FINANCIAL STATEMENTS

Directors' Report 24

Balance Sheets 27

Income Statements 28

Statements Of Changes In Equity 29

Cash Flow Statements 30

Notes To The Financial Statements 32

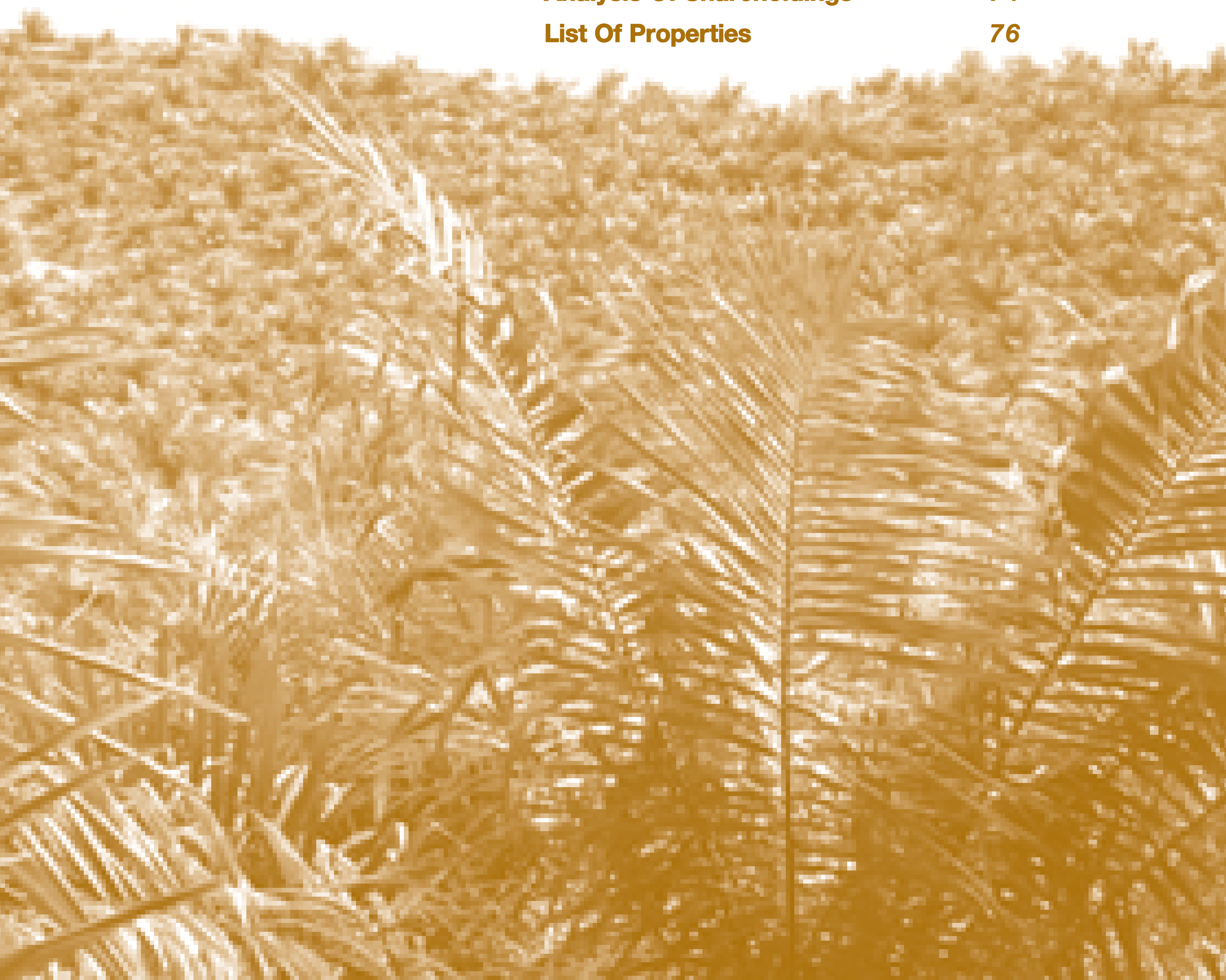
Statement By Directors 71

Statutory Declaration 71

Independent Auditors' Report To The Members Of PLS Plantations Berhad 72

Analysis Of Shareholdings 74

List Of Properties 76



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2010.

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.

CHANGE OF NAME

On 6 October 2009, the Company changed its name from Pembinaan Limbongan Setia Berhad to PLS Plantations Berhad.

RESULTS

	Group RM'000	Company RM'000
Profit attributable to		
Shareholders of the Company	12,550	9,639
Minority interest	1,482	-
	14,032	9,639

RESERVES AND PROVISIONS

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

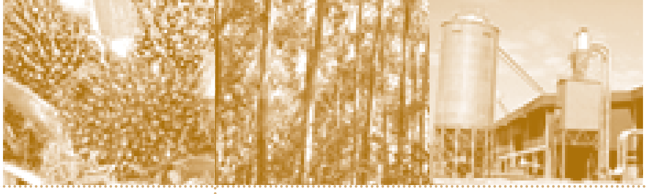
DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial 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' Haji Ibrahim bin Haji Keling
Dato' Lim Kang Hoo
Hisham bin Mahmood
Kang Hui Ling
Dato' Lim Kang Poh
Lee Hun Kheng
Norliza Binti Suleiman *(appointed on 28.05.2009)*



DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2010

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:

	Number of ordinary shares of RM0.20 each			
Interest in the Company	**At 1.4.2009**	**Bought**	**Sold**	**At 31.3.2010**
Tan Sri Dato' Lim Kang Yew - own	36,175,000	-	-	36,175,000
Dato' Lim Kang Poh - own	27,073,000	-	-	27,073,000
Lee Hun Kheng - own	-	74,970,000	-	74,970,000
Dato' Lim Kang Hoo - others	25,000	-	-	25,000

By virtue of their interests in the shares of the Company, Tan Sri Dato' Lim Kang Yew, Dato' Lim Kang Poh, Lee Hun Kheng and Dato' Lim Kang Hoo are also deemed interested in the shares of the subsidiaries during the financial year to the extent that PLS Plantations Berhad has an interest.

None of the other Directors holding office at 31 March 2010 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 28 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 financial year.

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2010

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.

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2010 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:

....
Tan Sri Dato' Lim Kang Yew

....
Lee Hun Kheng

Kuala Lumpur,
Date: 30 July 2010

BALANCE SHEETS

AT 31 MARCH 2010

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
Assets					
Property, plant and equipment	3	67,178	55,189	1,533	1,420
Intangible assets	4	1,223	1,223	-	-
Prepaid lease payments	5	8,721	9,326	1,165	1,178
Investment property	6	505	518	505	518
Forest plantation project	7	30,454	30,766	-	-
Deferred interests	8	10,457	11,675	-	-
Deferred tax assets	18	6,953	-	3,519	-
Investments in subsidiaries	9	-	-	1,440	1,491
Amount due from a related party	10	52,500	52,500	-	-
Amount due from a subsidiary	12	-	-	35,000	-
Total non-current assets		177,991	161,197	43,162	4,607
Inventories	11	4,116	7,186	-	-
Receivables, deposits and prepayments	12	8,118	4,659	2,224	29,348
Current tax assets		259	277	259	277
Cash and cash equivalents	13	58,183	34,510	47,926	32,704
Total current assets		70,676	46,632	50,409	62,329
Total assets		248,667	207,829	93,571	66,936
Equity					
Share capital	14	65,340	65,340	65,340	65,340
Reserves		4,621	4,621	4,621	4,621
Retained earnings/(Accumulated losses)		11,668	(882)	1,428	(8,211)
Total equity attributable to shareholders of the Company		81,629	69,079	71,389	61,750
Minority interest		4,508	3,026	-	-
Total equity		86,137	72,105	71,389	61,750
Liabilities					
Amount due to Johor State Government	15	40,303	46,061	-	-
Amount due to a related party	16	5,000	10,000	-	-
Borrowings	17	27,210	19,027	231	44
Deferred tax liabilities	18	-	347	-	-
Total non-current liabilities		72,513	75,435	231	44
Payables and accruals	19	43,404	21,834	21,759	4,781
Amount due to Johor State Government	15	5,757	2,193	-	-
Amount due to a related party	16	40,000	35,000	-	-
Borrowings	17	856	1,262	192	361
Total current liabilities		90,017	60,289	21,951	5,142
Total liabilities		162,530	135,724	22,182	5,186
Total equity and liabilities		248,667	207,829	93,571	66,936

