession and alienation (Note 16).

The Johor State Government had previously agreed to grant to YPJH the right to undertake the Forest Plantation Project. However, YPJH has agreed to undertake the project through a joint venture company, Aramijaya, in which the Company and YPJH will hold 70% and 30% of the equity respectively. For that purpose, a Joint Venture Agreement dated 4 December 2002 was signed between the Company and YPJH. Pursuant to this Joint Venture Agreement, Aramijaya shall pay a sum of RM5 million per annum for ten (10) years to YPJH commencing financial year ended 31 March 2003 being the expected minimum sum of profit for YPJH's 30% share in the operations of Aramijaya.

The consideration for the above project is to be repayable by instalments over the remaining stipulated repayment period of sixteen (16) years from the date of the Privatisation Agreement. To arrive at the present value of the deferred consideration for the forest plantation project, the Directors of Aramijaya assumed a discount rate which reflected current market assessments that approximated the prevailing cost of borrowings. The difference between the consideration payable and the present value of deferred privatisation consideration was classified as deferred interests (Note 8).

On 3 June 2003, the Company executed a guarantee in favour of the Johor State Government guaranteeing the instalment payments of Aramijaya.

Subsequent to the execution of the Privatisation Agreement, YPJH was offered by the Johor State Government an agricultural land of 2,897 hectares for alienation. Aramijaya discovered a large portion of the land was water logged and unsuitable for plantation development.

In a letter dated 20 May 2005, the Johor State Government indicated that two plots of agricultural land measuring approximately 850 hectares and 2,047 hectares respectively, will be swapped with the previously offered agricultural land.

On 13 July 2006, the Johor State Government has alienated to YPJH one plot of agricultural land measuring 850 hectares which was then sub-leased to Aramijaya on 8 October 2007 for a period of ninety nine (99) years less one (1) day from 13 July 2006 till 11 July 2105. The remaining plot of 1,991 hectares of land was alienated to YPJH on 22 October 2007 and then sub-leased to Aramijaya on 12 June 2008 for the period of ninety nine (99) years less one (1) day from 22 October 2007 till 20 October 2106. These two plots of leasehold land are charged to secure a term loan facility amounted to RM70,000,000, of which RM16,800,000 has been drawdown as stated in Note 18.

8. Deferred interests

	Note	Group 2009 RM'000	Group 2008 RM'000
Cost			
At 1 April/31 March		19,391	19,391
Accumulated amortisation			
At 1 April		6,497	5,279
Amortisation charge for the year	21	1,219	1,218
At 31 March		7,716	6,497
Carrying amount		11,675	12,894

Deferred interests represent the difference between the privatisation consideration of RM62,270,000 (2008 - RM62,270,000) and the present value of forest plantation project of RM35,429,000 (2008 - RM35,429,000) (Note 7) and plantation development expenditure of RM7,450,000 (2008 - RM7,450,000).

The deferred interests are recognised as interest expense over the repayment period of the privatisation consideration.

9. Investments in subsidiaries

	Company 2009 RM'000	Company 2008 RM'000
Unquoted shares, at cost	1,491	1,491

Details of the subsidiaries are as follow:

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership interest 2009 %	Effective ownership interest 2008 %
Aramijaya Sdn. Bhd.	Management and operation of a forest plantation, logging, saw milling, chipping, other downstream manufacturing and related activities and oil palm plantation.	Malaysia	70	70
Limbongan-Ekovest Management Sdn. Bhd.*	Investment holding and management	Malaysia	51	51
Ikhlasi Bina Sdn. Bhd.*	Civil engineering and building works	Malaysia	100	100

* Not audited by KPMG.

Notes To The Financial Statements (Cont'd)

10. Amount due from a related party

Pursuant to the terms of the Privatisation Agreement dated 4 December 2002 (refer to Note 7), Aramijaya is required to pay YPJH a sum of RM2.5 million as security towards Aramijaya's performance and undertaking a major role in the proposed privatisation of forest plantation project ("performance deposit"), and a sum of RM5 million a year for the first ten year period commencing from the financial year ended 31 March 2003, being YPJH's minimum net profit entitlement (Note 17).

In the event that the net profit entitlement payable to YPJH arising from its 30% equity participation is less than RM5 million in any of the first ten year period, YPJH shall be entitled to request from Aramijaya additional sum towards the performance deposit equivalent to the amount of the shortfall from the RM5 million payable. Accordingly, YPJH's minimum net profit entitlement for the first ten year period totalling RM50 million (2008 - RM50 million) and the performance deposit of RM2.5 million (2008 - RM2.5 million) have been recognised as amount due from a related party.

The amount due from YPJH in respect of its minimum net profit entitlement totalling RM50 million (2008 - RM50 million) and the performance deposit of RM2.5 million (2008 - RM2.5 million) shall be recoverable by way of set-off against YPJH's future profit entitlement in respect of its 30% equity participation in Aramijaya over and above RM5 million in any financial year within the first ten years from the financial year ended 31 March 2003 and any profit entitlement of YPJH thereafter.

