PLS PLANTATIONS BERHAD

Company No. 160032-K

ANNUAL REPORT 2012

CONTENTS

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting of the Company will be held at Function Room, KKlub, Jalan Melawati 3, Taman Melawati, 53100 Selangor Darul Ehsan on Thursday, 27th September 2012 at 10.00 a.m for the following purposes:

AGENDA

1. To receive and consider the Audited Financial Statements for the year ended 31 March 2012 together with the Reports of the Directors and the Auditors thereon. **RESOLUTION 1**

2. To approve the payment of Directors' fees for the financial year ended 31 March 2012. **RESOLUTION 2**

3. To re-elect the following Directors who retire in accordance with Article 82 of the Company's Article of Association:-

   (i) Dato' Lim Kang Poh; **RESOLUTION 3**

   (ii) Puan Norliza Binti Suleiman; and **RESOLUTION 4**

   (iii) Haji Johar Salim Bin Yahaya. **RESOLUTION 5**

4. To re-elect Dato' Haji Ibrahim Bin Haji Keling who retires in accordance with Section 129(6) of the Companies Act, 1965. **RESOLUTION 6**

5. To re-appoint Messrs. Baker Tilly Monteiro Heng as auditors of the Company and to authorise the Directors to fix their remuneration. **RESOLUTION 7**

6. As Special Business, to consider and if thought fit, to pass the following resolutions with or without modifications:-

ORDINARY RESOLUTION 1

Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965 **RESOLUTION 8**

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

ORDINARY RESOLUTION 2

Proposed Renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **RESOLUTION 9**

"THAT authority be and is hereby given pursuant to paragraph 10.09 and Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in paragraph 3.4 as disclosed in Appendix 1 of the Circular to Shareholders dated 5th September 2012 with the related parties listed in paragraph 3.3 which are necessary for the day-to-day operations, in the ordinary course of business, made at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those normally available to the public and are not to the detriment of the minority shareholders; **AND THAT** the authority conferred by this Mandate shall commence immediately upon the passing of this resolution and is subject to annual renewal. In this respect the authority shall only continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at that Annual General Meeting.

(ii) the expiration of the period within which the next Annual General Meeting after the date, it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but not extending to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier."

SPECIAL RESOLUTION
Proposed Amendments to the Articles of Association **RESOLUTION 10**

"THAT the proposed alterations, modifications, amendments, and/or deletions to the Articles of Association of the Company as disclosed in Appendix 2 of the Circular to Shareholders dated 5th September 2012 be and are hereby approved and adopted."

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

By Order of the Board

LIM THIAM WAH, ACIS
CHUA HOON PING, ACIS
JOINT SECRETARIES

SELANGOR DARUL EHSAN
5 September 2012

Notes:

1. Only depositors whose names appear in the General Meeting Record of Depositors on 18 September 2012 shall be eligible to vote, speak and attend the Meeting.

2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

3. 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 to the Company. There shall be no restriction as to the qualification of the proxy.

4. For an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.

6. To be valid, this proxy form, duly completed must be deposited at the Registered Office not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

i. The Proposed Resolution 8 if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting. As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 29 September 2011 and which will lapse at the conclusion of the Twenty-Fifth Annual General Meeting. The general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited for further placing of shares for purpose of funding future investment(s), working capital and/or acquisitions.

ii. The Proposed Resolution 9 if passed, will authorise the Group to enter into recurrent related party transactions as specified in the Circular to Shareholders dated 5 September 2012, provided that such transactions are of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business made at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

iii. The Proposed Resolution 10 if passed, will bring the Company's Articles of Association in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as set out in the Circular to Shareholders dated 5 September 2012.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Particulars of Directors who are standing for election at the Twenty-Fifth Annual General Meeting.

There is no director standing for election at the Twenty-Fifth Annual General Meeting.





BOARD OF DIRECTORS

Haji Johar Salim Bin Yahaya
(Executive Chairman)

Tan Sri Dato' Lim Kang Yew
(Managing Director)

Mr Lee Hun Kheng
(Executive Director)

Tan Sri Dato' Lim Kang Hoo
(Non-Independent Non-Executive Director)

Dato' Lim Kang Poh
(Non-Independent Non-Executive Director)

Dato' Haji Ibrahim Bin Haji Keling
(Independent Non-Executive Director)

Encik Hisham Bin Mahmood
(Independent Non-Executive Director)

Miss Kang Hui Ling
(Independent Non-Executive Director)

Puan Norliza Binti Suleiman
(Non-Independent Non-Executive Director)

CORPORATE INFORMATION

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

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

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

COMPANY SECRETARIES
Mr. Lim Thiam Wah, *ACIS*
Ms. Chua Hoon Ping, *ACIS*

PRINCIPAL BANKERS
RHB Bank Bhd
Public Bank Bhd
Malayan Banking Bhd
Ambank (M) Bhd
Agro Bank Bhd

STOCK EXCHANGE
Bursa Malaysia Securities Berhad
(Main Market)
Sector : Plantation
Stock Name : PLS
Stock Code : 9695

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AUTHORISED & PAID-UP CAPITAL
Authorised RM200.0 million
Paid-up RM65.34 million

AUDITOR
Baker Tilly Monteiro Heng
Chartered Accountants *(AF 0117)*
An Independent Member of
Baker Tilly International
Baker Tilly MH Tower,
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03-2297 1000
Fax : 03-2282 9980

EXECUTIVE CHAIRMAN'S STATEMENT

HAJI JOHAR SALIM BIN YAHAYA
Executive Chairman

On behalf of the Board of Directors of PLS Plantations Berhad, I am pleased to present the Annual Report of the Company and the Group for the financial year ended 31st March 2012.

INDUSTRIAL TRENDS AND DEVELOPMENT

The global economy continued to expand in the first quarter of 2012, aided by positive developments in the advanced economies. Growth in most of the emerging and developing economies remained robust driven by domestic demand, higher consumer confidence, buoyant retail sales and higher public investment.

Malaysia's Gross Domestic Product (GDP) growth remained resilient at 4.7% in the first quarter of 2012 as compared to 5.2% in the previous quarter, led by the favourable performance of the services and higher output of domestics-oriented manufacturing sectors especially in relation to construction-related sub-sectors materials. The construction sector accelerated with a double-digit growth of 15.5% on account of robust activity in the private residential projects ranging from low to high-end properties and civil engineering sub-sectors of public construction projects as well in oil and gas activities. Likewise, the agriculture sector registered a growth of 2.1% on the back of higher production of the livestock, forestry and logging sub-sectors particularly in Sarawak and moderation in the oil palm sub-sector following a lower yield of fresh fruit bunches. However, growth of the rubber sub-sector was affected by the wintering season and contracted 9.4% accordingly.

On the domestic front, the Malaysian economy is expected to sustain its growth momentum for the first half year of 2012 as reflected by the Leading index which grew averagely from October 2011 to March 2012. On the demand side, growth is expected to emanate from private consumption and high investment activities. On the supply side, growth will be supported by continuing expansion in the services and manufacturing sectors.

(Source : Malaysian Economic Report 1st Quarter 2012)

FINANCIAL RESULTS AND OPERATION REVIEWS

For the financial year ended 31 March 2012, the Group registered higher revenue of RM148.2 million as compared to RM123.4 million in the previous year. As a result, the Group recorded a higher pre-tax profit of RM19.9 million as compared to RM17.7 million attained in financial year 2011.

The improved results continued to be spearheaded by its construction operations, attributable to its ongoing "design and build" hospital project in Seremban, substantially completed construction works for the highway projects and the supply and transport of suitable earth fill material project in the State of Johor.

Its 70% owned subsidiary, Aramijaya Sdn Bhd ('Aramijaya') continued to achieve a higher revenue of RM96.4 million as compared to RM82.5 million and pre-tax profit of RM10.8 million as compared to RM7.6 million in the previous year, largely due to contribution from its ongoing special construction works. The demand for its timber products such as wood chips, logs, sawn timbers and particle boards, however, has been affected by slower demand locally and overseas especially in wood chips.

During the current financial period under review, Aramijaya registered its maiden net revenue from its Fresh Fruit Bunches ("FFB") harvested, amounting to RM3.5 million and resulting in an operating profit of RM0.6 million. The Group recorded a total FFB production of 5,560 metric tonnes (M/T) with an average selling price realised for Crude Palm Oil of RM3,122 per M/T.

The Group recorded a higher net asset per share attributable to equity holders of the holding company from RM0.28 per share in the previous financial year to RM0.32 per share in the current financial year.




CORPORATE DEVELOPMENT

The Company has not implemented any new corporate proposal during the financial year ended 31 March 2012. The Board will explore any other related business operations and credible investment opportunities to improve the Group's performance as well as enhance shareholder value.

PROSPECT

Currently, the Group continues to concentrate on its objective of planting its entire oil palm plantation expeditiously while exploring the possibility of increasing its plantation land bank for the replanting of acacia tree. The Group also had ventured into rubber (Timber Latex) plantation on a new forest plantation area in the State of Johor under a sub-development agreement for a period of 30 years and an option to extend for a further period of 30 years. The rubber plantation development which is expected to be a challenging task will have further contribution to the Group in the long term.

The fibreboard factory continues to value add to the woodchips business and is expected to benefit the Group's performance in the long run. New strategic alliances with both local and multi-national companies that are in line with the group's expansion objective will be considered for future investment and development.

As for the construction sector, the Group is continuing its efforts in tendering for new construction contracts and negotiated contracts from both public and private sector in line with the continuing implementation of projects under the 10th Malaysia Plan and the Entry Point Projects under the Economic Transformation Programme.

Barring any unforeseen circumstances, the Board anticipates that the Group would continue to remain profitable in the forthcoming financial year due to further contributions from both the construction and plantation operations especially from oil palm plantation prospect as more young palms with better FFB yield are moving towards maturity, in the current financial year.

APPRECIATION

On behalf of the Board of Directors and Management, I would like to express my sincere thanks to my fellow directors, management team and staff for their collective commitments and undivided contributions to the Group during the year.

My sincere gratitude and appreciation to all our loyal shareholders, bankers, business associates, buyers and sellers, consultants and contractors not least to relevant government authorities for their continued support, firm confidence and trust in the Group and the Company.

A further note of appreciation to the management and staff as Aramijaya had achieved ISO 9001:2008 certification for the scope of "Manufacture of woodchip, sawn timber, fabrication of wood pallet and particle boards for various industries" on 6 January 2012.

HAJI JOHAR SALIM BIN YAHAYA
Executive Chairman

DIRECTORS' PROFILE

Haji Johar Salim Bin Yahaya
Executive Chairman

Haji Johar Salim bin Yahaya, a Malaysian and aged 59 was appointed to the Board on 4 March 1997 and as Executive Chairman on 1 August 2003. He graduated with a Bachelor of Economics (Hons) Degree from University Malaya, Kuala Lumpur. Haji Johar started his career with Bank of America in 1976 and later moved to Malaysian French Bank in 1983. He joined Kumpulan Prasarana Rakyat Johor Sdn Bhd in 1996 and is a Director of Tebrau Teguh Bhd. He is also a director in several other private limited companies.

Haji Johar Salim bin Yahaya is deemed to be interested in the related party transactions disclosed on page 76 of the Annual Report. He does not have any family relationship with any of the directors and / or substantial shareholders of the Company. Haji Johar Salim Bin Yahaya does not hold any shares in PLS.

Tan Sri Dato' Lim Kang Yew
Managing Director

Tan Sri Dato' Lim Kang Yew, a Malaysian and aged 55 was appointed to the Board on 10 March 1987 and as Managing Director on 12 December 1994. He has more than 30 years of experience in the construction industry. After completing his secondary educations, he started with his own construction company mainly involved in civil engineering and building works and established good working relationship with private sectors and government agencies. His vast experiences in this field have proven to be invaluable to the Group. He is currently a Non-Executive Director of TSR Capital Bhd and also a director of several other private limited companies.

Tan Sri Dato' Lim Kang Yew is deemed to be interested in the related party transactions disclosed on page 76 of the Annual Report. He is the brother of Tan Sri Dato' Lim Kang Hoo and Dato' Lim Kang Poh. The interest of Tan Sri Dato' Lim Kang Yew in the Company is disclosed on page 26 of the Annual Report. He is an uncle to Mr. Lee Hun Kheng.

Tan Sri Dato' Lim Kang Hoo
Non-Independent
Non-Executive Director

Tan Sri Dato' Lim Kang Hoo, a Malaysian and aged 57 was appointed to the Board on 28 May 2004. He is a businessman with over 35 years of experience in the construction and machinery related industry. He started his involvement in the construction industry soon after completing his secondary educations, assisting the family construction business. His dynamism and vision coupled with hard work saw the companies that he lead grow by leaps and bound. Ekovest Bhd and Knusford Bhd which are listed on the main board of Bursa Malaysia are results of his involvement. At present, he is the Executive Chairman of Ekovest Bhd, an Executive Vice Chairman of Tebrau Teguh Bhd, an Executive Director of Knusford Bhd and also a director of several other private limited companies.

Tan Sri Dato' Lim Kang Hoo is deemed to be interested in the related party transactions disclosed on page 76 of the Annual Report. He is the brother of Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh. He is an uncle to Mr. Lee Hun Kheng.

Dato' Lim Kang Poh

Non-Independent
Non-Executive Director

Dato' Lim Kang Poh, a Malaysian and aged 55 was appointed to the Board on 6 October 2005. After completing his secondary educations, he started his career in the construction industry in 1976 under Tasja Sdn Bhd. At present, he is the Deputy Executive Chairman of Astral Asia Bhd and director of several other private limited companies.