The notes on pages 32 to 70 are an integral part of these financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
Revenue					
- Construction income		43,444	-	29,040	-
- Sales of timber products		19,411	16,877	-	-
- Logging income		263	150	-	-
- Management fees		-	90	-	-
		63,118	17,117	29,040	-
Cost of goods sold					
- Contract costs recognised as an expense		(33,022)	(148)	(21,496)	(148)
- Cost of goods sold		(18,196)	(16,623)	-	-
Gross profit/(loss)		11,900	346	7,544	(148)
Other income		2,017	1,092	1,047	670
Administrative expenses		(3,228)	(3,619)	(1,209)	(1,053)
Other expenses		(2,889)	(3,132)	(2,173)	(2,235)
Results from operating activities		7,800	(5,313)	5,209	(2,766)
Interest income		413	658	1,046	658
Finance costs	20	(1,371)	(1,327)	(25)	(26)
Profit/(Loss) before tax	21	6,842	(5,982)	6,230	(2,134)
Tax expense	23	7,190	872	3,409	172
Profit/(Loss) for the year		14,032	(5,110)	9,639	(1,962)
Attributable to:					
Shareholders of the Company		12,550	(4,167)	9,639	(1,962)
Minority interest		1,482	(943)	-	-
Profit/(Loss) for the year		14,032	(5,110)	9,639	(1,962)
Basic earnings per ordinary share (sen)	24	3.84	(1.28)		

The notes on pages 32 to 70 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

	Attributable to shareholders of the Company					
	Non-distributable		*Distributable*			
Group	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings/ (Accumulated losses) RM'000**	**Total RM'000**	**Minority interest RM'000**	**Total equity RM'000**
At 1 April 2008	65,340	4,621	3,285	73,246	3,969	77,215
Net loss for the year:						
As previously stated	-	-	(3,127)	(3,127)	(497)	(3,624)
Prior year adjustment *(Note 30)*	-	-	(1,040)	(1,040)	(446)	(1,486)
As restated	-	-	(4,167)	(4,167)	(943)	(5,110)
At 31 March 2009, restated	65,340	4,621	(882)	69,079	3,026	72,105
At 1 April 2009						
As previously stated	65,340	4,621	158	70,119	3,472	73,591
Prior year adjustment *(Note 30)*	-	-	(1,040)	(1,040)	(446)	(1,486)
At 1 April 2009, restated	65,340	4,621	(882)	69,079	3,026	72,105
Net profit for the year	-	-	12,550	12,550	1,482	14,032
At 31 March 2010	65,340	4,621	11,668	81,629	4,508	86,137

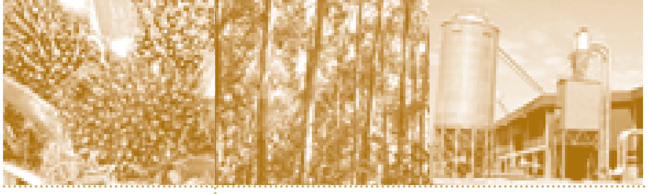
	Attributable to shareholders of the Company			
	Non-distributable		*Distributable*	
Company	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings/ (Accumulated losses) RM'000**	**Total RM'000**
At 1 April 2008	65,340	4,621	(6,249)	63,712
Loss for the year	-	-	(1,962)	(1,962)
At 31 March 2009/1 April 2009	65,340	4,621	(8,211)	61,750
Profit for the year	-	-	9,639	9,639
At 31 March 2010	65,340	4,621	1,428	71,389

The notes on pages 32 to 70 are an integral part of these financial statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		6,842	(5,982)	6,230	(2,134)
Adjustments for:					
Amortisation of prepaid lease payments	5	605	606	13	14
Amortisation of forest plantation project	7	312	343	-	-
Amortisation of deferred interests	20	1,218	1,219	-	-
Depreciation of property, plant and equipment	3	3,374	3,542	413	354
Depreciation of investment property	6	13	13	13	13
Gain on disposal of property, plant and equipment	21	(57)	(499)	(5)	(499)
Gain on disposal of assets classified as held for sale	21	-	(136)	-	(136)
(Gain)/Loss on disposal of a subsidiary		(46)	-	51	-
Interest expense		153	108	25	26
Interest income		(413)	(658)	(1,046)	(658)
Allowance for doubtful debts		-	155	-	-
Operating profit/(loss) before changes in working capital		12,001	(1,289)	5,694	(3,020)
Changes in working capital:					
Inventories		3,070	(4,717)	-	-
Receivables, deposits and prepayments		(4,264)	831	124	1,087
Payables and accruals		22,466	6,015	16,978	(697)
Amount due to Johor State Government		(2,194)	(2,193)	-	-
Cash generated from/(used in) operations		31,079	(1,353)	22,796	(2,630)
Income taxes paid		(92)	(118)	(92)	(118)
Net cash generated from/(used in) operating activities		30,987	(1,471)	22,704	(2,748)



CASH FLOW STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
Cash flows from investing activities					
Interest received		413	658	1,046	658
Proceeds from disposal of property, plant and equipment		78	500	5	500
Proceeds from disposal of assets classified as held for sale		-	6,288	-	6,288
Acquisition of property, plant and equipment	(ii)	(14,918)	(18,017)	(71)	(5)
(Repayments from)/Advances to subsidiaries		-	-	(8,000)	416
Disposal of a subsidiary, net of cash and cash equivalents disposed	9	(41)	-	-	-
Net cash (used in)/generated from investing activities		(14,468)	(10,571)	(7,020)	7,857
Cash flows from financing activities					
(Increase)/Decrease in pledged deposits placed with licensed banks		(116)	1,031	(116)	1,031
Interest paid		(153)	(108)	(25)	(26)
Proceeds from drawdown of term loan		8,666	16,800	-	-
Repayments of finance lease liabilities		(1,359)	(1,037)	(437)	(359)
Net cash generated from/(used in) financing activities		7,038	16,686	(578)	646
Net increase in cash and cash equivalents		23,557	4,644	15,106	5,755
Cash and cash equivalents at 1 April		33,457	28,813	32,704	26,949
Cash and cash equivalents at 31 March	(i)	57,014	33,457	47,810	32,704

(i) Cash and cash equivalents

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

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Cash and bank balances	27,783	14,642	18,579	13,889
Deposits with licensed banks *(excluding deposits pledged)*	29,231	18,815	29,231	18,815
	57,014	33,457	47,810	32,704

(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 RM15,861,000 and RM526,000 (2009 - RM21,360,000 and RM5,000) respectively, of which RM470,000 and RM455,000 (2009 - RM2,832,000 and Nil) respectively were acquired by means of finance lease, and RM473,000 (2009 - RM511,000) was depreciation capitalised to plantation development expenditure of the Group.

The notes on pages 32 to 70 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PLS Plantations Berhad (formerly known as Pembinaan Limbongan Setia Berhad) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market 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 2010 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 2010 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 27 July 2010.

1. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

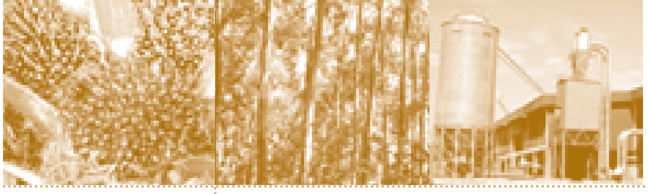
The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2009

- FRS 8, *Operating Segments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010

- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements (revised)*
- FRS 123, *Borrowing Costs (revised)*
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*
- Amendments to FRS 101, *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 132, *Financial Instruments: Presentation*
  - Puttable Financial Instruments and Obligations Arising on Liquidation
  - Separation of Compound Instruments
- Amendments to FRS 139, Financial Instruments: *Recognition and Measurement*
  - Reclassification of Financial Assets
  - Collective Assessment of Impairment for Banking Institutions
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*



1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 (Cont'd)

- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation - Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 1, *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share-based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 April 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009, 1 January 2010 and 1 March 2010, except for FRS 4, Amendments to FRS 1, Amendments to FRS 2, Amendments to FRS 101, IC Interpretation 13 and IC Interpretation 14 which are not applicable to the Group and the Company; and

- from the annual period beginning 1 April 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for FRS 1 (revised), Amendments to FRS 2, IC Interpretation 12, IC Interpretation 15, IC Interpretation 16, IC Interpretation 17, Amendments to FRS 1, IC Interpretation 4 and IC Interpretation 18 which are not applicable to the Group and the Company.