In the event that there is any outstanding balance of the performance deposit (including any additional sums added due to the shortfall from the RM5 million minimum net profit entitlement a year for the first ten year period) not set off due to insufficient profit entitlement at the end of the 60 years management period, YPJH shall not be required to refund the performance deposit (including any additional sums added) and the same shall be fully extinguished.

11. Inventories

	Group	
	2009	**2008**
	RM'000	**RM'000**
At cost:		
Timber logs	542	828
Woodchip	5,017	1,450
Pallet	29	27
Sawn timber	327	50
Consumables	71	114
	5,986	2,469

12. Receivables, deposits and prepayments

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Trade					
Trade receivables		2,121	3,476	1,221	2,123
Allowance for doubtful debts		(793)	(793)	(744)	(744)
	12.1	1,328	2,683	477	1,379
Retention sums receivable		637	878	637	878
Construction work-in-progress	12.2	368	606	368	606
		2,333	4,167	1,482	2,863
Amount due from related parties	12.3	1,137	1,772	-	-
Allowance for doubtful debts		(155)	-	-	-
		3,315	5,939	1,482	2,863
Non-trade					
Other receivables, deposits and prepayments	12.4	2,397	759	367	74
Amount due from subsidiaries	12.5	-	-	27,499	27,914
		2,397	759	27,866	27,988
		5,712	6,698	29,348	30,851

12.1 Trade receivables

Included in trade receivables of the Group and of the Company are advances made to sub contractors amounting to RM103,000 (2008 - RM383,000), which are unsecured and interest free.

12.2 Construction work-in-progress

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Aggregate costs incurred to date	10,032	19,081
Add: Attributable profits	1,468	2,817
Less: Foreseeable losses	-	(92)
	11,500	21,806
Less: Progress billings	(11,132)	(21,200)
	368	606

12.3 Amount due from related parties

The amount due from related parties is unsecured, interest free and subject to negotiated terms.

12.4 Other receivables, deposits and prepayments

Included in prepayments is a security deposit amounting to RM1,053,000 (2008 – Nil) for the term loan granted during the year (Note 18). The security deposit will be utilised by way of set-off against the final installment payment.

12.5 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest free and repayable on demand.

Notes To The Financial Statements (Cont'd)

13. Assets classified as held for sale

The assets held for sale comprise three units of bungalow lots which were previously classified as investment properties. The sales and purchase agreements were signed in the previous year and sales were completed during the financial year. At 31 March 2009, the assets held for sale were as follows:

	Note	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Assets classified as held for sale			
Investment property			
Cost	6	-	6,375
Accumulated depreciation	6	-	(223)
		-	6,152

14. Cash and cash equivalents

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash and bank balances	14,642	16,409	13,889	14,545
Deposits placed with licensed banks	18,815	13,435	18,815	13,435
	33,457	29,844	32,704	27,980

The deposits with licensed banks of Nil (2008 - RM1,031,000) of the Group and the Company were held under lien for overdraft facility granted to the Group and to the Company. The overdraft facility was not utilised at year end.

15. Capital and reserves

15.1 Share capital

	Group and Company Amount 2009 RM'000	Number of shares 2009 '000	Amount 2008 RM'000	Number of shares 2008 '000
Ordinary shares				
Authorised:				
At 1 April	200,000	1,000,000	200,000	200,000
Effect of share split*	-	-	-	800,000
	200,000	1,000,000	200,000	1,000,000
Issued and fully paid:				
At 1 April	65,340	326,700	65,340	65,340
Effect of share split**	-	-	-	261,360
At 31 March	65,340	326,700	65,340	326,700

* In the previous year, the authorised share capital of the Company was amended from RM200,000,000 comprising 200,000,000 ordinary shares of RM1 each into RM200,000,000 comprising 1,000,000,000 ordinary shares of RM0.20 each.

** In the previous year, the par value of existing ordinary shares of RM1 each were subdivided into RM0.20 for each ordinary share.

15. Capital and reserves (Cont'd)

15.2 Share premium

Share premium arose from issuance of ordinary shares at an issue price higher than its nominal value.

15.3 Section 108 tax credit

The Finance Act 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 March 2009 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

16. Amount due to Johor State Government

Group

The amount due to Johor State Government represents the privatisation consideration payable in accordance with the payment schedule stated in the Privatisation Agreement over eighteen (18) years from 1 October 2001 (Note 7). At the date of signing of the Privatisation Agreement, the total privatisation consideration amounted to RM62,270,000 and comprises the following:

	RM'000
Federal Loans	47,718
State's Expenditure	11,059
Cash Advance	3,493
	62,270

Included in Federal Loans is an amount of RM13,080,000 or USD3,442,000 disbursed by the Federal Government to the Johor State Government in USD currency and had been translated into Malaysian currency for the purpose of the payment schedule at the prevailing exchange rate of USD1.00 = RM3.80.

Pursuant to the Privatisation Agreement, the Company has undertaken to provide a corporate guarantee in favour of the Johor State Government for the repayment by Aramijaya of the privatisation consideration and any variations that may arise within six (6) months from the date of the Privatisation Agreement of 4 December 2002.