Dato' Lim Kang Poh is deemed to be interested in the related party transactions disclosed on page 76 of the Annual Report. He is the brother of Tan Sri Dato' Lim Kang Yew and Tan Sri Dato' Lim Kang Hoo. He is an uncle to Mr. Lee Hun Kheng. The interest of Dato' Lim Kang Poh in the company is disclosed on page 26 of the Annual Report.

Dato' Haji Ibrahim Bin Haji Keling

Independent Non-Executive Director

Dato' Haji Ibrahim Bin Haji Keling, a Malaysian and aged 74 was appointed to the Board on 15 November 1994. He graduated with a Bachelor of Commerce degree and a Diploma in Business Administration in 1969 both from the Victoria University of Wellington, New Zealand. He also attended a senior management course at Cambridge University, England in 1975/1976, and a Senior Managerial Program conducted by the Harvard Business School in 1988. He retired in 1993 where the last position he held was as Director of Management Services Department, FELDA. He also sat on the Board of Perbandanan Binaan Felda. Currently, he is a Director of several other private limited companies.

He does not have any family relationship with any of the directors and / or substantial shareholder of the Company. Dato' Haji Ibrahim Bin Haji Keling does not hold any shares in PLS.

Encik Hisham Bin Mahmood

Independent Non-Executive Director

Encik Hisham Bin Mahmood, a Malaysian and aged 53 was appointed to the Board on 4 March 1997. He graduated with a Bachelor of Arts Degree in Economics from University of Kent, Canterbury, United Kingdom. He started his career in the Corporate Advisory Department of Malaysian International Merchant Bankers Berhad and later ventured into his own family business which deals in the tender of military equipment for the Malaysian Armed Forces as well as the supply of pipelines and tubular goods for the oil and gas industry. He is currently also a director of several other private limited companies.

He does not have any family relationship with any of the directors and / or substantial shareholders of the Company. Encik Hisham Bin Mahmood does not hold any shares in PLS.

Miss Kang Hui Ling
Independent Non-Executive Director

Miss Kang Hui Ling, a Malaysian and aged 40, joined the Board on 6 April 2005. She holds a Bachelor of Accounting (Hons) Degree from University of Malaya in 1997. She is a member of the Malaysian Institute of Certified Public Accountant and the Malaysian Institute of Accountants. Since her graduation, she acquired 4 years of audit experience in one of the big four audit firm. As audit senior associate, she also gained exposure in field of operation audit and financial due diligence. Subsequently she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures. She is presently a partner of a professional firm registered with Malaysian Institute of Accountants. She is also an independent Non-Executive Director of Ekovest Berhad and Knusford Berhad.

She does not have any family relationship with any of the directors and / or substantial shareholders of the Company. Miss Kang Hui Ling does not hold any shares in PLS.

Mr Lee Hun Kheng
Executive Director

Mr. Lee Hun Kheng, a Malaysian and aged 35, joined to the Board on 1 August 2008. He graduated with a Degree in Mechanical Engineering from University of Monash, Melbourne, Australia in 2000. Upon his return to Malaysia, he commenced his career as a Sales Engineer in a Public Listed company specializing in Rental, Sales and Reconditioning of heavy and light machineries. During his 3 years service with the company, he has gained commercial knowledge and developed marketing skills while providing machinery technical support and training to market users. Besides, he is also actively involved in new business development such as machinery product distributorship.

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

He is the nephew of Tan Sri Dato' Lim Kang Hoo, Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh. Save for the above, he does not have any family relationship with any other directors of the Company. The interest of Mr Lee Hun Kheng is disclosed on page 26 of the Annual Report.

Puan Norliza Binti Suleiman
Non-Independent
Non-Executive Director

Puan Norliza Binti Suleiman, a Malaysian and aged 47, was appointed to the Board on 28th May 2009. She is a Fellow member of the Chartered Association of Certified Accountant ("FCCA").

Puan Norliza Binti Suleiman started her career as an Audit Assistant at Ivory Barry & Company, an audit firm in London. Upon her return to Malaysia in 1989, she joined Coopers & Lybrand, Johor Bahru until 1993. Subsequently, she joined Tharra Holdings Sdn Bhd, a company involved in the medical services as Finance Manager.

Puan Norliza Binti Suleiman joined Kumpulan Prasarana Rakyat Johor Sdn Bhd ("KPRJ") in July 1996. Currently, Puan Norliza Binti Suleiman holds the post of Group General Manager and the Company Secretary for KPRJ and Group Financial Controller for Tebrau Teguh Berhad. She also sits on the board of several private limited companies.

Puan Norliza Binti Suleiman is deemed to be interested in the related party transactions disclosed on page 76 of the Annual Report. She does not have any family relationship with any of the directors and/ or substantial shareholders of the Company. Puan Norliza Binti Suleiman does not hold any shares in PLS.

Conflict of Interest
There is no conflict of interest between the directors and the Group except for the related party transactions as disclosed on page 76 of the Annual Report.

Conviction for Offences
Non of the directors has been convicted for any offences (except traffic offences) within the last ten years.

STATEMENT ON
CORPORATE GOVERNANCE

The Board of Directors ("Board") recognises the importance of adopting the principles and best practices of the Malaysian Code of Corporate Governance ("Code") and is fully committed in ensuring that highest standards of corporate governance as set out in the Code are observed and practiced throughout the Group to safeguard and enhance shareholders' value.

The Board is pleased to report to shareholders on the manner the Group has applied the principles, and the extent to which it has complied with the best practices of good governance as set out in the Code.

A) BOARD OF DIRECTORS

The Board

PLS Plantations Berhad ("PLS") is led and managed by an experienced and qualified Board comprising of members with a wide range of experience in business, construction and finance. The wide spectrum of skills and experience of the Directors have brought expertise and perspective to the leadership of PLS. A brief profile of each Director is set out in pages 8 to 10 of this Annual Report.

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

Composition

The Board is made up of nine (9) members, led by an Executive Chairman, Managing Director, Executive Director, three (3) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors.

Board Balance

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

Size of Non-Executive Participation

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

Board Meetings

The Board meets on a scheduled basis at least four (4) times a year, with additional meetings convened when necessary. Five (5) Board Meetings were held during the financial year ended 31 March 2012.Details of the attendance of the Directors are as follows:

Members of the Board	Status	Attendance
1. Haji Johar Salim Bin Yahaya	Executive Chairman	4/5
2. Tan Sri Dato' Lim Kang Yew	Managing Director	5/5
3. Dato' Haji Ibrahim Bin Haji Keling	Independent Non-Executive Director	5/5
4. Encik Hisham Bin Mahmood	Independent Non-Executive Director	5/5
5. Miss Kang Hui Ling	Independent Non-Executive Director	4/5
6. Tan Sri Dato' Lim Kang Hoo	Non-Independent Non-Executive Director	5/5
7. Dato' Lim Kang Poh	Non-Independent Non-Executive Director	4/5
8. Mr. Lee Hun Kheng	Executive Director	5/5
9. Pn. Norliza Binti Suleiman	Non-Independent Non-Executive Director	5/5

Besides Board meetings, the Board also exercise control on matters that require Board's approval through circulation of Directors' Resolutions.

A) BOARD OF DIRECTORS (CONT'D)

Conduct of Meetings

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

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

Supply of Information

Heads of each department, division and subsidiary of the Company are required to submit their reports at the scheduled Board meetings where required.

Access to Information

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

Access to Advice

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

Appointment and Re-election of Directors

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

B) BOARD COMMITTEES

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

Audit Committee

The composition, terms of reference and functions of the Audit Committee are discussed in the Audit Committee Report set out on pages 20 to 22 of this Annual Report.

Nomination Committee

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

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

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

B) BOARD COMMITTEES (CONT'D)

Remuneration Committee

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

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

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

C) DIRECTORS' TRAINING

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

During the financial year, the Directors also attended field trips to the Company's sites to familiarise with the various business operations. In addition, the following directors have also attended the following training programmes: -

Members of the Board	Training Attended
Tan Sri Dato' Lim Kang Yew Dato' Lim Kang Poh Pn. Norliza Binti Suleiman Haji Johar Salim Bin Yahaya Dato' Haji Ibrahim Bin Haji Keling Encik Hisham Bin Mahmood Mr Lee Hun Kheng	Brief Update on 2012 Tax Budget, Corporate Governance Guide and Internal Audit Roles
Tan Sri Dato' Lim Kang Hoo Miss Kang Hui Ling	Leading Strategic Change
Pn. Norliza Binti Suleiman Haji Johar Salim Bin Yahaya	Key Amendments to Listing Requirements & Corporate Disclosure Guide 2011
Pn. Norliza Binti Suleiman	Succession Planning The New Corporate Governance Blueprint and Regulatory Updates Seminar 2011

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

D) DIRECTORS' REMUNERATION

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

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

Details of the remuneration of the Directors during the financial year ended 31 March 2012 are as follows:

	Fees (RM)	Salaries (RM)	Bonus (RM)	Benefit in kinds (RM)	Other emoluments (RM)	Total (RM)
Executive Directors	30,000	715,600	50,000	45,400	-	841,000
Non Executive Directors	60,000	-	-	-	-	60,000

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

Remuneration Bands	Number of Directors Executive	Non Executive
Up to RM50,000	1	6
RM100,000 to RM150,000	1	-
RM650,000 to RM700,000	1	-

E) ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, investors and regulatory authorities, the Board of Directors aims at presenting a balanced and understandable assessment of the position and prospects of the Company and the Group. The Statement of Directors' Responsibilities pursuant to Section 169 of the Companies Act, 1965 is set out at page 15 of this Annual Report.

Internal Control

The Board is responsible in ensuring that the system of internal controls is in place and that its effectiveness be constantly reviewed to ensure the adequacy of the system. The review on the system of internal controls is set out under the Statement on Internal Control on pages 18 to 19 of this Annual Report.

Relationship with the Auditors

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

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

F) RELATIONSHIP WITH SHAREHOLDERS

Dialogue between Company and Investors

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

Annual General Meeting

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

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

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

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

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

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

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

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

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

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

The Group and Company were in compliance throughout the financial year ended 31 March 2012 with the principles and best practices as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance and Bursa Securities requirements except the following:

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

I) ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of Bursa Securities, the following are additional information in respect of the financial year ended 31 March 2012 to be disclosed in this Annual Report:

1. **Utilisation of Proceeds**

   No proceeds were raised by the Company from any corporate exercise during the financial year.

2. **Share Buy Backs**

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

3. **Options, or Convertible Securities**

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

4. **Depository Receipt Programme**

   The Company did not participate in any Depository Receipt Programme during the financial year.

5. **Sanctions and/or Penalties**

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

6. **Non-Audit Fees**

   In the financial year under review, the External Auditors were appointed to review the Statement of Internal Control and Realised and Unrealised Profits or Losses as required by Bursa Securities Listing Requirements. The amount of non audit fee incurred was RM3,000.

7. **Variation in Results**

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

8. **Profit Guarantee**

   There was no profit guarantee given by the Company in respect of the financial year ended 31 March 2012.

9. **Recurrent related party transactions**

   At the 24th Annual General Meeting of the Company held on 29 September 2011, the Company had obtained shareholders approval for the renewal of the mandate to enter into recurrent related party transactions of revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business with related parties. The said mandate takes effect on 29 September 2011 until the conclusion of the forthcoming Annual General Meeting of the Company.

   The Company is seeking shareholders approval to renew the existing mandate for recurrent related party transactions of revenue or trading nature at the forthcoming Annual General Meeting to be held on 27 September 2012. The details of the shareholders mandate to be sought are furnished in the Circular to shareholders dated 5 September 2012, accompanying this Annual Report.

   The aggregate values of transactions conducted pursuant to the shareholders` mandate during the financial year ended 31 March 2012 are disclosed on page 76 of this Annual Report.

I) ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

10. Material Contracts

Save for the following, the Board has confirmed that neither Company nor its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business of the Company or its subsidiaries) during the two (2) years immediately preceding the date hereof:

The Company's subsidiary, Aramijaya Sdn Bhd ('ASB") had on 3rd August 2010 entered into a Sub-Development Agreement with YPJ Holdings Sdn Bhd ("YPJH") to develop approximately 30,000 acres of forest plantation in the State of Johor for planting of rubber trees and/or timber species for a period of 30 years vide the Rights of Use Agreement ("ROU") signed between Yayasan Pelajaran Johor ("YPJ") and the Johor State Government on the 13th January 2009, for the maximum cash consideration of RM3,000,000.00 calculated based on RM100.00 per acre of the Plantable area (area forming part or parts of the land for planting rubber trees and/or timber species). The Sub-Development Agreement shall carry an option to extend for a further period of 30 years in the event the option for the extension is exercised under the ROU Agreement.

11. Material Contracts Relating to Loans

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

12. Corporate Social Responsibility

The Company only carries out general activities in relation to corporate social responsibility and will only endorse those actions and projects that benefits the society at large such as contributing assistance in cash to local schools, places of worship and community centres.

STATEMENT ON INTERNAL CONTROL

Paragraph 15.26(b) of Bursa Malaysia Listing Requirements requires the Board of Directors of a public listed company to include in its annual report a statement about the state of internal control of the listed issuer as a group. The Board is pleased to provide the following statements, which outlines the nature and scope of internal control of the Group during the financial year.

The Board acknowledges its responsibility for the Group's system of internal controls and for reviewing its adequacy and integrity. Such a system however can only provide reasonable and not absolute assurance because of limitation inherent in any system of internal controls against material misstatements or loss and is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Board has established key activities to ensure the process for reviewing and reporting on the adequacy and integrity of the system of internal control are defined, appropriately documented and monitored or reviewed.

The Board has formalised a comprehensive Enterprise Risk Management Framework that takes into account all significant aspects of internal control including risks assessment, the control environment and control activities, information and communication and monitoring. Key business risks have been categorised to highlight the source of the risk, and scored to reflect both financial and reputational impact of the risk and the likelihood of its occurrence.