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors,* in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

The initial applications of the other standards, amendments and interpretations are not expected to have any material impact on the current and prior periods financial statements of the Group and the Company upon their first adoption, except as disclosed below:

(i) FRS 8, Operating Segments

FRS 8 replaces FRS 114_{2004}, *Segment Reporting* and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business segments (see Note 25). Under FRS 8, the Group will continue to present segment information in respect of its business segments.

(ii) Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that have material impact are:

- FRS 117, Leases

  The amendments clarify that the classification of lease of land and require entities with existing leases of land and buildings to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. The change in accounting policy will result in reclassification of lease of land in the Company amounting to RM1,165,000 as at 31 March 2010 from the prepaid lease payments to property, plant and equipment.

(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 the estimation of total contract costs relating to construction work-in-progress and those relating to assessment of impairment on the following:

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgments (Cont'd)

- 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.

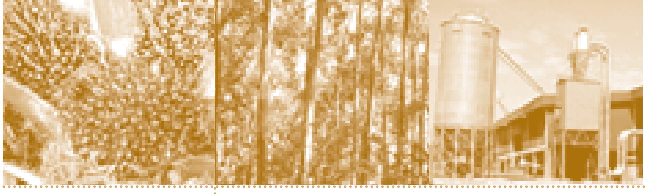
(ii) Reclassification to investment property

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.

(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. The estimated useful life for oil palm ranges from 20 to 23 years from the maturity date. The maturity date for oil palm is 5 years from the date of planting. The maturity date for acacia is 7 years from the date of planting.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Plantation development expenditure (Cont'd)

Interest costs on borrowings 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

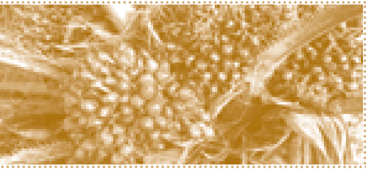
Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

(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.

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.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leased assets (Cont'd)

(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:

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

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

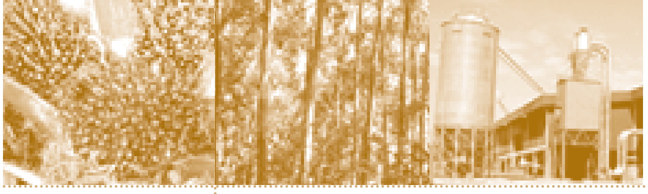
Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

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.

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.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 billings 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 progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers in the balance sheets.

(l) Cash and cash equivalents

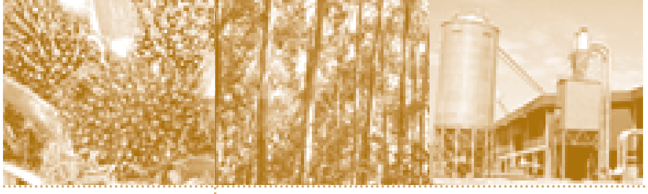
Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(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 the end of each reporting period 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 the end of each reporting period.

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. 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.

An impairment loss is recognised if the carrying amount of an asset or its cashgenerating 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.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 contract. 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.

(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.

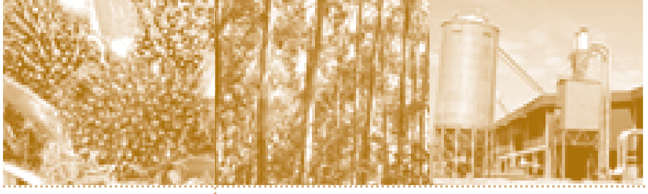
(r) Interest income and borrowing costs

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.



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 the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period 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.

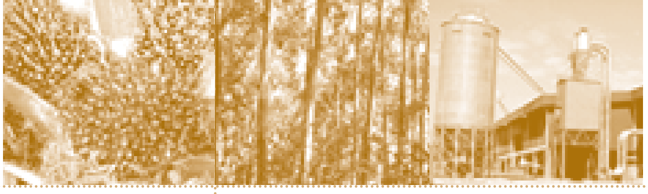
(u) Segment reporting

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Plant and machineries RM'000	Office equipment 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
Cost										
At 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/ 1 April 2009	98	2,418	19,255	1,242	3,682	1,338	5,301	35,504	5,444	74,282
Additions	-	29	169	118	651	122	-	14,236	536	15,861
Disposals	-	-	(90)	(5)	(134)	(10)	-	-	-	(239)
Write-off	-	-	(463)	(475)	(46)	-	-	-	-	(984)
At 31 March 2010	98	2,447	18,871	880	4,153	1,450	5,301	49,740	5,980	88,920
Accumulated depreciation										
At 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/ 1 April 2009	-	189	14,065	1,067	2,326	701	745	-	-	19,093
Charge for the year	-	45	2,730	77	601	235	159	-	-	3,847
Disposals	-	-	(69)	(3)	(134)	(8)	-	-	-	(214)
Write-off	-	-	(463)	(475)	(46)	-	-	-	-	(984)
At 31 March 2010	-	234	16,263	666	2,747	928	904	-	-	21,742
Carrying amounts										
At 1 April 2008	98	2,060	7,994	206	1,552	413	4,715	20,845	-	37,883
At 31 March 2009/ 1 April 2009	98	2,229	5,190	175	1,356	637	4,556	35,504	5,444	55,189
At 31 March 2010	98	2,213	2,608	214	1,406	522	4,397	49,740	5,980	67,178



3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land RM'000	Buildings RM'000	Plant and machineries RM'000	Office equipment RM'000	Motor vehicles RM'000	Fixture and fittings RM'000	Total RM'000
Cost							
At 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/ 1 April 2009	98	590	1,845	1,019	2,016	96	5,664
Additions	-	-	-	5	521	-	526
Disposals	-	-	-	-	(44)	-	(44)
Write-off	-	-	(463)	(475)	(46)	-	(984)
At 31 March 2010	98	590	1,382	549	2,447	96	5,162
Accumulated depreciation							
At 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/ 1 April 2009	-	189	1,845	927	1,189	94	4,244
Charge for the year	-	12	-	26	375	-	413
Disposals	-	-	-	-	(44)	-	(44)
Write-off	-	-	(463)	(475)	(46)	-	(984)
At 31 March 2010	-	201	1,382	478	1,474	94	3,629
Carrying amounts							
At 1 April 2008	98	413	2	124	1,130	3	1,770
At 31 March 2009/ 1 April 2009	98	401	-	92	827	2	1,420
At 31 March 2010	98	389	-	71	973	2	1,533

3.1 Leased plant and machinery

At 31 March 2010, the net carrying amount of leased motor vehicles and plant and machineries of the Group and the Company were RM4,748,000 and RM841,000 (2009 - RM4,141,000 and RM825,000) respectively.

3.2 Capitalisation of depreciation and interest expense under plantation development expenditure

Depreciation and interest expense amounted to RM473,000 (2009 - RM511,000) and RM1,488,000 (2009 - RM423,000) 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 2008/31 March 2009/31 March 2010	1,223
Impairment loss	
At 1 April 2008/31 March 2009/31 March 2010	-
Carrying amounts	
At 1 April 2008/31 March 2009/31 March 2010	1,223

4.1 Impairment testing for goodwill

Goodwill of RM1,223,000 (2009 - 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:

- Cash flows were projected based on past experience, actual operating results for timber business over 52 years and projected operating results for oil palm business over 28 years. Management believes that these forecast periods were justified due to the long-term nature of acacia and oil palm business.

- The selling price and costs for acacia operation were assumed to be consistently applied. Costs for acacia operation is based on volume extracted and planted land areas.

- The selling price and costs of oil palm operation were consistently applied with a 10% increase from year 11 onwards.

- A pre-tax discount rate of 14% (2009 - 8%) used for acacia operation and 8% (2009 - 8%) for oil palm operation were applied in determining the recoverable amount of the operations.