On 1 October 2001, Aramijaya had paid the first instalment payment of RM9,630,000 to the Johor State Government. During the year, the Company paid an amount of RM2,193,000 (2008 - Nil) to the Johor State Government. The movement in amount due to Johor State Government is as follows:

	2009 RM'000	2008 RM'000
Total privatisation consideration payable	62,270	62,270
Less: Instalment paid	(14,016)	(11,823)
	48,254	50,447

Notes To The Financial Statements (Cont'd)

16. Amount due to Johor State Government (Cont'd)

The non-current and current portions of amount due to Johor State Government is as follows:

	2009 RM'000	2008 RM'000
Non-current	46,061	48,254
Current	2,193	2,193
	48,254	50,447

On 1 October 2002, Aramijaya had defaulted the second instalment payment to Johor State Government based on the initial repayment schedule. Thus, included in the amount due to Johor State Government in the previous year was five (5) instalment payments which were due on 1 October 2002, 1 October 2003, 1 October 2004, 1 October 2005 and 1 October 2006 respectively totalling RM23,858,000.

In the event of delay in payments of any instalments, Aramijaya, unless otherwise agreed by the Johor State Government, is liable to pay interest at 1.5% above the prevailing base lending rate of Malayan Banking Berhad on the outstanding instalment sum calculated on daily basis commencing from the date of delay until the outstanding amount is paid in full.

In the opinion of the Directors of Aramijaya, Aramijaya will be able to obtain a waiver of the interest charged on the overdue instalments of RM6.8 million (2008 - RM5.3 million), which has not been accrued for.

On 18 December 2007, the Johor State Government had approved a revised repayment schedule where the remaining instalment payments will be repayable in eleven (11) unequal instalments starting from 1 January 2008 until 1 January 2018. The first two instalments from the revised schedule amounting to RM2,193,000 each have been paid.

17. Amount due to a related party

The non-current and current portions of amount due to YPJH are as follows:

	2009 RM'000	2008 RM'000 Restated
Non-current	10,000	15,000
Current	35,000	30,000
	45,000	45,000

Pursuant to the terms of the Privatisation Agreement dated 4 December 2002 (refer to Note 7 and Note 10), Aramijaya is required to pay YPJH a sum of RM5 million a year for the first ten year period commencing from the financial year ended 31 March 2003, being YPJH's minimum net profit entitlement.

Accordingly, Aramijaya's obligation to pay YPJH in respect of its minimum net profit entitlement for the first ten year period totalling RM50 million (2008 - RM50 million) has been recognised as amount due to a related party. An amount of RM5 million (2008 - RM5 million) has been paid as of 31 March 2009.

YPJH has agreed to defer the repayment of its minimum net profit entitlement until Aramijaya's cash flows have improved.

18. Borrowings

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Non-current				
Finance lease liabilities (secured)	2,227	783	44	405
Term loan (secured)	16,800	-	-	-
	19,027	783	44	405
Current				
Finance lease liabilities (secured)	1,262	911	361	359

18.1 Security

Term loan is secured by way of legal charge over two plots of agricultural land measuring approximately 850 hectares and 1,991 hectares respectively as stated in Note 7.

18.2 Terms and debt repayment schedule

Group 2009	Year of maturity	Carrying amount RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Finance lease liabilities	2010 - 2014	3,489	1,262	709	1,518	-
Term loan	2020	16,800	-	-	-	16,800
		20,289	1,262	709	1,518	16,800
2008						
Finance lease liabilities	2009 - 2014	1,694	911	632	151	-
Company						
2009						
Finance lease liabilities	2010	405	361	44	-	-
2008						
Finance lease liabilities	2009 - 2010	764	359	405	-	-

Finance lease liabilities of the Group and of the Company are subject to a fixed interest rates ranging from 4.27% to 7.07% (2008 - 2.33% to 4.53%) per annum and 4.27% to 4.44% (2008 - 2.33% to 2.53%) per annum respectively. The term loan is subject to a fixed interest rate at 6.75% (2008 - Nil) per annum.

18. Borrowings (Cont'd)

18.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease payments 2009 RM'000	Interest 2009 RM'000	Principal 2009 RM'000	Minimum lease payments 2008 RM'000	Interest 2008 RM'000	Principal 2008 RM'000
Group						
Less than one year	1,402	140	1,262	1,000	89	911
Between one and five years	2,581	354	2,227	837	54	783
	3,983	494	3,489	1,837	143	1,694
Company						
Less than one year	371	10	361	385	26	359
Between one and five years	44	-	44	415	10	405
	415	10	405	800	36	764

19. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant and equipment	-	(124)	1,068	1,796	1,068	1,672
Forest plantation	-	-	-	685	-	685
Tax loss carry forwards	(537)	(801)	-	-	(537)	(801)
Unabsorbed capital allowances	(184)	(509)	-	-	(184)	(509)
Tax (assets)/liabilities	(721)	(1,434)	1,068	2,481	347	1,047
Set off	721	1,434	(721)	(1,434)	-	-
Net tax liabilities	-	-	347	1,047	347	1,047

19. Deferred tax assets and liabilities (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group and Company 2009 RM'000	2008 RM'000
Deductible temporary differences	279	795
Tax loss carry-forwards	20,264	18,461
	20,543	19,256
Unrecognised deferred tax assets @ 25% (2008 - 25%)	5,136	4,814

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

20. Payables and accruals

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Trade					
Trade payables		7,977	4,987	1,660	1,655
Advances received from customers		104	264	-	-
Retention sums payable		2,637	2,711	2,637	2,711
Amount due to related parties	20.1	6,011	3,673	-	-
		16,729	11,635	4,297	4,366
Non-trade					
Other payables and accrued expenses		2,419	4,184	252	880
Amount due to subsidiary	20.2	-	-	232	232
		2,419	4,184	484	1,112
		19,148	15,819	4,781	5,478

20.1 Amount due to related parties

The amount due to related parties is unsecured, interest free and subject to negotiated terms except for an amount of RM33,000 (2008 - RM33,000) which is subject to interest at 6% (2008 - 6%) per annum with a fixed term of repayment.