The Audit Committee continuously evaluates and monitors the significant risks and controls through a formalised monitoring and reporting process. Reviews are conducted by the Audit Committee on a quarterly basis, with additional reviews as and when required.

These initiatives would ensure that the Group has in place a formalised ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives.

The Group's system of internal controls comprises the following key elements which are monitored:

1. **Project Budget**

   Budget is prepared for each project undertaken by the Group to facilitate monitoring of the Group's financial performance. The Management headed by the Managing Director reviews and monitors the achievements of the Group's performance and reports to the Board.

2. **Financial Limits and Approving Authority**

   The Board had established Limit of Authorities defining authorization limits for its revenue and capital expenditure to ensure all revenue and capital expenditure are in line with the Group's overall strategies and objectives.

3. **Policies, Procedures and Guidelines**

   The Board had established principal tendering and procurement policies, procedures and guidelines.

4. **Information and Communication**

   Financial and operational information systems are in place to capture and present timely internal and external business information. Clear reporting structure enables the financial and operational reports are prepared and presented to the Board or Management for discussion and review on a quarterly basis.

5. **Internal Audit**

   The Group has outsourced its internal audit function to Advent Corporate Advisory Sdn. Bhd. with the objective to provide the Board with much of the assurance it requires regarding the adequacy and effectiveness of risk management and internal control. The internal audit independently reviews risk identification procedures and control processes implemented by the management, and reports to the Audit Committee on a quarterly basis. The results and any corrective action to address the risk and control issues identified during the audit are reported directly to the Audit Committee. The Audit Committee reviews the reports from the internal audit function, before making recommendations to the Board in strengthening the risk management and internal control.

6. **Board / Management Committees and Meetings**

   (i) ***Audit Committee***

   The Board has established an Audit Committee comprising three (3) Independent Non Executive Directors. Details of composition, terms of reference and report of the Audit Committee are provided at page 20 to 22 of this Annual Report. The recommendations of the Audit Committee are tabled to the Board for its approval.

   (ii) ***Project and Financial Meetings***

   The Senior Management presents their respective project reviews, operation performance reviews and the progress of the projects undertaken, to the Board at the Project and Financial meetings which are held on a quarterly basis. The Accountant presents the overall Group's financial performance at the meetings.

The external auditors have reviewed the Statement on Internal Control and reported to the Board that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the group system of internal controls.

Conclusion

There was no material losses reported during the current financial year as a result of weaknesses in internal control. The management continues to take measures to strengthen the internal control environment of the Group.

AUDIT COMMITTEE REPORT

The Audit Committee was established by the Board of Directors on 16 November 1994 with the primary objectives to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of PLS Plantations Berhad and oversee the compliance with the relevant rules and regulations governing listed companies.

The members of the Audit Committee are as follows:

Chairman

Dato' Haji Ibrahim Bin Haji Keling
(Independent Non-Executive Director)

Members

Encik Hisham Bin Mahmood
(Independent Non-Executive Director)

Miss Kang Hui Ling
(Independent Non-Executive Director / Member of the Malaysian Institute of Accountants)

TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

1. ***Size and Composition***

   The Board shall by resolution appoint members to the Audit Committee, which shall comprise of at least three (3) members, all of whom must be Non-Executive Directors with a majority of them being Independent Directors.

   All members of the Audit Committee are financially literate and at least one is a member of the Malaysian Institute of Accountants.

   The Audit Committee shall elect a chairperson from among its members who is an Independent Director.

2. ***Meetings***

   The Audit Committee may invite any person to attend the meetings. A quorum shall be two members, both being Independent Directors. The Company Secretary or any person appointed by the Audit Committee for this purpose shall act as secretary of the Audit Committee. However, the Audit Committee should meet with the external auditors without the Executive Board members' presence at least twice a year.

3. ***Authority***

   The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

4. ***Access***

   The Audit Committee shall have unlimited access to all information and documents relevant to its activities, to the External and Internal Auditors, and to Senior Management of the Company and its subsidiaries. The Audit Committee is also authorised to take such independent professional and legal advice as it considers necessary.

FUNCTIONS OF AUDIT COMMITTEE

The functions of the Audit Committee shall be:

1. Review the following and report the same to the Board of Directors:

   a. with the External Auditors, the scope and audit plan, including any changes on the planned scope of the audit plan;

   b. with the External Auditors, their audit report;

   c. the competency of the internal audit function and evaluate the authority it requires to carry out all necessary work to ensure the function can be discharged effectively;

   d. the internal audit programme, processes, the results of the internal audit activities or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

   e. the assistance given by the employees of the Company to the External and Internal Auditors;

   f. the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-

      i. changes in or implementation of major accounting policies;
      ii. significant and unusual events; and
      iii. compliance with the accounting standards and other legal requirements;

   g. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

   h. any letter of resignation from the External Auditors of the Company; and

   i. whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment.

2. Recommend the nomination of External Auditors.

3. Review the nomination of Internal Auditors.

SUMMARY OF THE ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee meets on quarterly basis with additional meetings held as and when necessary. A total of five (5) meetings were held during the financial year ended 31 March 2012. The representatives of External Auditors and Internal Auditors, the Company Secretaries and the Head of Group Finance were invited to meetings during deliberations, which required their input and advice.

During the financial year ended 31 March 2012, the activities of the Audit Committee covered, among others, the following:

a. Reviewed financial statements including quarterly financial announcements to the Bursa Malaysia Securities Berhad and year end financial statements and recommend the same for approval by the Board of Directors, upon being satisfied that, inter alia, the financial reporting and disclosure requirements of the relevant authorities had been complied with.

b. Reviewed the External Auditors' reports in relation to their audit findings and the accounting issues arising from the audit.

c. Reviewed audit plan prepared by the External Auditors before the audit commences.

d. Reviewed audit fees of the External Auditors.

e. Reviewed the annual internal audit plan including its scope, basis of assessments and risks ratings of the proposed areas of audit.

f. Reviewed audit reports prepared by the Internal Auditors and the consideration of the major findings and the Management's response thereto.

ATTENDANCE AT MEETINGS

During the year ended 31 March 2012, the Audit Committee convened five (5) meetings. The attendances of the members of the Committee meetings during the financial year were as follows:

Name of Committee Member	Attendance
Dato' Haji Ibrahim Bin Haji Keling	5/5
Encik Hisham Bin Mahmood	5/5
Miss Kang Hui Ling	4/5

INTERNAL AUDIT FUNCTION

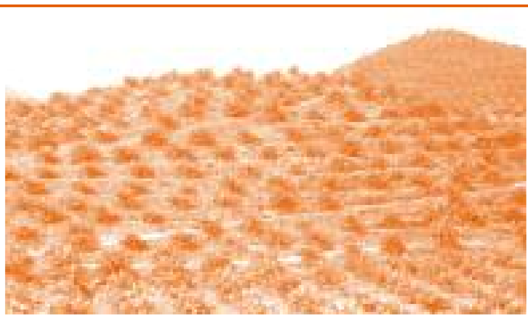
The internal audit function of the Group and Company is outsourced to Advent Corporate Advisory Sdn Bhd, an independent professional service provider, with the primary objective of monitoring a sound and systematic method of internal controls over the Group and Company. The costs incurred for the Internal Audit Function in respect of the financial year was RM30,000.00.

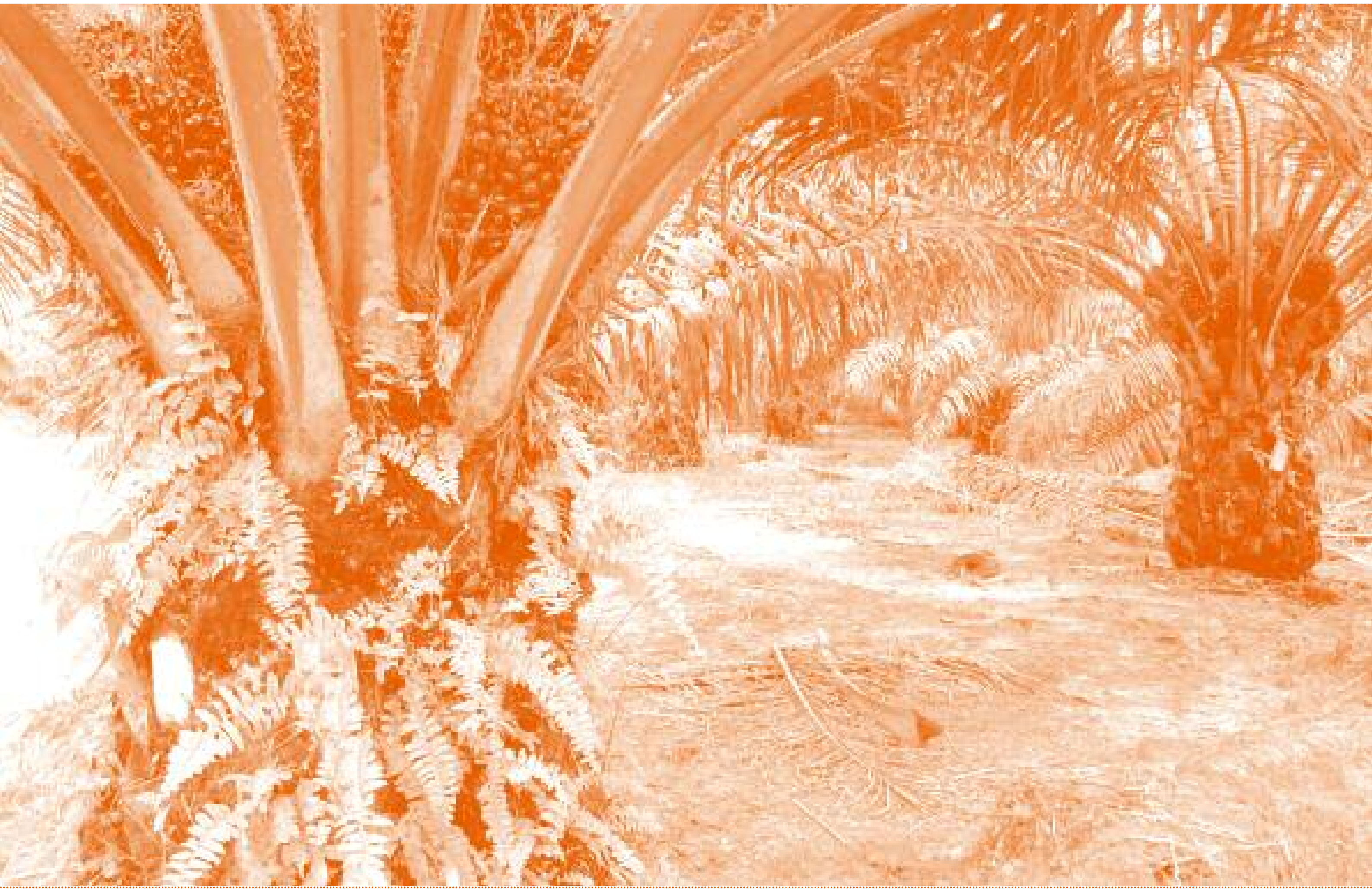
During the financial year, the Internal Auditors had carried out audits according to the internal audit plan, which had been approved by the Audit Committee. Internal audits were done on:

- Tender and selection of contractors/suppliers cycle with the objective of ensuring adequate policies and procedures are in place for tendering process and fair selection of suitable sub-contractors/suppliers to support the Group's business objectives.
- Project planning and monitoring cycle with the objective of ensuring adequate policies and procedures are in place for projects to be carried out and completed in accordance to contract awarded to support the Group's business objectives.
- Other cycles with the objective of ensuring adequate policies and procedures are in place for human resource, fixed assets management, accounting and cash management to support the Group's business objectives.
- All significant aspects of internal control including risks management, the control environment and control activities, information and communication and monitoring.

The resulting reports from the audits undertaken were forwarded to the Management for attention and necessary corrective actions as recommended. The Management is responsible for ensuring that corrective actions on reported weaknesses are taken within the required time frame.

FINANCIAL STATEMENTS





DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st March 2012.

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 12 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	14,139	10,717
Other comprehensive income, net of tax	-	-
Total comprehensive income for the financial year	14,139	10,717
Attributable to:		
Owners of the Company	11,795	10,717
Non-controlling interests	2,344	-
	14,139	10,717

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31st March 2012.

RESERVES AND PROVISIONS

All material transfer to and from the reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment on receivables, and had satisfied themselves that all known bad debts had been written off and adequate allowance for impairment had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for impairment on receivables, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

CURRENT ASSETS (CONT'D)

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group and of the Company that has arisen since the end of the financial year, other than those disclosed in Note 34 to the financial statements.

No contingent liabilities or other liabilities of the Group and of the Company have 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 its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

DIRECTORS

The directors in office since the date of the last report are:-

Haji Johar Salim Bin Yahaya
Tan Sri Dato' Lim Kang Yew
Dato' Haji Ibrahim Bin Haji Keling
Tan Sri Dato' Lim Kang Hoo
Hisham Bin Mahmood
Kang Hui Ling
Dato' Lim Kang Poh
Lee Hun Kheng
Norliza Binti Suleiman

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company during the financial year ended 31st March 2012 are as follows:

	Number of ordinary shares of RM0.20/- each			
	At 1.4.2011	Additions	Disposals	At 31.3.2012
The Company				
Direct interest				
Tan Sri Dato' Lim Kang Yew	36,175,000	-	-	36,175,000
Dato' Lim Kang Poh	22,323,000	-	-	22,323,000
Indirect interest				
Lee Hun Kheng	74,970,000	-	-	74,970,000

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

Other than as disclosed as above, none of the other directors in office at the end of the financial year had any interest in the shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

....