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 2008/31 March 2009/31 March 2010	11,504	1,250	12,754
Accumulated amortisation			
At 1 April 2008	2,764	58	2,822
Amortisation for the year	592	14	606
At 31 March 2009/1 April 2009	3,356	72	3,428
Amortisation for the year	592	13	605
At 31 March 2010	3,948	85	4,033
Carrying amounts			
At 1 April 2008	8,740	1,192	9,932
At 31 March 2009/1 April 2009	8,148	1,178	9,326
At 31 March 2010	7,556	1,165	8,721

Company

	Unexpired period more than 50 years RM'000
Cost	
At 1 April 2008/31 March 2009/31 March 2010	1,250
Accumulated amortisation	
At 1 April 2008	58
Amortisation for the year	14
At 31 March 2009/1 April 2009	72
Amortisation for the year	13
At 31 March 2010	85
Carrying amounts	
At 1 April 2008	1,192
At 31 March 2009/1 April 2009	1,178
At 31 March 2010	1,165

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PREPAID LEASE PAYMENTS (CONT'D)

In 2009, the titles to leasehold land of the Group and the Company with an aggregate carrying amount of RM818,000 were in the process of being transferred to the Company as the finalisation of the transfer was pending approval from the relevant authorities.

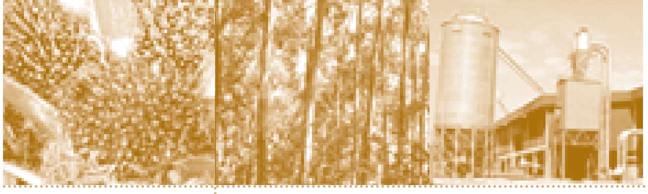
The abovementioned titles were transferred into the name of the Company during the financial year ended 31 March 2010.

6. INVESTMENT PROPERTY

Group and Company	Leasehold buildings unexpired period more than 50 years RM'000
Cost	
At 1 April 2008/31 March 2009/31 March 2010	626
Accumulated depreciation	
At 1 April 2008	95
Depreciation for the year	13
At 31 March 2009/1 April 2009	108
Depreciation for the year	13
At 31 March 2010	121
Carrying amounts	
At 1 April 2008	531
At 31 March 2009/1 April 2009	518
At 31 March 2010	505
Fair value	
At 1 April 2008	635
At 31 March 2009/1 April 2009	644
At 31 March 2010	534

The strata titles of buildings of the Company with an aggregate carrying amount of RM505,000 (2009 - RM518,000) 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 5.33% (2009 - 4.32%).



6. INVESTMENT PROPERTY (CONT'D)

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

	Group and Company 2010 RM'000	2009 RM'000
Rental income	29	25
Direct operating expenses:		
- income generating investment properties	13	13

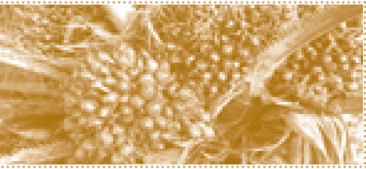
7. FOREST PLANTATION PROJECT

	Note	Group 2010 RM'000	2009 RM'000
Cost			
At 1 April/31 March		35,429	35,429
Accumulated amortisation			
At 1 April		4,663	4,320
Amortisation charge for the year	21	312	343
At 31 March		4,975	4,663
Carrying amount		30,454	30,766

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 15).

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 from the 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).



7. FOREST PLANTATION PROJECT (CONT'D)

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.

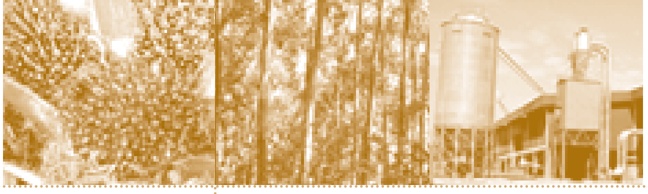
On 13 July 2006, the Johor State Government has alienated to YPJH one plot of agricultural land measuring 850 hectares which was then sub-leased to Aramijaya on 8 October 2007 for a period of ninety nine (99) years less one (1) day from 13 July 2006 till 11 July 2105. The remaining plot of 1,991 hectares of land was alienated to YPJH on 22 October 2007 and was 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 RM25,466,000 has been drawndown as stated in Note 17.

8. DEFERRED INTERESTS

		Group	
	Note	**2010 RM'000**	**2009 RM'000**
Cost			
At 1 April/31 March		19,391	19,391
Accumulated amortisation			
At 1 April		7,716	6,497
Amortisation charge for the year	20	1,218	1,219
At 31 March		8,934	7,716
Carrying amount		10,457	11,675

Deferred interests represent the difference between the privatisation consideration of RM62,270,000 (2009 - RM62,270,000) and the present value of forest plantation project of RM35,429,000 (2009 - RM35,429,000) (Note 7) and plantation development expenditure of RM7,450,000 (2009 - RM7,450,000).

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



9. INVESTMENTS IN SUBSIDIARIES

	Company 2010 RM'000	Company 2009 RM'000
Unquoted shares, at cost	1,440	1,491

Details of the subsidiaries are as follow:

Name of subsidiary	Principal activities	Country of incorporation	Effective ownership interest 2010 %	Effective ownership interest 2009 %
Aramijaya Sdn. Bhd.	Management and operation of a forest plantation, logging, saw milling, chipping, other downstream manufacturing and related activities and oil palm plantation and undertaking of construction works.	Malaysia	70	70
Limbongan-Ekovest Management Sdn. Bhd.*	Investment holding and management.	Malaysia	-	51
Ikhlasi Bina Sdn. Bhd.*	Civil engineering and building works.	Malaysia	100	100

* Not audited by KPMG.

On 28 April 2009, the Group disposed of its 51% equity interest in Limbongan - Ekovest Management Sdn. Bhd. for a cash consideration RM1.

The disposal had the following effect on the Group's assets and liabilities on disposal date:

	Recognised values on disposal RM'000
Plant and equipment	4
Trade receivables	798
Other receivables and deposits	7
Cash and cash equivalents	41
Other payables and accruals	(528)
Amount owing to holding company	(368)
Net identifiable assets and liabilities	(46)
Gain on disposal	46
Consideration received, satisfied in cash	-*
Cash and cash equivalents disposed	(41)
Net cash outflow	(41)

* Consideration received at RM1.

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 16).

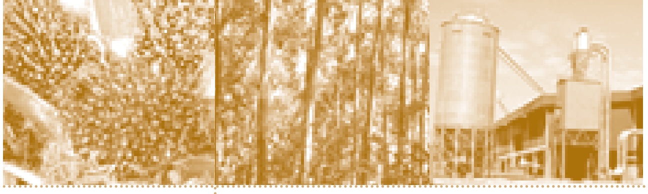
In the event that the net profit entitlement payable to YPJH arising from its 30% equity participation is less than RM5 million in any of the first ten year period, YPJH shall be entitled to request from Aramijaya additional sum towards the performance deposit equivalent to the amount of the shortfall from the RM5 million payable. Accordingly, YPJH's minimum net profit entitlement for the first ten year period totalling RM50 million (2009 - RM50 million) and the performance deposit of RM2.5 million (2009 - 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 (2009 - RM50 million) and the performance deposit of RM2.5 million (2009 - 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	
	2010 RM'000	2009 RM'000 Restated
At cost:		
Timber logs	34	542
Woodchip	3,879	6,217
Pallet	24	29
Sawn timber	58	327
Consumables	121	71
	4,116	7,186



12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Non-current					
Amount due from a subsidiary	12.4	-	-	35,000	-
Current					
Trade					
Trade receivables		2,596	2,121	647	1,221
Allowance for doubtful debts		(50)	(793)	-	(744)
	12.1	2,546	1,328	647	477
Retention sums receivable		637	637	637	637
Construction work-in-progress	12.2	1,343	368	-	368
		4,526	2,333	1,284	1,482
Amount due from related parties	12.3	2,025	1,137	-	-
Allowance for doubtful debts		(155)	(155)	-	-
		6,396	3,315	1,284	1,482
Non-trade					
Other receivables, deposits and prepayments		1,722	1,344	166	367
Amount due from subsidiaries	12.4	-	-	774	27,499
		1,722	1,344	940	27,866
		8,118	4,659	2,224	29,348

12.1 Trade receivables

Included in trade receivables of the Group are advances made to sub-contractors amounting to RM45,000 (2009 - RM103,000), which are unsecured and interest free.