20.2 Amount due to subsidiary

The amount due to subsidiary is unsecured, interest free and repayable on demand.

21. Finance costs

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
Amortisation of deferred interest	8	1,219	1,218	-	-
Finance lease liabilities		108	130	26	38
		1,327	1,348	26	38

22. Loss before tax

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
Loss before tax is arrived at after charging:					
Allowance for doubtful debts		155	-	-	-
Amortisation of forest plantation project	7	343	622	-	-
Amortisation of prepaid lease payments	5	606	606	14	14
Auditors' remuneration					
- Audit services					
Auditors of the Company		62	62	42	42
Other auditors		1	1	-	-
Depreciation of property, plant and equipment	3	3,542	3,727	354	365
Depreciation of investment property	6	13	140	13	140
Personnel expenses (including key management personnel)					
- Contributions to Employees Provident Fund		419	480	83	91
- Wages, salaries and others		5,195	7,329	979	1,749
Property, plant and equipment written off		-	65	-	17
Realised foreign exchange loss		19	686	-	-
Rental of plant and machinery		1,957	1,831	-	-
Rental of premises		181	160	108	108
Rental of motor vehicles		78	95	-	-
and after crediting :					
Gain on disposal of property, plant and equipment		499	242	499	242
Gain on disposal of leasehold land		136	-	136	-
Realised foreign exchange gain		316	-	-	-
Rental income from hire of					
- Motor vehicles		41	78	-	-
- Plant and machinery		85	261	-	-
Rental income from investment property		25	22	25	22
Reversal of allowance for doubtful debts		-	14	-	-

23. Key management personnel compensation

The key management personnel compensations are as follows:

	Group and Company 2009 RM'000	Group and Company 2008 RM'000
Directors:		
- Fees	28	25
- Remuneration	566	571
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	45	36
Total short term employee benefits	639	632

24. Tax expense

Recognised in the income statements

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Tax expense	(872)	(706)	(172)	162
Major components of tax expense include:				
Current tax expense				
Malaysian - current year	-	158	-	158
- prior years	(172)	4	(172)	4
Total current tax	(172)	162	(172)	162
Deferred tax expense				
Origination and reversal of temporary differences	(975)	(930)	-	-
Under provision in prior years	275	62	-	-
Total deferred tax	(700)	(868)	-	-
Total tax expense	(872)	(706)	(172)	162
Reconciliation of effective tax expense				
Loss for the year	(3,624)	(2,661)	(1,962)	(4,108)
Total tax expense	(872)	(706)	(172)	162
Loss excluding tax	(4,496)	(3,367)	(2,134)	(3,946)
Tax at Malaysian tax rate	(1,124)	(875)	(534)	(1,026)
Effect of change in tax rate*	155	7	205	49
Non-deductible expenses	499	451	7	212
Forest premium allowed for deduction	(218)	(1,278)	-	-
Expenditure capitalised allowed for deduction	(609)	-	-	-
Deferred tax assets not recognised	322	923	322	923
	(975)	(772)	-	158
Under/(Over) provision in prior years	103	66	(172)	4
	(872)	(706)	(172)	162

* The corporate tax rates are 26% for year of assessment 2008 and 25% for the subsequent years of assessment. Consequently deferred tax assets and liabilities are measured using these tax rates.

Notes To The Financial Statements *(Cont'd)*

25. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2009 was based on the loss attributable to ordinary shareholders of RM3,127,000 (2008 - RM3,094,000) and the weighted average number of ordinary shares outstanding as at 31 March 2009 of 326,700,000 (2008 - 326,700,000).

	Group	
	2009 '000	**2008 '000**
Issued ordinary shares at 1 April	326,700	65,340
Effect of share split	-	261,360
Weighted average number of ordinary shares at 31 March	326,700	326,700

26. Segmental reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise loans and borrowings related expenses, corporate assets (primarily the Company's headquarter) and head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Inter-segment pricing is determined on an arm's length basis.

Business segments

The Group comprises the following main business segments:

Construction	Civil engineering and construction work of earthwork and buildings.
Management service	Management planning consultancy and project management services.
Plantation	Management and operation of forest plantation, logging, saw milling, chipping and other downstream manufacturing and related activities, and operation of oil palm plantation.