HAJI JOHAR SALIM BIN YAHAYA
Director

....

TAN SRI DATO' LIM KANG YEW
Director

Kuala Lumpur
Date: 30th July 2012

STATEMENTS OF FINANCIAL POSITION
As At 31st March 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	23,130	22,216	2,048	2,481
Intangible assets	5	1,223	1,223	-	-
Prepaid lease payments	6	6,369	6,962	-	-
Plantation development expenditure	7	96,170	74,116	-	-
Investment properties	8	481	492	481	492
Forest plantation project	9	30,085	30,282	-	-
Deferred interests	10	-	-	-	-
Deferred tax assets	11	-	1,022	-	639
Investment in subsidiaries	12	-	-	1,440	1,440
Performance deposits	13	52,500	52,500	-	-
Amount due from a subsidiary	14	-	-	52,525	50,634
Total non-current assets		209,958	188,813	56,494	55,686
Current assets					
Inventories	15	3,181	2,941	-	-
Amount due from customers for contract works	16	2,210	19	-	-
Trade and other receivables	17	37,923	49,004	8,575	6,458
Amount due from a subsidiary	14	-	-	2,446	2,026
Tax recoverable		-	236	-	237
Fixed deposits placed with licensed banks	18	69,234	43,215	56,181	42,162
Cash and bank balances		7,810	8,431	3,584	1,522
Total current assets		120,358	103,846	70,786	52,405
TOTAL ASSETS		330,316	292,659	127,280	108,091

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	65,340	65,340	65,340	65,340
Reserves	20	38,296	26,501	26,159	15,442
Non-controlling interests		8,214	5,870	-	-
Total equity		111,850	97,711	91,499	80,782
Non-current liabilities					
Amount due to Johor State Government	21	22,681	26,524	-	-
Borrowings	22	53,643	40,177	17	159
Deferred tax liabilities	11	1,984	-	6	-
Total non-current liabilities		78,308	66,701	23	159
Current liabilities					
Amount due to customers for contract works	16	38,343	16,681	29,097	13,046
Trade and other payables	23	51,002	61,182	2,856	8,997
Amount due to a subsidiary	24	-	-	3,197	4,936
Amount due to Johor State Government	21	4,472	4,539	-	-
Amount due to a related party	25	45,000	45,000	-	-
Amount due to directors	26	-	3	-	-
Borrowings	22	791	795	142	171
Tax payable		550	47	466	-
Total current liabilities		140,158	128,247	35,758	27,150
Total liabilities		218,466	194,948	35,781	27,309
TOTAL EQUITY AND LIABILITIES		330,316	292,659	127,280	108,091

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
For The Financial Year Ended 31st March 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue					
- Construction income		132,494	106,452	51,776	41,292
- Sales of timber products		12,162	16,927	-	-
- Sales of fresh fruit brunches		3,501	-	-	-
Cost of sales					
- Contract costs recognised as expense		(103,964)	(88,386)	(37,979)	(28,461)
- Cost of goods sold		(17,177)	(11,561)	-	-
Gross profit		27,016	23,432	13,797	12,831
Interest income		1,835	1,151	3,974	3,043
Other income		1,286	930	554	276
Administrative expenses		(5,319)	(3,579)	(2,343)	(1,749)
Finance costs	27	(2,141)	(1,456)	(197)	(29)
Other expenses		(2,791)	(2,741)	(1,934)	(1,980)
Profit before taxation	28	19,886	17,737	13,851	12,392
Taxation	30	(5,747)	(6,321)	(3,134)	(3,157)
Net profit for the financial year		14,139	11,416	10,717	9,235
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial year		14,139	11,416	10,717	9,235
Net profit for the financial year attributable to:					
Owners of the Company		11,795	10,054	10,717	9,235
Non-controlling interests		2,344	1,362	-	-
		14,139	11,416	10,717	9,235
Total comprehensive income for the financial year attributable to:					
Owners of the Company		11,795	10,054	10,717	9,235
Non-controlling interests		2,344	1,362	-	-
		14,139	11,416	10,717	9,235
Earnings per share attributable to owners of the Company (sen per share)	31				
- basic		3.61	3.08	-	-
- diluted		3.61	3.08	-	-

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 31st March 2012

	Attributable to Owners of the Company				
	Share Capital RM'000	Share Premium RM'000	Distributable Retained Profits RM'000	Non-Controlling interests RM'000	Total RM'000
Group					
At 1st April 2010	65,340	4,621	11,668	4,508	86,137
Effects from adoption of FRS139	-	-	158	-	158
Net profit for the financial year	-	-	10,054	1,362	11,416
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the financial year	-	-	10,054	1,362	11,416
At 31st March 2011	65,340	4,621	21,880	5,870	97,711
Net profit for the financial year	-	-	11,795	2,344	14,139
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the financial year	-	-	11,795	2,344	14,139
At 31st March 2012	65,340	4,621	33,675	8,214	111,850

	Share Capital RM'000	Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
Company				
At 1st April 2010	65,340	4,621	1,428	71,389
Effects from adoption of FRS139	-	-	158	158
Net profit for the financial year	-	-	9,235	9,235
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial year	-	-	9,235	9,235
At 31st March 2011	65,340	4,621	10,821	80,782
Net profit for the financial year	-	-	10,717	10,717
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial year	-	-	10,717	10,717
At 31st March 2012	65,340	4,621	21,538	91,499

The accompanying notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 31st March 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before tax	19,886	17,737	13,851	12,392
Adjustment for:				
Amortisation of prepaid lease payments	593	594	-	-
Amortisation of forest plantation project	197	172	-	-
Amortisation of deferred interests	1,847	1,218	-	-
Amortisation of plantation development expenditure	484	-	-	-
Bad debt written off	-	110	-	110
Depreciation of property, plant and equipment	1,363	1,877	433	446
Depreciation of investment property	11	13	11	13
Gain on disposal of property, plant and equipment	(160)	(276)	-	(70)
Impairment loss on trade and other receivables	104	22	-	-
Interest expense	146	238	49	29
Net effect of unwinding of interests from the discounting of retention sums	148	-	148	-
Interest income	(1,835)	(1,151)	(3,974)	(3,043)
Property, plant and equipment written off	-	209	-	209
	22,784	20,763	10,518	10,086
Changes in working capital:				
Inventories	(240)	1,175	-	-
Trade and other receivables	10,977	(42,424)	(2,117)	(5,181)
Trade and other payables	(10,328)	21,220	(6,289)	(6,533)
Amount due to Johor State Government	(5,757)	(5,758)	-	-
Balances with customers for contract works	19,471	14,853	16,051	9,488
Cash generated from operations	36,907	9,829	18,163	7,860
Tax paid	(2,002)	(320)	(1,786)	(255)
Net Operating Cash Flows	34,905	9,509	16,377	7,605
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	1,835	1,082	3,974	2,974
Proceeds from disposal of property, plant and equipment	182	911	-	70
Acquisition of property, plant and equipment *	(2,600)	(6,026)	-	(158)
Additions to plantation development expenditure **	(22,237)	(23,834)	-	-
Net advances to subsidiaries	-	-	(4,050)	(14,331)
Net Investing Cash Flows	(22,820)	(27,867)	(76)	(11,445)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Repayment to)/advances from directors	(3)	3	-	-
Increase in pledged deposits placed with licensed banks	(537)	(2)	(537)	(2)
Interest paid	(146)	(238)	(49)	(29)
Proceeds from drawdown of term loan	14,257	13,202	-	-
Repayments of finance lease liabilities	(795)	(1,146)	(171)	(373)
Net Financing Cash Flows	12,776	11,819	(757)	(404)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	24,861	(6,539)	15,544	(4,244)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	50,475	57,014	43,566	47,810
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	75,336	50,475	59,110	43,566
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Fixed deposits with licensed banks	69,234	43,215	56,181	42,162
Cash and bank balances	7,810	8,431	3,584	1,522
	77,044	51,646	59,765	43,684
Less: Fixed deposits held as security value (Note 18)	(1,708)	(1,171)	(655)	(118)
	75,336	50,475	59,110	43,566

* *In the previous financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM6,876,000/- and RM438,000/- respectively, of which RM850,000/- and RM280,000/- respectively were acquired by means of finance lease arrangements.*

** *During the financial year, the Group incurred plantation development expenditure with an aggregate cost of RM22,538,000/- (2011: RM24,376,000/-), of which RM301,000/- (2011: 542,000/-) were depreciation of property, plant and equipment capitalised.*

1. GENERAL INFORMATION

The Company is principally engaged in the undertaking of civil engineering and construction works. The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 17C, Wisma Limbongan Setia, Jalan SG3/4, Taman Seri Gombak, 68100 Batu Caves, Selangor Darul Ehsan.

The principal place of business of the Company is located at 17C, Wisma Limbongan Setia, Jalan SG3/4, Taman Seri Gombak, 68100 Batu Caves, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30th July 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented except for the adoption of new and revised FRSs, amendments/improvements to FRSs and IC Interpretations ("IC Int") that are mandatory for the Group and the Company for the financial period beginning 1st April 2011 as disclosed in Note 2.2(a) to the financial statements.

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3 to the financial statements.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported financial year. It also requires the directors' best knowledge of current events and actions, and therefore actual results may differ.

The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS")

(a) **Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int**

The Group and the Company had adopted the following revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:

<u>Revised FRSs</u>

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

(a) **Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)**

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments : Presentation
FRS 134	Interim Financial Reporting
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 4	Determining Whether an Arrangement contains a Lease
IC Int 12	Service Concession Arrangements
IC Int 16	Hedges of a Net Investment in a Foreign Operation
IC Int 17	Distribution of Non-cash Assets to Owners
IC Int 18	Transfers of Assets from Customers

Amendments to IC Int

IC Int 9	Reassessment of Embedded Derivatives
IC Int 13	Customer Loyalty Programmes

The main effects of the adoption of the above revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below:-

FRS 3 Business Combinations (Revised)

The adoption of the FRS 3 affects the way in which the Group accounts for business combinations. The main changes made in this revised standard were:

- All the acquisition-related costs incurred by the acquirer in connection with the business combination shall be recognised as expense in the profit or loss in the period in which the costs are incurred (rather than included in goodwill);

- All considerations transferred by the acquirer, including contingent considerations, in a business combination shall be measured at fair value as at the acquisition date. Subsequent changes in the fair value of contingent consideration classified as liabilities are recognised in accordance with FRS 139, FRS 137 or other FRSs, as appropriate (rather than by adjusting goodwill);

- An acquirer is no longer permitted to recognise contingencies acquired in a business combination that do not meet the definition of a liability;

- For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Previously, only the latter was permitted;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

(a) Adoption of Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Cont'd)

FRS 3 Business Combinations (Revised) (Cont'd)

- For a business combination achieved in stages, the equity interests held by the acquirer in the acquiree immediately before achieving control are re-measured at its acquisition-date fair value with any corresponding gain or loss recognised in profit or loss; and

- Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non-controlling interest in the acquiree, and the fair value at acquisition date of any previously-held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

This revised FRS 3 shall be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2010.

FRS 127 Consolidated and Separate Financial Statements (Revised)

The revised FRS 127 requires that any changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When the Group loses control of a subsidiary, any remaining interest retained in the former subsidiary will be measured at fair value and any resulting gain or loss is recognised in profit or loss. Total comprehensive income will be proportionately allocated to the owners of the Company and to the non-controlling interests even if it results in the non-controlling interests having a deficit balance.

The revised FRS 127 shall be applied prospectively to business combinations for which the acquisition date is on or after 1st July 2010.

Amendments to FRS 7 Financial Instruments: Disclosures

Disclosures on fair value and liquidity have been enhanced upon the adoption of this amendment. In particular, financial instruments measured at fair value are disclosed by class in a three-level fair value measurement hierarchy, with specific disclosures related to transfers between levels in the hierarchy and detailed disclosures on level three of the fair value hierarchy. Certain disclosures on liquidity are also modified. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and the Company.

IC Int 4 Determining Whether an Arrangement Contains a Lease

This IC Int clarifies that when the fulfilment of an arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, then the arrangement should be accounted for as a lease under FRS 117, even though it does not take the legal form of a lease. This interpretation did not have any financial impact on the Group and the Company.

IC Int 12 Service Concession Arrangements

This IC Int applies to operators of infrastructure for public-to-private service concession arrangement and sets out general principles on recognising and measuring the obligations and related rights in service concession arrangements such as the treatment of the operator's rights over the infrastructure, the recognition and measurement of arrangement consideration, subsequent accounting treatment of a financial asset and an intangible asset and the accounting treatment for the borrowing costs. This interpretation has to be applied retrospectively unless it is impracticable to do so and in that case the financial assets and intangible assets that existed shall be recognised at the start of the earliest period presented by using their previous carrying amounts as their carrying amount as at that date and test for impairment. There is no financial impact on the financial statements of the Group for the current financial year as there is no service concession agreement entered by the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

(b) **New and revised FRSs, Amendments/Improvements to FRSs New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early**

The Group and Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs, IC Int and amendments to IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRSs		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRSs		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012 and 1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2012 and 1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012
FRS 112	Income Taxes	1 January 2012
FRS 132	Financial Instruments: Presentation	1 January 2014
New IC Int		
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Int		
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011

A brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

(b) **New and revised FRSs, Amendments/Improvements to FRSs New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)**

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to of the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

FRS 10 Consolidated Financial Statements and FRS 127 Separate Financial Statements (Revised)

FRS 10 replaces the consolidation part of the former FRS 127 Consolidated and Separate Financial Statements. The revised FRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with FRS 9.