12.2 Construction work-in-progress

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Aggregate costs incurred to date	34,299	10,032	21,129	10,032
Add: Attributable profits	8,656	1,468	7,423	1,468
	42,955	11,500	28,552	11,500
Less: Progress billings	(44,764)	(11,132)	(32,110)	(11,132)
Net amount due from/(to) contract customers	(1,809)	368	(3,558)	368
Presented as follows:				
Construction work-in-progress	1,343	368	-	368
Amount due to contract customers (Note 19)	(3,152)	-	(3,558)	-
Net amount due from/(to) contract customers	(1,809)	368	(3,558)	368

12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

12.3 Amount due from related parties

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

12.4 Amount due from subsidiaries

The non-current and current portions of amount due from subsidiaries are presented as follows:

	Company	
	2010 RM'000	2009 RM'000
Non-current	35,000	-
Current	774	27,499
	35,774	27,499

On 29 September 2009, the shareholders of the Company approved the financial assistance of RM33,000,000 to Aramijaya Sdn. Bhd. ("Aramijaya") at an interest rate of 4.5% per annum for the first three years and 7.0% per annum thereafter, and with fixed terms of repayment. During the year, RM18,000,000 was disbursed to Aramijaya.

Also, during the year, RM17,000,000 of the prior years' advances due from Aramijaya was structured to an unsecured loan with similar terms and conditions as the abovementioned financial assistance. The advances were previously interest free and repayable on demand.

13. CASH AND CASH EQUIVALENTS

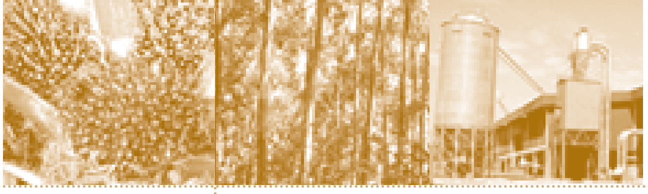
	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances	27,783	14,642	18,579	13,889
Deposits placed with licensed banks	30,400	19,868	29,347	18,815
	58,183	34,510	47,926	32,704

Included in deposits placed with licensed banks is RM1,169,000 (2009 - RM1,053,000) pledged for credit facilities granted to the Group and the Company.

14. CAPITAL AND RESERVES

14.1 Share capital

	Group and Company			
	Amount 2010 RM'000	Number of shares 2010 '000	Amount 2009 RM'000	Number of shares 2009 '000
Ordinary shares of RM0.20 each:				
Authorised	200,000	1,000,000	200,000	1,000,000
Issued and fully paid	65,340	326,700	65,340	326,700



14. CAPITAL AND RESERVES (CONT'D)

14.2 Share premium

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

14.3 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit to frank and distribute all of its distributable reserves at 31 March 2010 if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. As such, the Section 108 tax credit as at 31 December 2007 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.

15. 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:

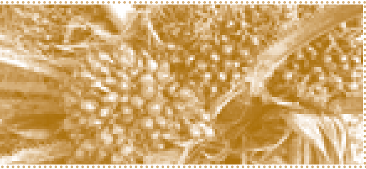
	RM'000
Federal Loans	47,718
State's Expenditure	11,059
Cash Advance	3,493
	62,270

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, Aramijaya paid an amount of RM2,194,000 (2009 – RM2,193,000) to the Johor State Government. The movement in amount due to Johor State Government is as follows:

	2010 RM'000	**2009 RM'000**
Total privatisation consideration payable	62,270	62,270
Less: Instalment paid	(16,210)	(14,016)
	46,060	48,254



15. AMOUNT DUE TO JOHOR STATE GOVERNMENT (CONT'D)

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

	2010 RM'000	2009 RM'000
Non-current		
- More than one year	5,757	5,757
- 2 to 5 years	23,030	23,030
- More than 5 years	11,516	17,274
	40,303	46,061
Current	5,757	2,193
	46,060	48,254

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 (2009 - RM6.8 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 2009 until 1 January 2018. The first three instalments from the revised schedule amounting to RM2,193,000 each have been paid.

16. AMOUNT DUE TO A RELATED PARTY

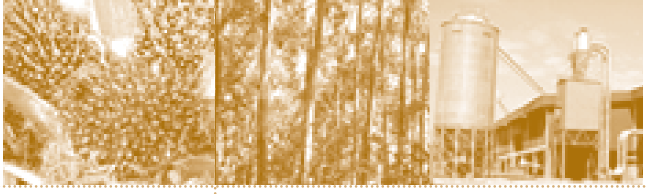
The non-current and current portions of amount due to YPJH are as follows:

	2010 RM'000	2009 RM'000
Non-current	5,000	10,000
Current	40,000	35,000
	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 (2009 - RM50 million) has been recognised as amount due to a related party. An amount of RM5 million (2009 - RM5 million) has been paid as of 31 March 2010.

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



17. BORROWINGS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current				
Finance lease liabilities (secured)	1,744	2,227	231	44
Term loan (secured)	25,466	16,800	-	-
	27,210	19,027	231	44
Current				
Finance lease liabilities (secured)	856	1,262	192	361

17.1 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.

17.2 Terms and debt repayment schedule

Group 2010	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	2,600	856	720	1,024	-
Term loan	2020	25,466	-	-	-	25,466
		28,066	856	720	1,024	25,466
2009						
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
Company 2010						
Finance lease liabilities	2010 - 2012	423	192	157	74	-
2009						
Finance lease liabilities	2010	405	361	44	-	-

Finance lease liabilities of the Group and of the Company are subject to a fixed interest rates ranging from 4.27% to 8.28% (2009 - 4.27% to 7.07%) per annum and 4.27% to 6.62% (2009 - 4.27% to 4.44%) per annum respectively. The term loan is subject to a fixed interest rate at 6.75% (2009 - 6.75%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. BORROWINGS (CONT'D)

17.3 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Minimum lease payments 2010 RM'000	Interest 2010 RM'000	Principal 2010 RM'000	Minimum lease payments 2009 RM'000	Interest 2009 RM'000	Principal 2009 RM'000
Less than one year	981	125	856	1,402	140	1,262
Between one and five years	2,003	259	1,744	2,581	354	2,227
	2,984	384	2,600	3,983	494	3,489
Company						
Less than one year	211	19	192	371	10	361
Between one and five years	242	11	231	44	-	44
	453	30	423	415	10	405

18. 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	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property, plant and equipment	-	-	(12,076)	(1,068)	(12,076)	(1,068)
Forest plantation project	2,133	-	-	-	2,133	-
Tax loss carry-forwards	5,588	537	-	-	5,588	537
Unabsorbed capital allowances	11,308	184	-	-	11,308	184
Tax assets/(liabilities)	19,029	721	(12,076)	(1,068)	6,953	(347)
Set off	(12,076)	(721)	12,076	721	-	-
Net tax assets/(liabilities)	6,953	-	-	(347)	6,953	(347)
Company						
Property, plant and equipment	-	-	(75)	-	(75)	-
Tax loss carry-forwards	3,594	-	-	-	3,594	-
Tax assets/(liabilities)	3,594	-	(75)	-	3,519	-
Set off	(75)	-	75	-	-	-
Net tax assets	3,519	-	-	-	3,519	-

18. 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	
	2010 RM'000	2009 RM'000
Deductible temporary differences	-	279
Tax loss carry-forwards	-	20,264
	-	20,543
Unrecognised deferred tax assets at 25% (2009 - 25%)	-	5,136

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

19. PAYABLES AND ACCRUALS

		Group		Company	
	Note	2010 RM'000	2009 RM'000 Restated	2010 RM'000	2009 RM'000
Trade					
Trade payables		13,749	7,977	3,543	1,660
Amount due to a subsidiary	19.1	-	-	2,381	-
Advances received from customers		10,000	2,790	10,000	-
Retention sums payable		1,971	2,637	1,971	2,637
Amount due to related parties	19.2	11,384	6,011	-	-
Amount due to contract customers	12.2	3,152	-	3,558	-
		40,256	19,415	21,453	4,297
Non-trade					
Other payables and accrued expenses		3,148	2,419	306	252
Amount due to a subsidiary	19.1	-	-	-	232
		3,148	2,419	306	484
		43,404	21,834	21,759	4,781

19.1 Amount due to a subsidiary

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

19.2 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 RM Nil (2009 - RM33,000) which is subject to interest at 6% (2009 - 6%) per annum with a fixed term of repayment.