Geographical segments

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

26. Segmental reporting (Cont'd)

Business segments	Construction 2009 RM'000	Construction 2008 RM'000	Management Service 2009 RM'000	Management Service 2008 RM'000	Plantation 2009 RM'000	Plantation 2008 RM'000	Consolidated 2009 RM'000	Consolidated 2008 RM'000
Segment revenue	-	1,157	90	510	19,659	33,436	19,749	35,103
Segment result	(2,767)	(4,442)	(4)	4	(1,056)	1,886	(3,827)	(2,552)
Results from operating activities							(3,827)	(2,552)
Interest income							658	533
Finance costs							(1,327)	(1,348)
Loss before tax							(4,496)	(3,367)
Tax expense							872	706
Loss for the year							(3,624)	(2,661)
Segment assets	38,300	40,916	851	1,445	166,255	147,651	205,406	190,012
Unallocated assets							1,223	1,223
Total assets							206,629	191,235
Segment liabilities	4,958	6,027	528	703	127,205	107,290	132,691	114,020
Unallocated liabilities							347	-
Total liabilities							133,038	114,020
Capital expenditure	5	958	-	-	21,355	14,575	21,360	15,533
Depreciation	367	505	2	2	3,697	3,931	4,066	4,438
Amortisation of deferred interests	-	-	-	-	1,219	1,218	1,219	1,218
Amortisation of forest plantation project	-	-	-	-	343	622	343	622
Amortisation of prepaid lease payments	13	13	-	-	593	593	606	606
Non-cash expenses other than depreciation and amortisation	-	17	-	-	286	48	286	65

27. Financial instruments

Financial risk management objectives and policies

Exposure to credit risk, foreign currency risk, liquidity risk and interest rate risk arises in the normal course of the Group's business. The Group's policy for managing these risks is summarised below.

Credit risk

The exposure to credit risk is monitored by the management on an ongoing basis. The Group does not require collateral in respect of financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

27. Financial instruments (Cont'd)

Credit risk (Cont'd)

At balance sheet date, there were no significant concentrations of credit risk other than the amount due from a related party amounting to RM52,500,000 (2008 - RM52,500,000) as disclosed in Note 10. The amount due from YPJH shall be recoverable by way of set-off against YPJH's future profit entitlement in respect of its 30% equity participation in Aramijaya over and above RM5 million in any financial year within the first ten years from the financial year ended 31 March 2003 and any profit entitlement of YPJH thereafter.

In the event that there is any outstanding balance of the amount due from YPJH which is not set off due to insufficient profit entitlement at the end of the 60 years management period, YPJH shall not be required to refund the amount due and the same shall be fully extinguished.

Foreign currency risk

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than the respective functional currencies of the Company. The currency giving rise to this risk is primarily U.S. Dollars ("USD"). The Group does not hedge its foreign currency exposure and the management is monitoring these exposures on an ongoing basis.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Interest rate risk

Interest-earning financial assets of the Group are mainly deposits placed with licensed banks that attract interest income. The Group has interest-bearing financial liabilities with fixed interest rates. However, the fluctuation in interest rate, if any, is not expected to have a material impact on the result of the Group.

Effective interest rates and repricing analysis

In respect of interest-earning financial asset and interest-bearing financial liability, 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.

Fixed rate instruments	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 – 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2009						
Group						
Financial assets:						
Deposits placed with licensed banks	1.98	18,815	18,815	-	-	-
Financial liabilities:						
Finance lease liabilities	6.03	(3,489)	(1,262)	(709)	(1,518)	-
Term loan	6.75	(16,800)	-	-	-	(16,800)
Amount due to related party	6.00	(33)	(33)	-	-	-
		(20,322)	(1,295)	(709)	(1,518)	(16,800)

27. Financial instruments (Cont'd)

Fixed rate instruments	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company						
Financial assets:						
Deposits placed with licensed banks	1.98	18,815	18,815	-	-	-
Financial liabilities:						
Finance lease liabilities	4.32	(405)	(361)	(44)	-	-
2008						
Group						
Financial assets:						
Deposits placed with licensed banks	3.06	13,435	13,435	-	-	-
Financial liabilities:						
Finance lease liabilities	6.24	(1,694)	(911)	(651)	(132)	-
Amount due to related party	6.00	(33)	(33)	-	-	-
		(1,727)	(944)	(651)	(132)	-
Company						
Financial assets:						
Deposits placed with licensed banks	3.06	13,435	13,435	-	-	-
Financial liabilities:						
Finance lease liabilities	4.41	(764)	(359)	(361)	(44)	-

Fair values

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments and payables and accruals approximate their fair values due to the relatively short term nature of these financial instruments.

In respect of the amount due from a related party amounting to RM52,500,000 (2008 - RM52,500,000) (Note 10), at this stage, the Directors are unable to reasonably estimate the timing of recovery of the amount by way set off against YPJH's future profit entitlements in respect of its 30% equity participation in Aramijaya. Accordingly, the fair value of the amount due from the related party could not be determined.

In respect of the amount due to a related party amounting to RM10,000,000 (2008 - RM15,000,000) (Note 17), the related party has agreed to defer the repayment of the amount due until the cash flow of the Group improves. At this stage, the Directors are unable to reasonably estimate the timing of repayment. Accordingly, the fair value of the amount due to the related party could not be determined.

The Company provides financial guarantees for credit facilities to a subsidiary. The Directors are of the opinion that the fair value of such financial guarantees is not expected to be material as the probability of the subsidiary and the third parties defaulting on the credit lines is remote.