FRS 10 brings about convergence between FRS 127 and SIC-12, which interprets the requirements of FRS 10 in relation to special purpose entities. FRS 10 introduces a new single control model to identify a parent-subsidiary relationship by specifying that "an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for its using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

(b) **New and revised FRSs, Amendments/Improvements to FRSs New IC Int and Amendments to IC Int that are issued, not yet effective and have not been adopted early (Cont'd)**

Amendments to FRS 112 Income Taxes

This amendment to FRS 112 addresses the measurement approach for deferred tax assets and liabilities in respect of investment properties which are measured at fair value. The amendment introduces a rebuttable presumption that the investment property is recovered entirely through sale. In such cases, deferred tax assets or liabilities are provided at tax rates applicable when recovering the property entirely through sale. If this presumption is rebutted, deferred tax assets or liabilities are provided based on tax rates applicable when consuming substantially the economic benefits embodied in the property over a period of time (for example via rental income).

FRS 128 Investments in Associates and Joint Ventures (Revised)

This revised FRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised FRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

(c) **MASB Approved Accounting Standards, MFRSs**

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework for additional two years. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1st January 2012.

Accordingly, certain subsidiary of the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRS framework. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31st March 2015.

As at 31st March 2012, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 Agriculture and IC Int 15 Agreements for the Construction of Real Estate as well as differences in effective dates contained in certain of the existing FRSs. As such, except those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2 (b). The effect is based on the Group's and the Company's best estimates at reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs effective for annual periods beginning on or after 1st January 2012 have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

(c) **MASB Approved Accounting Standards, MFRSs (Cont'd)**

MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises. The Group is currently assessing the impact of the adoption of this standard.

IC Int 15 Agreements for the Construction of Real Estate

IC Int 15 establishes the developer will have to evaluate whether control and significant risks and rewards of the ownership of work in progress, can be transferred to the buyer as construction progresses before revenue can be recognised. The Group is currently assessing the impact of the adoption of this Interpretation.

2.3 Significant Accounting Policies

(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.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) *Accounting for business combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1st April 2011 the Group has applied FRS 3, Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(a) **Basis of Consolidation (Cont'd)**

(ii) ***Accounting for business combinations (Cont'd)***

Acquisition on or after 1st April 2011

For acquisition on or after 1st April 2011, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition between 1st April 2006 and 31st March 2011

For acquisition between 1st April 2006 and 31st March 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquire. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1st April 2006

For acquisition prior to 1st April 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.

(iii) ***Accounting for acquisitions of non-controlling interests***

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change and any consideration received or paid, is adjusted to or against Group reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(a) **Basis of Consolidation (Cont'd)**

(iv) ***Loss of control***

The Group applied FRS 127, Consolidated and Separate Financial Statements (revised) since the beginning of the financial year in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognised the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In the previous years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

(v) ***Non-controlling interests***

Non-controlling interests at the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the owners of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the financial year, the Group has applied FRS 127, Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed the their interests in the equity of a subsidiary, the excess and any further losses applicable to the non-controlling interests had a binding obligation to, and was able to make additional investment to cover the losses. If the subsidiary reported profits, the Group's interest was allocated with all such profits until the non-controlling interests share of losses previously absorbed by the Group had been recovered.

(vi) ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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 financial position 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 profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(c) Property, Plant and Equipment and Depreciation

(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 profit or loss.

(ii) ***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 profit or loss as incurred.

(iii) ***Depreciation and Impairment***

Depreciation is recognised in the profit or loss 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. Capital work-in-progress is not depreciated until the asset is ready for its intended use.

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

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

Leasehold land	50-99 years
Buildings	50 years
Plant and machinery	5 years
Office equipment	3 to 10 years
Motor vehicles	5 years
Fixture and fittings	5 to 10 years
Chipping plant factory	33 years
Renovation	50 years

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(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.

(ii) *Operating lease*

Leases, where the Group or the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised in the statement of financial position of the Group or the Company.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(e) **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 25 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.

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.

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

(f) **Forest Plantation Project**

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(g) Intangible Assets

Goodwill

Goodwill arises on business combinations and is measured at cost less any allowance for impairment. For acquisitions prior to 1st 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 1st 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 profit or loss.

Goodwill with indefinite useful lives is tested for impairment annually and whenever there is an indication that it may be impaired. The policy for the recognition and measurement of impairment loss is in accordance with Note 2(m)(iii) to the financial statements.

(h) 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 allowance for impairment, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2.3(c).

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated as it has indefinite useful lives.

(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 8 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(i) **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.

(j) **Financial Instruments**

(i) ***Financial Assets***

Initial Recognition

Financial assets within the scope of FRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of its financial assets at initial recognition. Financial assets are recognised on the statement of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial assets are recognised initially at fair value, and in the case of financial assets not at fair value through profit or loss, at fair values plus directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular way purchases) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:-

(i) ***Financial Assets at Fair Value Through Profit or Loss***

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with changes in fair value being recognised in the profit or loss.

(ii) ***Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) ***Held-to-Maturity Financial Assets***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity financial assets are subsequently measured at amortised cost using the EIR method less impairment. The losses arising from impairment are recognised in the profit or loss. If the Group and the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale and prevent the Group and the Company from classifying the afore mentioned financial assets as held-to-maturity for the current and the following two financial years. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(j) Financial Instruments (Cont'd)

(i) ***Financial Assets (Cont'd)***

Subsequent Measurement (Cont'd)

(iv) ***Available-for-Sale Financial Assets***

Available-for-sale financial assets are non-derivative financial assets that are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the profit or loss, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the profit or loss. Available-for-sale financial assets are measured at cost if the fair value of the unquoted equity instrument cannot be reliably measured.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(ii) ***Financial Liabilities***

Initial Recognition

Financial liabilities within the scope of FRS 139 are classified as financial liabilities at fair value through profit or loss, or other financial liabilities. Financial liabilities are recognised initially at fair value and in the case of the other financial liabilities, at fair value plus directly attributable transaction costs.

Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as follows:-

(i) ***Financial Liabilities at Fair Value Through Profit or Loss***

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss.

At the reporting date, the Group and the Company have not designated any financial liabilities at fair value through profit or loss.

(ii) ***Other Financial Liabilities***

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses for other financial liabilities are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(j) Financial Instruments (Cont'd)

(ii) *Financial Liabilities (Cont'd)*

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(iii) *Financial Guarantee Contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified receivable fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the receivable fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

Intra-group's financial guarantees are eliminated on consolidation.

(k) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers for contract works. When the progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers for contract works.

(l) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(m) **Impairment**

(i) ***Financial Assets***

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an impairment loss when such evidence exists.

Loans and receivables

Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an allowance for impairment account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) ***Non-Financial Assets Other Than Goodwill***

Non-financial assets other than goodwill ("Non-financial assets") of the Group and of the Company at the reporting date consist of property, plant and equipment, prepaid lease payments, plantation development expenditure, intangible assets, investment property, forest plantation project, performance deposits and investment in subsidiaries. Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(m) Impairment (Cont'd)

(iii) *Goodwill*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value in use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(n) 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.

(o) Employee Benefits

(i) *Short Term Employee Benefits*

Wages, salaries, bonuses and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave and maternity leave are recognised when absences occur.

(ii) *Post-Employment Benefits*

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(p) 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 profit or loss 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 incentives 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 profit or loss.

(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 profit or loss 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 profit or loss 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.

(vi) ***Interest income***

Interest income is accrued and recognised on a time-apportioned basis by reference to principal outstanding at the effective interest rate.

(q) Borrowing Costs

All borrowing costs are recognised in the profit or loss 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Significant Accounting Policies (Cont'd)

(r) **Taxation**

(i) *Current Tax*

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

(ii) *Deferred Tax*

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the assets realised. Deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt in equity.

(s) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, deposits and demand deposits that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

(t) **Earnings Per Share**

The Group presents basic and diluted 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 financial year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(u) **Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it may earns revenue and incurs expenses; including revenue and expenses relating to transactions with the Group's other components. All operating segment's operating results are reviewed by the Group's Directors to make decisions about resources allocation to the segment and assess its performance, and for which discrete financial information is available.

(v) **Related Parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

(i) ***Depreciation of property, plant and equipment***

The directors estimate the useful lives of the Group's property, plant and equipment to be within 3 to 50 years. The estimation of the useful lives of property, plant and equipment is based on the period over which the assets are expected to be available for use.

The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets. The estimates for the useful lives and related depreciation charges for its property, plant and equipment is based on commercial and production factors which could change significantly as a result of level of usage, technical innovation and competitor actions in response to severe market conditions. Changes in those commercial and production factors could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised.

(ii) ***Useful lives of oil palm plantation development expenditure***

The cost of oil palm plantation development expenditure are amortised on a straight line basis over the assets' estimated economic useful lives. The management estimates the useful lives of this asset ranging from 20 to 25 years. The management is of the view that these useful lives are the common life expectancies applied in the oil palm industry.

(iii) ***Impairment of non-current assets***

The Group and the Company review the carrying amount of its non-current assets, which include property, plant and equipment, intangible assets, prepaid lease payments, plantation development expenditure, investment property, forest plantation project, investment in subsidiaries and performance deposits to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets. This requires an estimation of the value in use of the cash-generating units of the aforementioned items.

When value in use calculations are undertaken, the directors must estimate the expected future cash flows from the assets or cash generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows. Based on the impairment assessment at the reporting date, the directors are of the opinion that there is no indication of impairment to these assets.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(iv) *Impairment of loans and receivables*

The directors review its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the receivable, the probability that the receivable will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, the directors make judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the receivable, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the receivable operates in.

Where there is objective evidence of impairment, the directors make judgements as to whether an impairment loss should be recorded as an expense. In determining this, the directors use estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(v) *Income taxes*

Significant estimate is required in determining the provision for income taxes. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) *Impairment of investment in subsidiaries*

The directors follow the guidance of FRS 136 – Impairment of Assets, in determining whether investment in subsidiaries is impaired. This requires assumption to be made regarding the duration and extent to which the fair value of an investment is less than its costs, the financial health, and near-term business outlook of the investments including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The directors' assessment for impairment of investment in subsidiaries is based on the estimation of value in use of the cash-generating unit ("CGU") by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate to calculate the present value of those cash flows. The Company's carrying amount of investment in subsidiaries at 31st March 2012 was RM1,440,002/- (2011: RM1,440,002/-).

(vii) *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future revenue receivable, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties; hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

(viii) *Construction Contracts*

The Group and the Company recognised contract revenue and cost in the profit or loss by using the stage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date over the estimated total contract costs.

Significant judgements are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and cost, as well as recoverability of the construction projects. In making the judgement, the directors' evaluation is based on past experience and by relying on the work of specialists. The accumulated profits recognised for the construction project of the Group and of the Company amounted to RM55,249,000/- (2011 : RM27,209,000/-) and RM34,054,000/-(2011 : RM20,254,000/-). Any difference in the estimation of total contract revenue and cost will impact the results of the Group and the Company.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) **Key sources of estimation uncertainty (Cont'd)**

(ix) ***Allowance for inventory obsolescence***

The Group reviews the ageing analysis of inventories at each reporting date, and makes allowance for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable value of the inventory decreased by 10% from the directors' estimates, the Group's profit will decrease by RM318,098/-.

(x) ***Classification of leasehold land***

The classification of leasehold land as finance lease or an operating lease required the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Fixture and Fittings RM'000	Chipping Plant Factory RM'000	Capital Work-in-Progress RM'000	Renovation RM'000	Total RM'000
2012											
Cost											
At 1st April 2011	528	1,250	2,447	17,210	968	4,070	1,460	5,301	11,619	56	44,909
Additions	-	-	8	275	132	117	16	-	1,981	71	2,600
Disposals	-	-	-	(396)	-	-	-	-	-	-	(396)
Reclassification	(430)	-	1,846	4,907	-	430	-	-	(6,753)	-	-
At 31st March 2012	98	1,250	4,301	21,996	1,100	4,617	1,476	5,301	6,847	127	47,113
Accumulated Depreciation											
At 1st April 2011	-	98	283	16,361	755	3,049	1,084	1,063	-	-	22,693
Depreciation for the financial year	-	13	52	647	100	576	115	159	-	2	1,664
Disposals	-	-	-	(374)	-	-	-	-	-	-	(374)
At 31st March 2012	-	111	335	16,634	855	3,625	1,199	1,222	-	2	23,983
Net Book Value at 31st March 2012	98	1,139	3,966	5,362	245	992	277	4,079	6,847	125	23,130

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

Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Fixture and Fittings RM'000	Chipping Plant Factory RM'000	Capital Work-in-Progress RM'000	Renovation RM'000	Total RM'000
2011											
Cost											
At 1st April 2010	98	-	2,447	18,871	880	4,153	1,450	5,301	5,980	-	39,180
Effects of adopting the amendments to FRS 117	-	1,250	-	-	-	-	-	-	-	-	1,250
As restated	98	1,250	2,447	18,871	880	4,153	1,450	5,301	5,980	-	40,430
Additions	430	-	-	61	88	592	10	-	5,639	56	6,876
Disposals	-	-	-	(1,386)	-	(419)	-	-	-	-	(1,805)
Write-offs	-	-	-	(336)	-	(256)	-	-	-	-	(592)
At 31st March 2011	528	1,250	2,447	17,210	968	4,070	1,460	5,301	11,619	56	44,909
Accumulated Depreciation											
At 1st April 2010	-	-	234	16,263	666	2,747	928	904	-	-	21,742
Effects of adopting the amendments to FRS 117	-	85	-	-	-	-	-	-	-	-	85
As restated	-	85	234	16,263	666	2,747	928	904	-	-	21,827
Depreciation for the financial year	-	13	49	1,388	89	565	156	159	-	-	2,419
Disposals	-	-	-	(953)	-	(217)	-	-	-	-	(1,170)
Write-offs	-	-	-	(337)	-	(46)	-	-	-	-	(383)
At 31st March 2011	-	98	283	16,361	755	3,049	1,084	1,063	-	-	22,693
Net Book Value at 31st March 2011	528	1,152	2,164	849	213	1,021	376	4,238	11,619	56	22,216