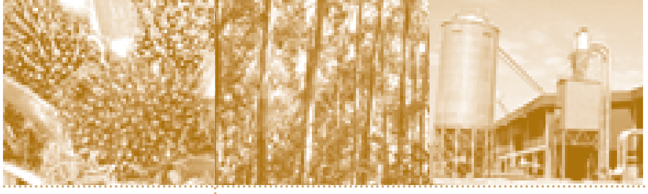
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. FINANCE COSTS

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Amortisation of deferred interests	8	1,218	1,219	-	-
Finance lease liabilities		130	108	25	26
Overdraft interest		23	-	-	-
		1,371	1,327	25	26

21. PROFIT/(LOSS) BEFORE TAX

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
Profit/(Loss) before tax is arrived at after charging:					
Allowance for doubtful debts		-	155	-	-
Amortisation of forest plantation project	7	312	343	-	-
Amortisation of prepaid lease payments	5	605	606	13	14
Finance costs	20	1,371	1,327	25	26
Auditors' remuneration					
- Audit services					
Auditors of the Company		80	62	45	42
Other auditors		2	1	-	-
- Other services		5	-	5	-
Depreciation of property, plant and equipment	3	3,374	3,542	413	354
Depreciation of investment property	6	13	13	13	13
Loss on disposal of a subsidiary		-	-	51	-
Personnel expenses (including key management personnel)					
- Contributions to Employees Provident Fund		364	419	79	83
- Wages, salaries and others		4,977	5,195	1,242	979
Realised foreign exchange loss		-	19	-	-
Rental of plant and machinery		1,639	1,957	-	-
Rental of premises		163	181	124	108
Rental of motor vehicles		34	78	-	-
and after crediting:					
Gain on disposal of property, plant and equipment		57	499	5	499
Gain on disposal of assets classified as held for sale		-	136	-	136
Gain on disposal of a subsidiary		46	-	-	-
Realised foreign exchange gain		87	262	-	-
Rental income from hire of					
- Motor vehicles		41	41	-	-
- Plant and machinery		320	85	-	-
- Others		62	-	-	-



21. PROFIT/(LOSS) BEFORE TAX (CONT'D)

	Note	Group 2010 RM'000	Group 2009 RM'000 Restated	Company 2010 RM'000	Company 2009 RM'000
and after crediting: (Cont'd)					
Rental income from investment property		29	25	29	25
Interest income arising from:					
- Amount due from a subsidiary		-	-	633	-
- Deposits with licensed banks		413	-	413	-

22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Directors:				
- Fees	34	28	34	28
- Remuneration	876	882	564	566
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	53	52	46	45
Total short term employee benefits	963	962	644	639

23. TAX EXPENSE

Recognised in the income statements

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Tax expense	(7,190)	(872)	(3,409)	(172)
Major components of tax expense include:				
Current tax expense				
Malaysian - current year	110	-	110	-
- over provision in prior year	-	(172)	-	(172)
Total current tax	110	(172)	110	(172)
Deferred tax expense				
Origination and reversal of temporary differences	(3,049)	(975)	(3,519)	-
(Over)/Under provision in prior year	(4,251)	275	-	-
Total deferred tax	(7,300)	(700)	(3,519)	-
Total tax expense	(7,190)	(872)	(3,409)	(172)

23. TAX EXPENSE (CONT'D)

Reconciliation of effective tax expense

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit/(Loss) for the year	14,032	(5,110)	9,639	(1,962)
Total tax expense	(7,190)	(872)	(3,409)	(172)
Profit/(Loss) excluding tax	6,842	(5,982)	6,230	(2,134)
Tax at Malaysian tax rate	1,710	(1,496)	1,558	(534)
Effect of change in tax rate*	-	155	-	205
Non-deductible expenses	289	871	(29)	7
Forest premium allowed for deduction	-	(218)	-	-
Expenditure capitalised allowed for deduction	-	(609)	-	-
Deferred tax assets not recognised	-	322	-	322
Recognition of previously unrecognised deductible temporary differences	(4,938)	-	(4,938)	-
	(2,939)	(975)	(3,409)	-
(Over)/Under provision in prior year	(4,251)	103	-	(172)
	(7,190)	(872)	(3,409)	(172)

* The corporate tax rate is 25% for year of assessment 2009 and for the subsequent years of assessment. Consequently deferred tax assets and liabilities are measured using this tax rate.

24. EARNINGS PER ORDINARY SHARE - GROUP

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2010 was based on the profit attributable to ordinary shareholders of RM12,550,000 (2009 restated loss - RM4,167,000) and the weighted average number of ordinary shares outstanding as at 31 March 2010 of 326,700,000 (2009 - 326,700,000).

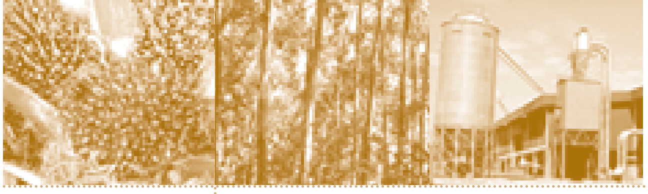
25. SEGMENTAL REPORTING

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.



25. SEGMENTAL REPORTING (CONT'D)

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.

Business segments	Construction 2010 RM'000	Construction 2009 RM'000	Management Service 2010 RM'000	Management Service 2009 RM'000	Plantation 2010 RM'000	Plantation 2009 RM'000 Restated	Consolidated 2010 RM'000	Consolidated 2009 RM'000 Restated
Segment revenue	43,444	-	-	90	19,674	17,027	63,118	17,117
Segment result	6,415	(2,767)	-	(4)	1,385	(2,542)	7,800	(5,313)
Results from operating activities							7,800	(5,313)
Interest income							413	658
Finance costs							(1,371)	(1,327)
Profit/(Loss) before tax							6,842	(5,982)
Tax expense							7,190	872
Profit/(Loss) for the year							14,032	(5,110)
Segment assets	58,013	38,300	-	851	176,052	167,455	234,065	206,606
Unallocated assets							14,602	1,223
Total assets							248,667	207,829
Segment liabilities	27,717	4,958	-	528	134,813	129,891	162,530	135,377
Unallocated liabilities							-	347
Total liabilities							162,530	135,724

25. SEGMENTAL REPORTING (CONT'D)

Business segments	Construction 2010 RM'000	Construction 2009 RM'000	Management Service 2010 RM'000	Management Service 2009 RM'000	Plantation 2010 RM'000	Plantation 2009 RM'000 Restated	Consolidated 2010 RM'000	Consolidated 2009 RM'000 Restated
Capital expenditure	526	5	-	-	15,335	21,355	15,861	21,360
Depreciation	426	367	-	2	3,433	3,697	3,859	4,066
Amortisation of deferred interests	-	-	-	-	1,218	1,219	1,218	1,219
Amortisation of forest plantation project	-	-	-	-	312	343	312	343
Amortisation of prepaid lease payments	13	13	-	-	592	593	605	606
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	286	-	286

26. 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

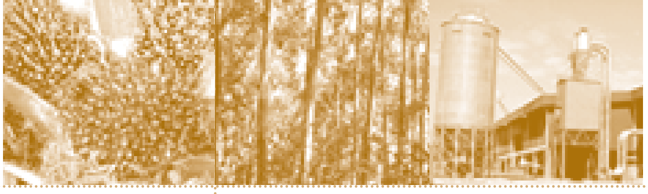
The exposure to credit risk is monitored by the management on an ongoing basis. The Group does not require collateral in respect of financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

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 (2009 - 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.