27. Financial instruments (Cont'd)

Fair values (Cont'd)

The aggregate fair value of the other financial liabilities carried on the balance sheet as at 31 March 2009 are shown below:

	2009		2008	
Group	**Carrying amount RM'000**	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Financial liabilities				
Amount due to Johor State Government	48,254		50,447	
Less: Deferred interest	(11,675)		(12,894)	
	36,579	36,579	37,553	37,553
Finance lease liabilities	3,489	3,048	1,694	1,687
Term loan	16,800	15,592	-	-
	56,868	55,219	39,247	39,240
Company				
Financial liabilities				
Finance lease liabilities	405	387	764	790

Estimation of fair value

The fair value of amount due to Johor State Government has been determined by discounting the relevant cash flows repayment using approximate current interest rate. For this purpose, the fair value of amount due to Johor State Government is based on the net carrying amount less net carrying amount of deferred interest (Note 8).

For the other financial liabilities, fair values are determined using estimated future cash flows discounted using market related rate for similar instrument at the balance sheet date.

The interest rates used to discount estimated cash flows are as follows:

	2009	2008
Finance lease liabilities	4.27% - 7.07%	2.24% - 3.75%
Term loan	6.84%	-

28. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

28. Contingencies (Cont'd)

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Unsecured				
Performance bond to third parties in respect of projects	-	409	-	409
Performance bond to third party in respect of a project of a subsidiary	374	250	374	250
Corporate guarantee to third party in respect of purchasing of machinery by a subsidiary	2,385	740	2,385	740
Corporate guarantee to third party in respect of purchasing of motor vehicle by a subsidiary	699	191	699	191
Corporate guarantee to Johor State Government in respect of payment by a subsidiary	48,253	50,447	48,253	50,447
Corporate guarantee to a subsidiary in respect of a term loan	-	-	16,800	-
	51,711	52,037	68,511	52,037

29. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group.

The Group has related party relationship with the following companies, which are deemed related to the Directors and major shareholders as follow:

i) Ekovest Construction Sdn. Bhd., Danga Bay Sdn. Bhd., Limbongan Setia Corporation Sdn. Bhd., Wengcon Holdings Sdn. Bhd., Wengcon Equipment Sdn. Bhd., Wengcon Marketing Sdn. Bhd., Wengcon Machinery Sdn. Bhd., and Segi Gemilang Sdn. Bhd. are deemed related to Dato' Lim Kang Hoo, Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh; and

ii) Ekovest Berhad is deemed related to Dato' Lim Kang Hoo.

Notes To The Financial Statements (Cont'd)

29. Related parties (Cont'd)

Related party transactions

The significant related party transactions of the Group and Company, other than key management personnel compensation, are as follows:

Type of transactions	Related party	2009 RM'000	2008 RM'000
Group			
Sales	Danga Bay Sdn. Bhd.	(173)	(570)
	Wengcon Marketing Sdn. Bhd.	(77)	(77)
Management fee receivable	Danga Bay Sdn. Bhd.	(90)	(510)
Sale of furniture and inflatable floater	Wengcon Equipment Sdn. Bhd.	-	(74)
	Danga Bay Sdn. Bhd.	-	(451)
Purchases	Wengcon Marketing Sdn. Bhd.	5,219	3,610
Rental of plant and machinery payable	Wengcon Equipment Sdn. Bhd.	75	107
	Wengcon Holdings Sdn. Bhd.	3,450	586
Purchase of plant and machinery	Wengcon Holdings Sdn. Bhd.	1,011	330
Rental of equipment payable	Segi Gemilang Sdn. Bhd.	1,200	1,200
Rental of premises payable	Limbongan Setia Corporation Sdn. Bhd.	108	108
Repair and service of plant and machinery payable	Wengcon Machinery Sdn. Bhd.	47	178
Company			
Rental of premises	Limbongan Setia Corporation Sdn. Bhd.	108	108
Secondment fee	Ikhlasi Bina Sdn. Bhd.	-	713

Balance with related parties are disclosed in Note 10, Note 12, Note 17 and Note 20. These transactions have been entered into in the normal course of business and have been established under negotiated terms.

30. Material litigations

A contractor filed a claim against the Company for a breach of RM10.4 million. The Company has counter claimed for a sum of RM4.7 million, alleging that the contractor has breached their obligations for a sub-contract work together with interest of 8% per annum from the date of the filing of defence until the date of full realisation. The case is rescheduled for a full trial in October 2009.

The Directors are of the opinion that there is no merit to the claim by the contractor and the Company has a good defence to the contractor's claim.

31. Subsequent event

On 28 April 2009, the Group disposed off its entire 51,000 ordinary shares of RM1.00 each representing 51% of the total issued and paid up capital in Limbongan Ekovest Management Sdn. Bhd. for a consideration of RM1.00.