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

Company	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Fixtures and Fittings RM'000	Total RM'000
2012								
Cost								
At 1st April 2011	98	1,250	590	898	557	2,513	96	6,002
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
At 31st March 2012	98	1,250	590	898	557	2,513	96	6,002
Accumulated Depreciation								
At 1st April 2011	-	98	213	898	503	1,715	94	3,521
Depreciation for the financial year	-	13	12	-	21	387	-	433
Disposals	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
At 31st March 2012	-	111	225	898	524	2,102	94	3,954
Net Book Value at 31st March 2012	98	1,139	365	-	33	411	2	2,048

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

Company	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Fixtures and Fittings RM'000	Total RM'000
2011								
Cost								
At 1st April 2010	98	-	590	1,382	549	2,447	96	5,162
Effects of adopting the amendments to FRS 117	-	1,250	-	-	-	-	-	1,250
As restated	98	1,250	590	1,382	549	2,447	96	6,412
Additions	-	-	-	-	8	430	-	438
Disposals	-	-	-	(148)	-	(108)	-	(256)
Write-offs	-	-	-	(336)	-	(256)	-	(592)
At 31st March 2011	98	1,250	590	898	557	2,513	96	6,002
Accumulated Depreciation								
At 1st April 2010	-	-	201	1382	478	1474	94	3,629
Effects of adopting the amendments to FRS 117	-	85	-	-	-	-	-	85
As restated	-	85	201	1,382	478	1,474	94	3,714
Depreciation for the financial year	-	13	12	-	25	396	-	446
Disposals	-	-	-	(148)	-	(108)	-	(256)
Write-offs	-	-	-	(336)	-	(47)	-	(383)
At 31st March 2011	-	98	213	898	503	1,715	94	3,521
Net Book Value at 31st March 2011 (restated)	98	1,152	377	-	54	798	2	2,481

Leased property, plant and equipment

As at the reporting date, the following property, plant and equipment were acquired under leasing arrangements:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Motor vehicles	737	1,005	353	441
Plant and machinery	3,499	3,517	-	-
	4,236	4,522	353	441

Capitalisation of depreciation

Depreciation expense amounted to RM301,000/- (2011 : RM542,000/-) were capitalised under plantation development expenditure during the financial year as stated in Note 7.

5. INTANGIBLE ASSETS - GOODWILL

	Group 2012 RM'000	Group 2011 RM'000
Cost		
At 1st April/ 31st March	1,223	1,223
Accumulated impairment loss		
At 1st April/ 31st March	-	-
Net carrying amount at 31st March	1,223	1,223

Impairment testing for goodwill

Goodwill of RM1,223,000/- (2011: RM1,223,000/-) represents the unamortised balance of goodwill arising from the 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 financial 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 50 years and projected operating results for oil palm business over 25 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 6.75% (2011: 14%) used for acacia operation and 6.75% (2011: 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).

6. PREPAID LEASE PAYMENTS

	Unexpired period less than 50 years Group 2012 RM'000	Unexpired period less than 50 years Group 2011 RM'000
Cost		
At 1st April/ 31st March	11,504	11,504
Accumulated Amortisation		
At 1st April	4,542	3,948
Amortisation during the financial year	593	594
At 31st March	5,135	4,542
Net carrying amount at 31st March	6,369	6,962

7. PLANTATION DEVELOPMENT EXPENDITURE

	Group 2012 RM'000	Group 2011 RM'000
Cost		
At 1st April	74,116	49,740
Additions during the financial year	22,538	24,376
At 31st March	96,654	74,116
Accumulated Amortisation		
At 1st April	-	-
Amortisation charged for the financial year	484	-
At 31st March	484	-
Net carrying amount at 31st March	96,170	74,116

Included in plantation development expenditure are the following expenses incurred and capitalised during the financial year:-

	Group 2012 RM'000	Group 2011 RM'000
Depreciation (Note 4)	301	542
Interest expense	2,893	2,263
Staff costs	2,439	2,771
	5,633	5,576

8. INVESTMENT PROPERTIES

	Leasehold buildings unexpired period more than 50 years Group and Company 2012 RM'000	Leasehold buildings unexpired period more than 50 years Group and Company 2011 RM'000
Cost		
At 1st April/ 31st March	626	626
Accumulated Depreciation		
At 1st April	134	121
Depreciation for the financial year	11	13
At 31st March	145	134
Net carrying amount At 31st March	481	492
Fair value as at 31st March	560	534

The strata titles of buildings of the Company with an aggregate carrying amount of RM481,000/- (2011: RM492,000/-) were transferred to the Company 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 5.14% (2011: 5.41%).

8. INVESTMENT PROPERTIES (CONT'D)

The following are recognised in the profit or loss in respect of investment properties:

	Group and Company 2012 RM'000	2011 RM'000
Rental income	26	29
Direct operating expenses:		
- income generating investment properties	11	13

9. FOREST PLANTATION PROJECT

	Group 2012 RM'000	2011 RM'000
Cost		
At 1st April/ 31st March	35,429	35,429
Accumulated Amortisation		
At 1st April	5,147	4,975
Amortisation for the financial year	197	172
At 31st March	5,344	5,147
Net carrying amount at 31st March	30,085	30,282

On 4th 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 area 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 RM62,270,000/- is therefore, payable to the Johor State Government for the concession and alienation (Note 21).

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 4th 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 31st 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 the 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 21) and (Note 10).

On 3rd 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 20th 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.

9. FOREST PLANTATION PROJECT (CONT'D)

On 13th July 2006, the Johor State Government had alienated to YPJH one plot of agricultural land measuring 850 hectares which was then sub-leased to Aramijaya on 8th October 2007 for a period of ninety nine (99) years less one (1) day from 13th July 2006 till 11th July 2105. The remaining plot of 1,991 hectares of land was alienated to YPJH on 22th October 2007 and was then sub-leased to Aramijaya on 12th June 2008 for the period of ninety nine (99) years less one (1) day from 22th October 2007 till 20th October 2106. These two plots of leasehold land are charged to secure a term loan facility amounting to RM70,000,000/-, of which RM52,925,000/-(2011: RM38,668,000/-) has been drawn-down as stated in Note 22(b) to the financial statements.

10. DEFERRED INTERESTS

	Group RM'000
Cost	
At 1st April 2010	19,391
Effects from adopting FRS 139 (Note 21)	(19,391)
At 1st April 2010 (restated)/31st March 2011/31st March 2012	-
Accumulated Amortisation	
At 1st April 2010	8,934
Effects from adopting FRS 139 (Note 21)	(8,934)
At 1st April 2010 (restated)/31st March 2011/31st March 2012	-
Net carrying amount at 31st March 2011/2012	-

Upon the adoption of FRS 139 on 1st April 2011, the entire carrying amount was reclassified to amount due to Johor State Government account.

The details of deferred interests are further explained in Note 21 to the financial statements.

11. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2012 RM'000	Assets 2011 RM'000	Liabilities 2012 RM'000	Liabilities 2011 RM'000	Net 2012 RM'000	Net 2011 RM'000
Property, plant and equipment	-	-	(6)	(24)	(6)	(24)
Plantation development expenditure	-	-	(14,794)	(11,019)	(14,794)	(11,019)
Forest plantation project	-	-	(2,463)	(1,533)	(2,463)	(1,533)
Tax loss carry-forwards	9,741	10,363	-	-	9,741	10,363
Unabsorbed capital allowances	3,274	3,235	-	-	3,274	3,235
Other deductible temporary differences	2,264	-	-	-	2,264	-
Tax assets/(liabilities)	15,279	13,598	(17,263)	(12,576)	(1,984)	1,022
Set off	(15,279)	(12,576)	15,279	12,576	-	-
Net tax assets	-	1,022	(1,984)	-	(1,984)	1,022

11. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Recognised deferred tax assets and liabilities (Cont'd)

Company	Assets 2012 RM'000	Assets 2011 RM'000	Liabilities 2012 RM'000	Liabilities 2011 RM'000	Net 2012 RM'000	Net 2011 RM'000
Property, plant and equipment	-	-	(6)	(24)	(6)	(24)
Tax loss carry-forwards	-	663	-	-	-	663
Tax assets/(liabilities)	-	663	(6)	(24)	(6)	639
Set off	-	(24)	-	24	-	-
Net tax assets	-	639	(6)	-	(6)	639

12. INVESTMENT IN SUBSIDIARIES

	Company 2012 RM'000	Company 2011 RM'000
Unquoted shares - at cost	1,440	1,440

Details of the subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2012 %	Effective Equity Interest 2011 %	Principal Activities
Aramijaya Sdn. Bhd.	Malaysia	70	70	Management and operation of a forest plantation, logging, saw miling, chipping, other downstream manufacturing and related activities and oil palm plantation and undertaking of construction works.
Ikhlasi Bina Sdn. Bhd.	Malaysia	100	100	Civil engineering and construction works.

13. PERFORMANCE DEPOSITS

Pursuant to the terms of the Privatisation Agreement dated 4th December 2002 (refer to Note 9), Aramijaya is required to pay YPJH a sum of RM2.5 million as security towards Aramijaya's performance in undertaking a major role in the proposed privatisation of forest plantation project ("performance deposits"), and a sum of RM5 million a year for the first ten year period commencing from the financial year ended 31st March 2003, being YPJH's minimum net profit entitlement (Note 25).

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 (2011: RM50 million) and the deposit of RM2.5 million (2011: RM2.5 million) have been recognised as performance deposits.

The minimum net profit entitlement of YPJH totalling RM50 million (2011: RM50 million) and the deposit of RM2.5 million (2011: RM2.5 million) shall be recoverable by way of setoff against YPJH's future profit entitlement in respect of its 30% equity participation in Aramijaya over and above RM 5 million in any financial year within the first ten years from the financial year ended 31st 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.

14. AMOUNT DUE FROM A SUBSIDIARY

The amount due from a subsidiary is presented as follows:-

	Company 2012 RM'000	Company 2011 RM'000
Non-current	52,525	50,634
Current	2,446	2,026
	54,971	52,660

On 29th 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. In the previous financial year, amounts totalling RM15,000,000/- was disbursed to Aramijaya.

The amount due from a subsidiary is unsecured and is repayable on demand.

The Group and the Company's exposures to credit risk are disclosed in Note 36 to the financial statements.

15. INVENTORIES

	Group 2012 RM'000	Group 2011 RM'000
At cost:		
Timber logs	22	-
Woodchip	2,232	2,740
Pallet	21	17
Sawn timber	62	42
Consumables	815	142
Particle board	29	-
	3,181	2,941

16. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Aggregate construction costs incurred to date	285,339	155,056	87,568	49,589
Add: Attributable profits	55,249	27,209	34,054	20,254
	340,588	182,265	121,622	69,843
Less: Progress billings	(376,721)	(198,927)	(150,719)	(82,889)
Net amount due to contract customers	(36,133)	(16,662)	(29,097)	(13,046)
Presented as follows:				
Gross amount due from customers for contract works	2,210	19	-	-
Gross amount due to customers for contract works	(38,343)	(16,681)	(29,097)	(13,046)
Net amount due to contract customers	(36,133)	(16,662)	(29,097)	(13,046)

16. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS (CONT'D)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Construction costs recognised as contract expenses during the financial year	103,964	88,386	37,979	28,461
Construction revenue recognised as contract revenue during the financial year	132,494	106,452	51,776	41,292

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade receivables				
Trade receivables	13,124	9,923	8,346	6,256
Amount due from related parties	22,227	35,155	-	-
	35,351	45,078	8,346	6,256
Less: Allowance for impairment	(256)	(227)	-	-
	35,095	44,851	8,346	6,256
Retention sums receivable	165	141	165	141
Trade receivables, net	35,260	44,992	8,511	6,397
Other receivables				
Sundry receivables	239	1,446	3	1
Deposits	1,430	1,949	61	60
Prepayments	1,069	617	-	-
Other receivables, net	2,738	4,012	64	61
Less: Allowance for impairment	(75)	-	-	-
Other receivables, net	2,663	4,012	64	61
Total trade and other receivables	37,923	49,004	8,575	6,458

17. TRADE AND OTHER RECEIVABLES (CONT'D)

a) **Trade receivables**

Included in trade receivables of the Group are advances made to sub-contractors amounting to RM139,000/- (2011: RM1,080,000/-), which are unsecured and interest free.

b) **Ageing analysis of trade receivables**

The ageing analysis of the Group and the Company's trade receivables are as follows:-

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Neither past due nor impaired	21,343	41,560	7,852	5,737
Past due but not impaired				
1 to 30 days past due not impaired	269	587	-	-
31 to 60 days past due not impaired	1,974	709	-	-
61 to 90 days past due not impaired	189	100	-	-
91 to 120 days past due not impaired	41	248	-	-
More than 121 days past due not impaired	11,444	1,788	659	660
	13,917	3,432	659	660
Impaired	256	227	-	-
	35,516	45,219	8,511	6,397

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company. None of the Group and the Company's trade receivables that are neither past due nor impaired have been negotiated during the financial year.

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM13,917,000/- (2011 : RM3,432,000/-) and RM659,000/- (2011 : RM660,000/-) respectively that are past due at the reporting date but not impaired. Based on the historical default rates, the Group and the Company believe that no impairment loss is necessary in respect of trade receivables that are past due from 1 day and up to more than 121 days. These receivables are mainly arising from trade receivables that have a good credit records with the Group and the Company. Based on the opinion of the directors, the balances due are within the normal operating cycles of the construction industry.