26. FINANCIAL INSTRUMENTS (CONT'D)

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

Fixed rate instruments 2010	**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**
Group						
Financial assets:						
Deposits placed with licensed banks	2.31	30,400	30,400	-	-	-
Financial liabilities:						
Finance lease liabilities	5.59	(2,600)	(856)	(720)	(1,024)	-
Term loan	6.75	(25,466)	-	-	-	(25,466)
		(28,066)	(856)	(720)	(1,024)	(25,466)
Company						
Financial assets:						
Deposits placed with licensed banks	2.31	29,347	29,347	-	-	-
Amount due from subsidiary	5.43	35,000	-	15,000	13,000	7,000
Financial liabilities:						
Finance lease liabilities	4.97	(423)	(192)	(157)	(74)	-
2009						
Group						
Financial assets:						
Deposits placed with licensed banks	1.98	19,868	19,868	-	-	-
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 a related party	6.00	(33)	(33)	-	-	-
		(20,322)	(1,295)	(709)	(1,518)	(16,800)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

Fixed rate instruments 2009	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)	-	-

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 (2009 - RM52,500,000) (Note 10), at this stage, the Directors are unable to reasonably estimate the timing of recovery of the amount by way of 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 RM45,000,000 (2009 - RM45,000,000) (Note 16), 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 defaulting on the credit lines is remote.

The aggregate fair value of the other financial liabilities carried on the balance sheet as at 31 March 2010 are shown below:

	2010		2009	
Group	**Carrying amount RM'000**	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM000**
Financial liabilities				
Amount due to Johor State Government	46,060		48,254	
Less: Deferred interests	(10,457)		(11,675)	
	35,603	35,603	36,579	36,579
Finance lease liabilities	2,600	2,301	3,489	3,048
Term loan	25,466	23,635	16,800	15,592
	63,669	61,539	56,868	55,219
Company				
Financial liabilities				
Finance lease liabilities	423	400	405	387

26. FINANCIAL INSTRUMENTS (CONT'D)

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 interests (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:

	2010	2009
Finance lease liabilities	4.27% - 8.28%	4.27% - 7.07%
Term loan	6.84%	6.84%

27. 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.

	Company	
	2010 RM'000	2009 RM'000
Unsecured		
Performance bond to third parties in respect of a project of a subsidiary	265	374
Corporate guarantee to third party in respect of purchasing of machinery by a subsidiary	1,859	2,385
Corporate guarantee to third parties in respect of purchasing of motor vehicles by a subsidiary	307	699
Corporate guarantee to Johor State Government in respect of payment by a subsidiary	46,060	48,253
Corporate guarantee to a third party in respect of a term loan held by a subsidiary	25,466	16,800
	73,957	68,511

28. 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 follows:

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., Segi Gemilang Sdn. Bhd., Radiant Seas Sdn. Bhd., Segi Tiara Sdn. Bhd., D-Hill Sdn. Bhd., and Felda Ekovest Sdn. Bhd. are deemed related to Dato' Lim Kang Hoo, Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh; and

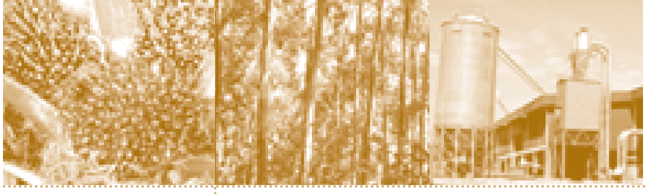
ii) Ekovest Berhad is deemed related to Dato' Lim Kang Hoo.

iii) Julung Cipta Sdn. Bhd. is deemed related to Johar Salim Bin Yahaya, Norliza Binti Suleiman and Kumpulan Prasarana Rakyat Johor Sdn. Bhd..

Related party transactions

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

Type of transactions	Related party	2010 RM'000	2009 RM'000
Group			
Sales	Danga Bay Sdn. Bhd.	(16)	(173)
	Wengcon Marketing Sdn. Bhd.	(9)	(77)
	Wengcon Equipment Sdn. Bhd.	(1)	-
Management fee receivable	Danga Bay Sdn. Bhd.	-	(90)
Purchases	Wengcon Marketing Sdn. Bhd.	5,148	5,219
	Danga Bay Sdn. Bhd.	23	-
	Wengcon Equipment Sdn. Bhd.	16	-
Construction income	Julung Cipta Sdn. Bhd.	(13,997)	-
Sand discharge income	Radiant Seas Sdn. Bhd.	(256)	-
Rental of plant and machinery payable	Wengcon Equipment Sdn. Bhd.	94	75
	Wengcon Holdings Sdn. Bhd.	484	3,450
	Wengcon Machinery Sdn. Bhd.	10	-
	Ekovest Construction Sdn. Bhd.	46	-
Rental of plant and machinery receivable	Wengcon Equipment Sdn. Bhd.	(39)	-
	Segi Tiara Sdn. Bhd.	(228)	-



28. RELATED PARTIES (CONT'D)

Related party transactions (Cont'd)

Type of transactions	Related party	2010 RM'000	2009 RM'000
Group			
Purchase of motor vehicles	Felda Ekovest Sdn. Bhd.	26	-
Purchase of plant and machinery	Wengcon Holdings Sdn. Bhd.	-	1,011
Rental of motor vehicle payable	D-Hill Sdn. Bhd.	9	-
	Ekovest Berhad	14	-
	Ekovest Construction Sdn. Bhd.	1	-
Rental of motor vehicle receivable	Danga Bay Sdn. Bhd.	(9)	-
Rental of equipment payable	Segi Gemilang Sdn. Bhd.	1,200	1,200
Rental of premises payable	Limbongan Setia Corporation Sdn. Bhd.	108	108
Rental of premises receivables	Segi Tiara Sdn. Bhd.	(55)	-
Repair and service of plant and machinery payable	Wengcon Machinery Sdn. Bhd.	28	47
	Segi Tiara Sdn. Bhd.	13	-
Company			
Interest income receivable	Aramijaya Sdn. Bhd.	(633)	-
Rental of premises payable	Limbongan Setia Corporation Sdn. Bhd.	108	108
Secondment fee	Ikhlasi Bina Sdn. Bhd.	(77)	-
Sub-contractor cost	Ikhlasi Bina Sdn. Bhd.	3,330	-

Balances with related parties are disclosed in Note 10, Note 12, Note 16 and Note 19. These transactions have been entered into in the normal course of business and have been established under negotiated terms.

29. 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 its 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 December 2010.

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.

30. PRIOR YEAR ADJUSTMENT AND COMPARATIVE FIGURES

The prior year adjustment was in respect of advances received from customers amounting to RM2,632,000 which was recognised as revenue in 2009. In addition, RM1,200,000 was deducted from inventories and RM54,000 of realised foreign exchange gain was recognised in 2009. These items resulted in an understatement of loss before tax of RM1,486,000 for the year ended 31 March 2009.

The following comparative figures were restated via a prior year adjustment to appropriately reflect the abovementioned transactions:

	As restated RM'000	As previously reported RM'000
Consolidated balance sheet		
Current assets:		
Inventories	7,186	5,986
Current liabilities:		
Trade and other payables	21,834	19,148
Equity:		
(Accumulated losses)/Retained earnings	(882)	158
Consolidated income statement		
Revenue	17,117	19,749
Cost of sales	(16,771)	(17,971)
Other income	1,092	1,146
Loss before tax	(5,982)	(4,496)
Loss for the year	(5,110)	(3,624)
Loss attributable to shareholders of the Company	(4,167)	(3,127)
Loss attributable to minority interest	(943)	(497)
Consolidated statement of changes in equity		
(Accumulated losses)/Retained earnings at 31 March 2009/1 April 2009	(882)	158
Minority interest at 31 March 2009/1 April 2009	3,026	3,472
Total equity at 31 March 2009/1 April 2009	72,105	73,591
Consolidated cash flow statement		
Loss before tax	(5,982)	(4,496)
Operating (loss)/profit before changes in working capital	(1,289)	197
Changes in working capital		
- Inventories	(4,717)	(3,517)
- Payables and accruals	6,015	3,329

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 27 to 70 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 as of 31 March 2010 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:

....

Tan Sri Dato' Lim Kang Yew

....

Lee Hun Kheng

Kuala Lumpur,
Date: 30 July 2010

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 PLS Plantations Berhad (formerly known as Pembinaan Limbongan Setia Berhad), do solemnly and sincerely declare that the financial statements set out on pages 27 to 70 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 30 July 2010.

....

Hei Kum Hong

Before me:

P. Thurirajoo
Commission for Oaths
No. W438
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PLS PLANTATIONS BERHAD

(Formerly Known As Pembinaan Limbongan Setia Berhad) Company No. 160032 - K
(Incorporated In Malaysia)

Report on the Financial Statements

We have audited the financial statements of PLS Plantations Berhad (formerly known as Pembinaan Limbongan Setia Berhad), which comprise the balance sheets as at 31 March 2010 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 27 to 70.