32. Comparative figures

The following comparative figures have been restated to conform with the current year's presentation:

	As restated RM'000	As previously reported RM'000
Group		
Balance sheets		
Non-current asset:		
Amount due from a related party	52,500	-
Current asset:		
Receivables, deposits and prepayments	6,698	14,198
Non-current liability:		
Amount due to a related party	(15,000)	-
Current liability:		
Amount due to a related party	(30,000)	-

Analysis of Shareholdings

ANALYSIS OF SHAREHOLDING AS AT 19 AUGUST 2009

Authorised Share Capital	:	RM200,000,000
Issue and Fully Paid-up	:	RM65,340,000
Class of Shares	:	Ordinary shares of RM0.20 each
Voting Right	:	One vote per ordinary share

1. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	*No. of Holders*	*% of Holders*	*No. of Shares*	*% of Shares*
Less than 100	47	4.79	836	0.00
100 - 1,000	307	31.33	77,264	0.02
1,001 - 10,000	284	28.98	1,638,300	0.51
10,001 - 100,000	261	26.63	7,809,800	2.39
100,001 - less than 5%	77	7.86	117,455,800	35.95
5% and above	4	0.41	199,718,000	61.13
TOTAL	**980**	**100.00**	**326,700,000**	**100.00**

2. THIRTY (30) LARGEST SHAREHOLDERS

	Name	Shareholdings	%
1.	Kumpulan Prasarana Rakyat Johor Sdn. Bhd.	76,500,000	23.42
2.	Limbongan Resources Sdn. Bhd.	59,970,000	18.36
3.	Tan Sri Dato' Lim Kang Yew	36,175,000	11.07
4.	Dato' Lim Kang Poh	27,073,000	8.28
5.	Limbongan Resources Sdn. Bhd.	15,000,000	4.59
6.	Lim Keng Cheng	9,178,500	2.81
7.	Lim Seong Hai Holdings Sdn. Bhd.	6,635,000	2.03
8.	Yap Shing @ Yap Sue Kim	6,323,500	1.94
9.	Koh Hong Seng	3,708,500	1.14
10.	Khoo Nan Seng @ Khoo Nam Seng	3,165,000	0.97
11.	Wong Yit Choy	3,080,000	0.94
12.	Loh Yu San	3,073,900	0.94
13.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Pang Piu Fong	2,937,500	0.90
14.	HSBC Nominees (Asing) Sdn. Bhd. – Bintang Mas Consulting Ltd	2,924,000	0.89
15.	ECML Nominees (Tempatan) Sdn. Bhd. pledged securities account for Yap Kok Woon	2,852,700	0.87
16.	A.A. Anthony Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Kim Leng	2,663,000	0.82
17.	TCL Nominees (Tempatan) Sdn. Bhd. pledged securities account for Mohamad Nor bin Hamid	2,595,000	0.79
18.	OSK Nominees (Tempatan) Sdn. Bhd. pledged securities account for Ngai Sok Fong	2,471,100	0.76
19.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. pledged securities account for Cheong Meow Yen	2,267,500	0.69
20.	A.A. Anthony Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Wen Shiow	2,171,000	0.66
21.	AMSEC Nominees (Tempatan) Sdn. Bhd. pledged securities account for Goh Eng Keong	2,139,000	0.65
22.	Goh Eng Keong	1,883,000	0.58
23.	Cheong Meow Yen	1,828,500	0.56
24.	Tung Foong Ngoh	1,636,500	0.50
25.	Lim Hoe	1,500,000	0.46
26.	Yong Huoy Ping	1,500,000	0.46
27.	Tan Leak Goh	1,490,000	0.46
28.	ECML Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Khai Shiang	1,474,500	0.45
29.	Ooi Keng Thye	1,464,900	0.45
30.	ECML Nominees (Tempatan) Sdn. Bhd. pledged securities account for Foo Suet Kum	1,429,500	0.44
	TOTAL	**287,110,100**	**87.88**

Analysis of Shareholdings (Cont'd)

3. SUBSTANTIAL SHAREHOLDERS

Shareholdings as at 19 August 2009

Name	*Direct Shareholdings*	*%*	*Indirect Shareholdings*	*%*
1. Kumpulan Prasarana Rakyat Johor Sdn. Bhd.	76,500,000	23.42	-	-
2. Limbongan Resources Sdn. Bhd.	74,970,000	22.95	-	-
3. Tan Sri Dato' Lim Kang Yew	36,175,000	11.07	-	-
4. Dato' Lim Kang Poh	27,073,000	8.28	-	-
5. Lee Hun Kheng	-	-	74,970,000	22.95
6. Lim Keng Guan	-	-	74,970,000	22.95
TOTAL	**214,718,000**	**65.72**		

4. DIRECTORS' SHAREHOLDINGS

	Shareholdings as at 19 August 2009			
Name	*Direct Shareholdings*	*%*	*Indirect Shareholdings*	*%*
1. Encik Johar Salim bin Yahaya	-	-	-	-
2. Tan Sri Dato' Lim Kang Yew	36,175,000	11.07	-	-
3. Lee Hun Kheng	-	-	74,970,000	22.95
4. Dato' Lim Kang Hoo			-	-
5. Dato' Lim Kang Poh	27,073,000	8.28	-	-
6. Dato' Hj Ibrahim bin Haji Keling	-	-	-	-
7. Encik Hisham bin Mahmood	-	-	-	-
8. Ms Kang Hui Ling	-	-	-	-
9. Puan Norliza binti Suleiman	-	-	-	-
TOTAL	**63,248,000**	**19.35**	**74,970,000**	**22.95**