Trade receivables that are impaired

The movement in allowance for impairment is as follows:-

	Group	
	2012 RM'000	**2011 RM'000**
At 1st April	227	205
Additions during the financial year	29	22
At 31st March	256	227

Trade receivables that are impaired were determined based on individual trade receivable which has been long outstanding.

17. TRADE AND OTHER RECEIVABLES (CONT'D)

c) **Amount due from related parties**

The amount due from related parties is unsecured, interest free and subject to negotiated terms. The related parties are entities which are disclosed in Note 32 to the financial statements.

d) **Other receivables**

Included in other receivables of the Group is an amount of RM207,000/- (2011 : RM964,056/-) which represents payments made on behalf of sub-contractors.

Included in deposits of the Group is an amount of RM1,100,000/- (2011 : RM1,100,000/-) which represents deposits paid to YPJ Holdings Sdn. Bhd. ("YPJH") for the right to develop 30,000 acres of forest land in the State of Johor over 30 years at a consideration of RM100/- per acre of the plantable area. At the reporting date the surveyor is in the process of determining the plantable area of this land, and as such the total consideration payable to YPJH has yet to be determined.

Other receivables that are impaired

The movement in allowance for impairment is as follows:-

	Group	
	2012 RM'000	**2011 RM'000**
At 1st April	-	-
Additions during the financial year	75	-
At 31st March	75	-

The Group and the Company's exposures to credit risk are disclosed in Note 36 to the financial statements.

18. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Included in fixed deposits placed with licensed banks is as follows:-

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Pledged to licensed banks for credit facilities granted to the Group/Company	1,708	1,171	655	118

The fixed deposits of the Group and of the Company earn interest at rates ranging from 2.20% to 3.37% (2011: 2.15% to 3.10%) per annum.

19. SHARE CAPITAL

	Group and Company			
	2012 Number of Shares Unit '000	2011 Number of Shares Unit'000	2012 Amount RM'000	2011 Amount RM'000
Ordinary shares of RM0.20/- each				
Authorised:				
At the beginning/end of the financial year	1,000,000	1,000,000	200,000	200,000
Issued and fully paid:				
At the beginning of the financial year	326,700	326,700	65,340	65,340

The owners of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally regard to the Company residual assets.

20. RESERVES

The movement in reserves of the Group and of the Company at the reporting date is as follows:-

	Share premium RM'000	Retained profits RM'000	Total RM'000
Group			
At 1st April 2010	4,621	11,668	16,289
Effects from adopting FRS 139	-	158	158
Total comprehensive income for the financial year	-	10,054	10,054
At 31st March 2011	4,621	21,880	26,501
Total comprehensive income for the financial year	-	11,795	11,795
At 31st March 2012	4,621	33,675	38,296

	Share premium RM'000	Retained profits RM'000	Total RM'000
Company			
At 1st April 2010	4,621	1,428	6,049
Effects from adopting FRS 139	-	158	158
Total comprehensive income for the financial year	-	9,235	9,235
At 31st March 2011	4,621	10,821	15,442
Total comprehensive income for the financial year	-	10,717	10,717
At 31st March 2012	4,621	21,538	26,159

Share premium

Share premium of the Group and of the Company arose from allotments of ordinary shares at premium net of share issue expenses.

21. AMOUNT DUE TO JOHOR STATE GOVERNMENT

	Group 2012 RM'000	Group 2011 RM'000
Future minimum payment to Johor State Government		
- not later than one year	5,757	5,757
- later than one year but not later than two years	5,757	5,757
- later than two years but not later than five years	17,273	17,273
- later than five years	5,758	11,515
	34,545	40,302
Less: Deferred interests	(7,392)	(9,239)
	27,153	31,063

	Group 2012 RM'000	Group 2011 RM'000
Represented by:		
Current		
- not later than one year	4,472	4,539
Non-current		
- later than one year but not later than two years	4,472	4,539
- later than two years but not later than five years	13,416	13,618
- later than five years	4,793	8,367
	22,681	26,524
	27,153	31,063

Deferred interests represent the difference between the privatisation consideration of RM62,270,000/- (2011: RM62,270,000/-) and the present value of forest plantation project of RM35,429,000/- (2011: RM35,429,000/-) (Note 9) and plantation development expenditure of RM7,450,000/- (2011: RM7,450,000/-).

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

The movement in deferred interest is as follows:-

	Group 2012 RM'000	Group 2011 RM'000
Deferred interests		
As at 1st April	9,239	-
Effects from adopting FRS 139 (Note 10)	-	10,457
Amortisation during the financial year	(1,847)	(1,218)
As at 31st March	7,392	9,239

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

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 1st October 2001 (Note 9). 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 4th December 2002.

On 1st October 2001, Aramijaya had paid the first instalment payment of RM9,630,000/- to the Johor State Government. During the financial year, Aramijaya paid an amount of RM5,757,000/- (2011: RM5,758,000/-) to the Johor State Government. The movement in amount due to Johor State Government is as follows:

	2012 RM'000	2011 RM'000
Total privatisation consideration payable	62,270	62,270
Less: Cumulative instalments paid	(27,725)	(21,968)
	34,545	40,302

On 1st 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 1st October 2002, 1st October 2003, 1st October 2004, 1st October 2005 and 1st 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 (2011: RM6.8 million), which has not been accrued for.

On 18th 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 1st January 2009 until 1st January 2018. The first three instalments from the revised schedule amounting to RM2,193,000/- each, the fourth and fifth instalments amounting to RM5,758,000/- each have been paid.

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The Group and the Company's exposures to liquidity risk are disclosed in Note 36 to the financial statements.

22. BORROWINGS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Non-current				
Finance lease liabilities	718	1,509	17	159
Term loan	52,925	38,668	-	-
	53,643	40,177	17	159
Current				
Finance lease liabilities	791	795	142	171
Total borrowings	54,434	40,972	159	330

a) **Finance lease liabilities**

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Minimum finance lease payment:				
- not later than one year	862	918	147	185
- later than one year but not later than five years	751	1,613	17	164
	1,613	2,531	164	349
Less: Future finance charges	(104)	(227)	(5)	(19)
	1,509	2,304	159	330
Represented by:				
Current				
- not later than one year	791	795	142	171
Non-current				
- later than one year but not later than two years	718	808	17	159
- later than two years but not later than five years	-	701	-	-
	718	1,509	17	159
	1,509	2,304	159	330

Finance lease liabilities of the Group and of the Company are subject to a fixed interest rates ranging from 3.00% to 4.35% (2011: 3.00% to 4.35%) per annum and 3.00% to 3.50% (2011: 3.00% to 3.50%) per annum respectively.

22. BORROWINGS (CONT'D)

b) **Term loan**

The term of the term loan repayment is as follows:-

	Group	
	2012 RM'000	2011 RM'000
Non-current		
- later than one year but not later than two years	4,410	-
- later than two years but not later than five years	22,682	14,270
- later than five years	25,833	24,398
	52,925	38,668

The term loan is subject to a fixed interest rate at 6.75% (2011: 6.75%) per annum.

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 9 to the financial statements.

The Group and the Company's exposure to liquidity and interest rate risks are disclosed in Note 36 to the financial statements.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade payables				
Trade payables	20,202	18,663	626	889
Advances received from customers	-	6,181	-	6,181
Retention sums payable	8,743	6,864	1,237	1,605
Amount due to related parties	9,325	7,158	-	-
	38,270	38,866	1,863	8,675
Other payables				
Other payables	1,914	1,724	710	-
Deposits	293	240	3	3
Accruals	10,525	20,352	280	319
	12,732	22,316	993	322
Total trade and other payables	51,002	61,182	2,856	8,997

a) **Trade payables**

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days (2011: 30 to 60 days) terms.

b) **Amount due to related parties**

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

23. TRADE AND OTHER PAYABLES (CONT'D)

c) **Accruals**

Included in accruals is an amount of RM9,055,000/- (2011 : RM18,970,630/-) which represents accrual made for sub-contractors cost at the reporting date.

The Group and the Company's exposures to liquidity risk are disclosed in Note 36 to the financial statements.

24. AMOUNT DUE TO A SUBSIDIARY

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

25. AMOUNT DUE TO A RELATED PARTY

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

	Group	
	2012 RM'000	2011 RM'000
Current	45,000	45,000

Pursuant to the terms of the Privatisation Agreement dated 4th December 2002 (refer to Note 9 and Note 13), 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 31st 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 (2011: RM50 million) has been recognised as amount due to a related party.

YPJH has via its letter dated 17th May 2006 agreed to defer the repayment of its minimum net profit entitlement until Aramijaya's cash flows have improved.

The Group and the Company's exposures to liquidity risk are disclosed in Note 36 to the financial statements.

26. AMOUNT DUE TO DIRECTORS

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

27. FINANCE COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amortisation of deferred interests	1,847	1,218	-	-
Finance lease liabilities	111	238	14	29
Other interests	35	-	35	-
Net effects of unwinding of interests from the discounting of retention sums	148	-	148	-
	2,141	1,456	197	29

28. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at:-

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
After charging:-				
Amortisation of deferred interests	1,847	1,218	-	-
Amortisation of forest plantation project	197	172	-	-
Amortisation of plantation development expenditure	484	-	-	-
Amortisation of prepaid lease payments	593	594	-	-
Auditor remuneration				
- Audit services				
Auditor of the Company				
- current year	65	58	40	40
- prior year	-	4	-	4
- Other services	38	31	38	31
Bad debts written off	-	110	-	110
Depreciation of property, plant and equipment	1,363	1,877	433	446
Depreciation of investment property	11	13	11	13
Finance costs (Note 27)	2,141	1,456	197	29
Impairment loss on trade and other receivables	104	22	-	-
Personnel expenses (including key management personnel)				
- Contributions to EPF	505	382	35	52
- Wages, salaries and others	7,006	5,073	1,045	800
Property,plant and equipment written off	-	209	-	209
Rental of plant and machinery	358	257	-	-
Rental of premises	209	185	174	155
Rental of motor vehicles	1,232	1,225	-	-
After crediting:-				
Gain on disposal of property, plant and equipment	160	276	-	70
Rental income from hire of				
- Motor vehicles	29	31	-	-
- Plant and machinery	204	346	-	-
- Others	192	108	-	-
Rental income from investment properties	26	29	26	29
Interest income arising from:				
- Amount due from a subsidiary	-	-	2,320	1,892
- Deposits with licensed banks	1,835	1,082	1,654	1,082
- Net effects of unwinding of interest from the discounting of retention sums	-	69	-	69

29. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Directors:				
- Fees	70	35	70	35
- Remuneration	1,193	898	766	564
- Other short term employee benefits (including estimated monetary value of benefits-inkind)	49	49	45	45
Total short term employee benefits	1,312	982	881	644

30. TAXATION

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Income tax				
- current year	(2,716)	(390)	(2,490)	(277)
- prior years	(25)	-	-	-
	(2,741)	(390)	(2,490)	(277)
Deferred taxation				
- current year	(2,981)	(4,812)	(6)	(2,653)
- prior years	(25)	(1,119)	(638)	(227)
	(3,006)	(5,931)	(644)	(2,880)
	(5,747)	(6,321)	(3,134)	(3,157)

The income tax rate is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the fiscal year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Profit before taxation	19,886	17,737	13,851	12,392
Tax at applicable tax rate of 25%	(4,971)	(4,434)	(3,463)	(3,098)
Tax effects arising from				
- non-deductible expenses	(1,989)	(1,323)	(296)	(356)
- non-taxable income	580	557	580	524
- Reversal/(origination) of deferred tax assets	683	(2)	683	-
- under accrual in prior years	(50)	(1,119)	(638)	(227)
Tax expense for the financial year	(5,747)	(6,321)	(3,134)	(3,157)

31. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year calculated as follows:

	Group 2012	Group 2011
Net profit for the financial year (RM'000)	11,795	10,054
Weighted average number of ordinary shares ('000)	326,700	326,700
Basic earnings per share for the financial year (sen)	3.61	3.08

Diluted earnings per ordinary share

The basic and diluted earnings per ordinary share are the same, as the Group has no dilutive potential ordinary shares.