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 2010 and of their financial performance and cash flows for the year then ended.

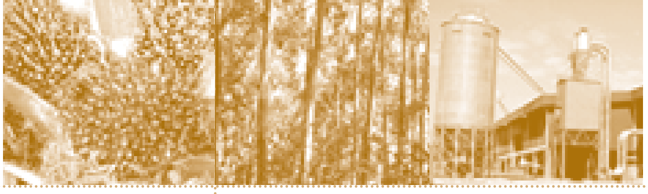
Report on Other Legal and Regulatory Requirements

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.



INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF PLS PLANTATIONS BERHAD

Report on Other Legal and Regulatory Requirements (Cont'd)

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: 30 July 2010

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2010

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

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	43	5.29	836	0.00
100 - 1,000	284	34.93	62,664	0.02
1,001 - 10,000	209	25.71	1,202,200	0.37
10,001 - 100,000	198	24.35	5,899,200	1.81
100,001 - less than 5%	75	9.23	122,567,100	37.51
5% and above	4	0.49	196,968,000	60.29
TOTAL	**813**	**100.00**	**326,700,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

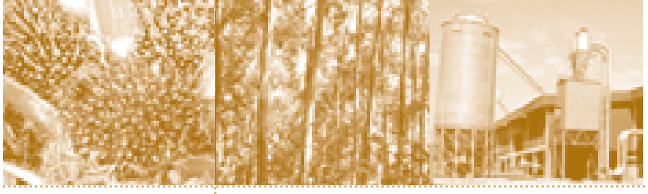
Shareholdings as at 30 July 2010

No. 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	24,323,000	7.45	-	-
5. Lee Hun Kheng	-	-	74,970,000	22.95
6. Lim Keng Guan	-	-	81,605,000	24.98
TOTAL	**211,968,000**	**64.89**		

DIRECTORS' SHAREHOLDINGS

Shareholdings as at 30 July 2010

No. Name	Direct Shareholdings	%	Indirect Shareholdings	%
1. Encik Johar Salim bin Yahaya	-	-	-	-
2. Tan Sri Dato' Lim Kang Yew	36,175,000	11.07	-	-
3. Mr. Lee Hun Kheng	-	-	74,970,000	22.95
4. Dato' Lim Kang Hoo	-	-	25,000	0.01
5. Dato' Lim Kang Poh	24,323,000	7.45	-	-
6. Dato' Haji Ibrahim bin Haji Keling	-	-	-	-
7. Encik Hisham bin Mahmood	-	-	-	-
8. Ms. Kang Hui Ling	-	-	-	-
9. Puan Norliza binti Suleiman	-	-	-	-
TOTAL	**60,498,000**	**18.52**		



ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 30 JULY 2010

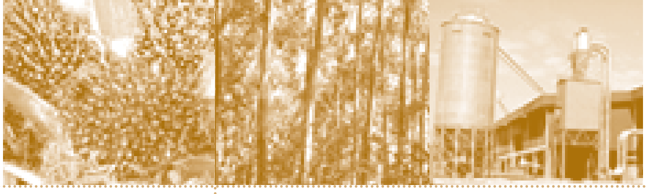
THIRTY (30) LARGEST SHAREHOLDERS

No.	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	24,323,000	7.45
5.	Limbongan Resources Sdn. Bhd.	15,000,000	4.59
6.	Lim Keng Cheng	9,124,500	2.79
7.	Lim Seong Hai Holdings Sdn. Bhd.	6,635,000	2.03
8.	Yap Shing @ Yap Sue Kim	6,210,400	1.90
9.	TCL Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account for Mohamad Nor Bin Hamid*	3,743,000	1.15
10.	Koh Hong Seng	3,708,500	1.14
11.	A. A. Anthony Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Tan Wen Shiow*	3,656,600	1.12
12.	A. A. Anthony Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Wong Kim Leng*	3,346,500	1.02
13.	OSK Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Ngai Sok Fong*	3,215,300	0.98
14.	Khoo Nang Seng @ Khoo Nam Seng	3,165,000	0.97
15.	Loh Yu San	3,073,900	0.94
16.	Wong Yit Choy	2,987,700	0.91
17.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Pang Piu Fong*	2,937,500	0.90
18.	HSBC Nominees (Asing) Sdn. Bhd. *- Bintang Mas Consulting Ltd*	2,924,000	0.90
19.	ECML Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Yap Kok Woon*	2,852,700	0.87
20.	Mayban Securities Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Cheong Meow Yen*	2,267,500	0.69
21.	Wong Khai Shiang	2,261,000	0.69
22.	Gary Lee Seaton	2,139,000	0.65
23.	Tan Lai Leng	1,908,900	0.58
24.	Cheong Meow Yen	1,828,500	0.56
25.	Tung Foong Ngoh	1,681,500	0.52
26.	Lim Hoe	1,673,000	0.51
27.	Tan Huey Ying	1,547,300	0.47
28.	Yong Huoy Ping	1,500,000	0.46
29.	Tan Leak Goh	1,490,000	0.46
30.	ECML Nominees (Tempatan) Sdn. Bhd. *- Pledged securities account for Wong Khai Shiang*	1,474,500	0.45
TOTAL		**289,319,800**	**88.55**

LIST OF PROPERTIES

AS AT 31 MARCH 2010

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	18 Years	31.03.1992	487
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	176
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	181
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	181
5	HS (M) 28556, PT 30577, 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	169
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	225
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	234



LIST OF PROPERTIES (CONT'D)
AS AT 31 MARCH 2010

No	Location	Description /Existing Use	Area	Land tenure	Age of Building	Date of Acquisition	Net Book Value RM '000
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	10 Years	15.09.2000	127
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	10 Years	15.09.2000	127
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	10 Years	15.09.2000	126
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	10 Years	15.09.2000	126
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	5 Years	30.04.2004	11,951
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	3 years	05.10.2006	808
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	3 Years	05.10.2006	808

The group has not revalued any of its properties

APPENDIX 1

EXISTING ARTICLE	NEW ARTICLE
Article 143	*Article 143*
Payment by cheque	**Payment of dividend**
Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant, sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the money represented thereby irrespective of any circumstances. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.	***Subject to the provisions of the Listing Requirements and the Rules,*** any dividend, interest or other money payable in cash in respect of shares may be paid ***via electronic means*** or by cheque or warrant, sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct. Every such cheque or warrant or ***electronic transfer or remittance*** shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant ***or via electronic means*** shall operate as a good discharge to the Company in respect of the money represented thereby irrespective of any circumstances. Every such cheque or warrant ***or electronic transfer or remittance*** shall be sent at the risk of the person entitled to the money thereby represented.

PLS PLANTATIONS BERHAD
(Formerly Known As Pembinaan Limbongan Setia Berhad)
Company No. 160032-K

PROXY FORM

I/We____

of____

being a member/members of the above named Company hereby appoint_______________________

of____

or failing whom____

of____

or the Chairman of the meeting as my/our proxy on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held on Friday, 24th day of September 2010 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".

NO	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. Tan Sri Dato' Lim Kang Yew (Article 117)	[Resolution 3]		
	b. Dato' Lim Kang Hoo (Article 82)	[Resolution 4]		
	c. Encik Hisham Bin Mahmood (Article 82)	[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 1** Proposed amendments to the Articles of Association	[Resolution 8]		
	ORDINARY RESOLUTION 1 Authority to Issue Shares pursuant to Section 132D Of the Companies Act, 1965	[Resolution 9]		
	ORDINARY RESOLUTION 2 Renewal of Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or trading nature	[Resolution 10]		

Dated this ____________ day of ____________________2010

Number of shares held [ ]

____
Signature of Shareholder (s)

Notes :

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

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AFFIX
STAMP

THE COMPANY SECRETARIES

PLS PLANTATIONS BERHAD
(Formerly Known As Pembinaan Limbongan Setia Berhad)
(Company No. 160032-K)

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

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PLS PLANTATIONS BERHAD
(Formerly Known As Pembinaan Limbongan Setia Berhad)
Company No. 160032-K

17, Wisma Limbongan Setia, Jalan SG 3/4,
Taman Seri Gombak, 68100 Batu Caves, Selangor Darul Ehsan