List of Properties As At 31 March 2009

No	Location	Description /Existing Use	Area	Land tenure	Age of Building	Date of Acquisition	Net Book Value RM'000
1	H.S. (D) No. 9469, PT No. 7923, Mukim Batu Caves, Selangor Darul Ehsan.	4-Storey Shop/ Head Office Building	226.00 sq. m (2,434 sq.ft)	Freehold	17 Years	31.03.1992	499
2	HS (M) 28398, PT 30419, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang.	Bungalow Lots/ Vacant	1,365.50 sq. m	Leasehold 99 years expiring on 10 Sep 2092	-	31.03.2003	178
3	HS (M) 28402, PT 30423, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang.	Bungalow Lots/ Vacant	1,401.50 sq. m	Leasehold 99 years expiring on 10 Sep 2092	-	31.03.2003	183
4	HS (M) 28454, PT 30475, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang.	Bungalow Lots/ Vacant	1,399.20 sq. m	Leasehold 99 years expiring on 10 Sep 2092	-	31.03.2003	183
5	HS (M) 28556, PT 30557, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang.	Bungalow Lots/ Vacant	1,206.40 sq. m	Leasehold 99 years expiring on 10 Sep 2092	-	02.02.2005	171
6	HS (M) 28619, PT 30640, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang.	Bungalow Lots/ Vacant	1,602.10 sq. m	Leasehold 99 years expiring on 10 Sep 2092	-	02.02.2005	227
7	HS (M) 28620, PT 30641, Indera Mahkota, Mukim Kuala Kuantan, District of Kuantan, Pahang.	Bungalow Lots/ Vacant	1,662.90 sq. m	Leasehold 99 years expiring on 10 Sep 2092	-	02.02.2005	236
8	No. 21, Block A, Level 2, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA, 81200 Johor Bahru.	Apartments/ Rented	1,043 sq. ft.	Leasehold 99 years expiring on 22 Mar 2085	9 Years	15.09.2000	130

List of Properties (Cont'd)

No	Location	Description /Existing Use	Area	Land tenure	Age of Building	Date of Acquisition	Net Book Value RM'000
9	No. 22, Block A, Level 2, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA, 81200 Johor Bahru.	Apartments/Rented	1,043 sq. ft.	Leasehold 99 years expiring on 22 Mar 2085	9 Years	15.09.2000	130
10	No. 21, Block A, Level 3, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA, 81200 Johor Bahru.	Apartments/Rented	1,043 sq. ft.	Leasehold 99 years expiring on 22 Mar 2085	9 Years	15.09.2000	128
11	No. 22, Block A, Level 3, Apartment Titiwangsa, Jalan Padi Malinja 1, Bandar Baru UDA, 81200 Johor Bahru.	Apartments/Rented	1,043 sq. ft.	Leasehold 99 years expiring on 22 Mar 2085	9 Years	15.09.2000	128
12	Plot 12, Jalan Simen 1, Kawasan Pelabuhan Johor, 81700 Pasir Gudang, Johor.	Chipping Plant Factory	621,863 sq. ft.	Leasehold 19 years expiry on 22 Mar 2023	4 Years	30.04.2004	12,703
13	No. G-12, No. 1-12, No. 2-12, Blok 6, Danga Bay, Jalan Skudai, 80200 Johor Bahru.	3-Storey Shop Office	3,360 sq. ft	Freehold	2 Year	05.10.2006	914
14	No.G-14, No. 1-14, No.2-14, Blok 6, Danga Bay, Jalan Skudai, 80200 Johor Bahru	3-Storey Shop Office	3,360 sq. ft	Freehold	2 Year	05.10.2006	914

The group has not revalued any of its properties.

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

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 Twenty-Second Annual General Meeting of the Company to be held on Tuesday, 29 of September 2009 at 10.00 a.m. at Function Room, KKlub, 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 RESOLUTIONS	FOR	AGAINST
1. Adoption of Audited Financial Statements [Resolution 1]		
2. Approval of Directors' Fee [Resolution 2]		
3. Re-election of Directors :- a. Dato' Lim Kang Poh (Article 82) [Resolution 3] b. Encik Johar Salim bin Yahaya (Article 82) [Resolution 4] c. Puan Norliza Binti Suleiman (Article 89) [Resolution 5]		
4. Re-election of Dato' Haji Ibrahim bin Haji Keling Section 129 (6) [Resolution 6]		
5. Re-appointment of Auditors [Resolution 7]		
6. **SPECIAL RESOLUTION** Change of Company's Name to PLS Plantations Berhad [Resolution 8]		
ORDINARY RESOLUTION 1 Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965 [Resolution 9]		
ORDINARY RESOLUTION 2 Proposed Renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature [Resolution 10]		

Dated this ________ day of ________ 2009

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.

Fold this flap sealing

AFFIX
STAMP

The Company Secretaries
Pembinaan Limbongan Setia Bhd
17C, Wisma Limbongan Setia
Jalan SG 3/4, Taman Seri Gombak
68100 Batu Caves
Selangor Darul Ehsan

Fold this flap sealing