32. RELATED PARTY TRANSACTIONS

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 to 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 include 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 are as follows:

i) Ekovest Berhad, 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., Rampai Fokus Sdn. Bhd., Segi Tiara Sdn. Bhd., D-Hill Sdn. Bhd., Felda Ekovest Sdn. Bhd. and Hi-Plus Development Sdn. Bhd. are deemed related to Tan Sri Dato' Lim Kang Hoo, Tan Sri Dato' Lim Kang Yew and Dato' Lim Kang Poh;

ii) Pembinaan KS Tebrau Sdn. Bhd. is deemed related to Tan Sri Dato' Lim Kang Hoo, Haji Johar Salim bin Yahaya and Lim Keng Guan; and

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

Related Party Transactions

The related party transactions between the Group and the related parties which took place at the terms agreed between the related parties during the financial year are as follows:-

Type of transactions	Related party	2012 RM'000	2011 RM'000
Group			
Sales	Danga Bay Sdn. Bhd.	(6)	(21)
	Ekovest Construction Sdn. Bhd.	(2)	-
	Wengcon Marketing Sdn. Bhd.	(5)	(10)
	Rampai Fokus Sdn. Bhd.	(964)	-
	Hi-Plus Development Sdn. Bhd.	(5)	(745)
Sales of plant and machinery	Wengcon Holding Sdn. Bhd.	(124)	-
Secondment fee	Wengcon Equipment Sdn. Bhd.	65	6
	Segi Tiara Sdn Bhd.	3	-
	Radiant Seas Sdn. Bhd.	90	-
Purchases	Wengcon Marketing Sdn. Bhd.	3,592	9,303
	Danga Bay Sdn. Bhd.	83	46
	Wengcon Equipment Sdn. Bhd.	90	82
	Segi Tiara Sdn. Bhd.	25	46
Construction income	Julung Cipta Sdn. Bhd.	(60,060)	(59,595)
	Pembinaan KS Tebrau Sdn. Bhd.	(20,658)	(5,971)
Rental of plant and machiney payable	Wengcon Equipment Sdn. Bhd.	82	61
	Wengcon Holdings Sdn. Bhd.	114	293
	Wengcon Machinery Sdn. Bhd.	15	12
	Wengcon Marketing Sdn. Bhd.	64	-
	Ekovest Construction Sdn. Bhd.	-	5
	Ekovest Berhad	32	114
	Hi-Plus Development Sdn. Bhd.	55	-

32. RELATED PARTY TRANSACTIONS (CONT'D)

Related Party Transactions (Cont'd)

Type of transactions	Related party	2012 RM'000	2011 RM'000
Group			
Rental of plant and machinery receivables	Wengcon Equipment Sdn. Bhd.	(69)	-
	Segi Tiara Sdn. Bhd.	(169)	(233)
	Danga Bay Sdn. Bhd.	(30)	-
Purchase of motor vehicles	Segi Tiara Sdn. Bhd.	22	-
	Ekovest Berhad	-	8
Purchase of plant and machinery	Wengcon Holdings Sdn. Bhd.	-	3,000
Rental of motor vehicle payable	D-Hill Sdn. Bhd.	4	8
	Ekovest Berhad	17	17
	Ekovest Construction Sdn. Bhd.	13	5
Rental of motor vehicle receivable	Danga Bay Sdn. Bhd.	-	(11)
	Segi Tiara Sdn. Bhd.	(6)	(6)
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 receivable	Segi Tiara Sdn. Bhd.	(120)	(100)
Repair and service of plant and machinery payable	Wengcon Machinery Sdn. Bhd.	5	24
	Segi Tiara Sdn. Bhd.	-	-
	Wengcon Holdings Sdn. Bhd.	5	-
Repair and service of plant and machinery receivable	Radiant Seas Sdn. Bhd.	-	(14)
	Ekovest Construction Sdn. Bhd.	-	(1)
Sub-contractor cost	Hi-Plus Development Sdn. Bhd.	37	154
Company			
Interest income receivable	Aramijaya Sdn. Bhd.	(2,320)	(1,892)
Rental of premises payable	Limbongan Setia Corporation Sdn. Bhd.	108	108
Outsourcing of workforce	Ikhlasi Bina Sdn. Bhd.	60	55
Sub-contractor cost	Ikhlasi Bina Sdn. Bhd.	32,154	23,201

Balances with related parties are disclosed in Note 17, Note 23 and Note 25. These transactions have been entered into in the normal course of business and have been established under negotiated terms.

33. SEGMENTAL INFORMATION

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 a negotiated basis.

Business segments

The Group comprises the following main business segments:

Construction	Civil engineering and construction work of earthwork and building
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		Plantation		Consolidated	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
REVENUE						
Segment revenue	132,494	106,452	15,663	16,927	148,157	123,379
Segment result	7,622	9,026	12,570	9,016	20,192	18,042
Results from operating activities					20,192	18,042
Interest income					1,835	1,151
Finance costs					(2,141)	(1,456)
Profit before taxation					19,886	17,737
Taxation					(5,747)	(6,321)
Net profit for the financial year					14,139	11,416
Business segments						
Segment assets	73,000	46,531	257,316	246,128	330,316	292,659
Total assets	73,000	46,531	257,316	246,128	330,316	292,659
Segment liabilities	39,289	27,758	179,177	167,190	218,466	194,948
Total liabilities	39,289	27,758	179,177	167,190	218,466	194,948
Capital expenditure	-	439	25,138	30,813	25,138	31,252
Depreciation of property, plant and equipment	433	446	1,231	1,973	1,664	2,419

33. SEGMENTAL INFORMATION (CONT'D)

Business segments (Cont'd)

	Construction		Plantation		Consolidated	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Business segments (Cont'd)						
Depreciation of investment properties	11	13	-	-	11	13
Amortisation of deferred interests	-	-	1,847	1,218	1,847	1,218
Amortisation of forest plantation project	-	-	197	172	197	172
Amortisation of prepaid lease payments	-	-	593	594	593	594
Amortisation of plantation development expenditure	-	-	484	-	484	-
Non-cash expenses other than depreciation and amortisation	-	341	104	-	104	341

34. CONTINGENT LIABILITIIES

	Group and Company	
	2012 RM'000	2011 RM'000
Unsecured		
Performance bond to third parties in respect of a project	9,400	9,400
Performance bond to third parties in respect of a project of a subsidiary	-	529
Corporate guarantee to third party in respect of purchasing of machinery by a subsidiary	893	1,431
Corporate guarantee to third party in respect of purchasing of motor vehicles by a subsidiary	-	15
Corporate guarantee to Johor State Government in respect of payment by a subsidiary	34,545	40,303
Corporate guarantee to third party in respect of a term loan facility held by a subsidiary	52,925	38,668
	97,763	90,346

35. MATERIAL LITIGATION

A contractor, Magjaya 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-contractor work together with interest of 8% per annum from the date of the filing of defence until the date of full realisation.

On 16th February 2011, the Court delivered its decision and judged that Magjaya's claim be dismissed with costs and that the Company's counterclaim be allowed with costs in the sum of RM1.39 million with interest at 8% per annum from 1st February 2004 to the date of full settlement ("Judgment Sum").

On 4th March 2011, Magjaya has lodged an Appeal against the decision of the High Court delivered on 16th February 2011. On 23rd March 2011, the Company has served a statutory demand pursuant to Section 218 of the Companies Act, 1965 in Malaysia against Magjaya to demand for the Judgement Sum. Due to Magjaya's failure to comply with said statutory demand, the Company proceeded to file a Winding Up Petition against Magjaya ("the Petition") in Alor Setar High Court on 9th May 2011. The Court has allowed the winding up petition against the Magjaya. Magjaya is in the process of winding up on 22nd August 2011.

36. FINANCIAL INSTRUMENTS

(a) Financial Risk Management and Objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group and the Company's risk management framework. The Group and the Company's financial risk management policy seek to ensure that adequate financial resources are available for the development of the Group and the Company's businesses whilst managing its credit risk, interest rate risk and liquidity and cash flows risk. The Group and the Company's risk management approach seek to minimise the potential material adverse effects from these exposures. The Board reviews and agrees policies for managing each of these risks and they are summarised below. As the Group and the Company's exposure to market risk are kept at a minimum level, the Group and the Company have not used any derivatives financial instruments for trading purposes.

(i) ***Credit risk***

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company.

The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees of banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over certain amount.

The Group and the Company trade only with recognised and creditworthy third parties. It is the Group and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group and the Company are satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Monies due from the customers are followed up, reviewed on a regular basis to understand the reasons of non-payment or delay in payment, if any, so that appropriate actions can be implemented promptly.

The maximum exposure to credit risk for each of the financial assets at the reporting date was as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Trade and other receivables (excluding prepayments)	36,854	48,387	8,575	6,458
Amount due from a subsidiary	-	-	54,971	52,660
Fixed deposits placed with licensed banks	69,234	43,215	56,181	42,162
Cash and bank balances	7,810	8,431	3,584	1,522
	113,898	100,033	123,311	102,802
Financial guarantee	97,763	90,346	97,763	90,346
	211,661	190,379	221,074	193,148

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(i) *Credit risk (Cont'd)*

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 17 to the financial statements.

Financial assets that are either past due or impaired

Information regarding trade receivables that are either past due or impaired is disclosed in Note 17 to the financial statements.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group and the Company's exposure to interest rate risk arise primarily from fixed deposits placed with licensed banks, finance lease liabilities and term loans.

The Group and the Company's policy is to manage interest cost using mix of fixed and floating rate debts, which depends on the interest rates market and economic conditions. For interest income from cash deposits, the Group and the Company manage the interest rate risk by placing cash deposits with reputable financial institutions on varying maturities and interest rate terms.

Profile

At the reporting date, the interest rate profile of interest-bearing financial instruments is as follows:-

	2012		2011	
	Average Effective Interest Rate %	Carrying amount RM'000	Average Effective Interest Rate %	Carrying amount RM'000
Group				
Fixed rate instruments				
Fixed deposits placed with licensed banks	2.95	69,234	2.31	43,215
Finance lease liabilities	5.59	1,509	5.59	2,304
Term loan	6.75	52,925	6.75	38,668
Company				
Fixed rate instruments				
Fixed deposits placed with licensed banks	2.95	56,181	2.63	42,162
Amount due from a subsidiary	5.75	54,971	5.43	52,660
Finance lease liabilities	4.97	159	4.97	330

Interest rate sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss of the Group and of the Company.

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iii) *Liquidity and Cash Flow Risk*

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group and the Company adopt prudent liquidity risk management by maintaining sufficient cash, and available funding through an adequate amount of committed credit facilities. Due to dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities is as follows:-

31st March 2012	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
Group					
Amount due to Johor State Government	4,472	4,472	13,416	4,793	27,153
Amount due to a related party	45,000	-	-	-	45,000
Finance lease liabilities	791	718	-	-	1,509
Term loan	-	4,410	22,682	25,833	52,925
Trade and other payables	51,002	-	-	-	51,002
	101,265	9,600	36,098	30,626	177,589
Company					
Finance lease liabilities	142	17	-	-	159
Trade and other payables	2,856	-	-	-	2,856
Amount due to a subsidiary	3,197	-	-	-	3,197
	6,195	17	-	-	6,212
31st March 2011					
Group					
Amount due to Johor State Government	4,539	4,539	13,618	8,367	31,063
Amount due to a related party	45,000	-	-	-	45,000
Finance lease liabilities	795	808	701	-	2,304
Term loan	-	-	14,270	24,398	38,668
Trade and other payables	61,182	-	-	-	61,182
Amount due to directors	3	-	-	-	3
	111,519	5,347	28,589	32,765	178,220

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management and Objectives (Cont'd)

(iii) *Liquidity and Cash Flow Risk (Cont'd)*

31st March 2011	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
Company					
Finance lease liabilities	171	159	-	-	330
Trade and other payables	8,997	-	-	-	8,997
Amount due to a subsidiary	4,936	-	-	-	4,936
	14,104	159	-	-	14,263

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(b) Financial Instruments Classifications and Fair Values

(i) *Financial assets and liabilities classification and fair values*

The fair values of financial assets and liabilities of the Group and of the Company, together with the carrying amounts shown in the statement of financial position, are as follows:-

Group 31st March 2012	Note	Loans and receivables RM'000	Other financial liabilities RM'000	Total carrying amount RM'000	Fair value RM'000
Financial assets					
Trade and other receivables (excluding prepayments)	17	36,854	-	36,854	36,854
Fixed deposits placed with licensed banks	18	69,234	-	69,234	69,234
Cash and bank balances		7,810	-	7,810	7,810
		113,898	-	113,898	113,898
Financial liabilities					
Trade and other payables	23	-	51,002	51,002	51,002
Amount due to Johor State Government	21	-	27,153	27,153	27,153
Amount due to a related party	25	-	45,000	45,000	45,000
Finance lease liabilities	22(a)	-	1,509	1,509	1,509
Term loan	22(b)	-	52,925	52,925	52,925
		-	177,589	177,589	177,589

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Instruments Classifications and Fair Values (Cont'd)

(i) *Financial assets and liabilities classification and fair values (Cont'd)*

Group 31st March 2011	Note	Loans and receivables RM'000	Other financial liabilities RM'000	Total carrying amount RM'000	Fair value RM'000
Financial assets					
Trade and other receivables (excluding prepayments)	17	48,387	-	48,387	48,387
Fixed deposits placed with licensed banks	18	43,215	-	43,215	43,215
Cash and bank balances		8,431	-	8,431	8,431
		100,033	-	100,033	100,033
Financial liabilities					
Trade and other payables	23	-	61,182	61,182	61,182
Amount due to Johor State Government	21	-	31,063	31,063	31,063
Amount due to a related party	25	-	45,000	45,000	45,000
Amount due to directors	26	-	3	3	3
Finance lease liabilities	22(a)	-	2,304	2,304	2,304
Term loan	22(b)	-	38,668	38,668	38,668
		-	178,220	178,220	178,220

Company 31st March 2012	Note	Loans and receivables RM'000	Other financial liabilities RM'000	Total carrying amount RM'000	Fair value RM'000
Financial assets					
Trade and other receivables	17	8,575	-	8,575	8,575
Amount due from a subsidiary	14	54,971	-	54,971	54,971
Fixed deposits placed with licensed banks	18	56,181	-	56,181	56,181
Cash and bank balances		3,584	-	3,584	3,584
		123,311	-	123,311	123,311
Financial liabilities					
Trade and other payables	23	-	2,856	2,856	2,856
Finance lease liabilities	22(a)	-	159	159	159
Amount due to a subsidiary	24	-	3,197	3,197	3,197
		-	6,212	6,212	6,212

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Instruments Classifications and Fair Values (Cont'd)

(i) *Financial assets and liabilities classification and fair values (Cont'd)*

Company 31st March 2011	Note	Loans and receivables RM'000	Other financial liabilities RM'000	Total carrying amount RM'000	Fair value RM'000
Financial assets					
Trade and other receivables	17	6,458	-	6,458	6,458
Amount due from a subsidiary	14	52,660	-	52,660	52,660
Fixed deposits placed with licensed banks	18	42,162	-	42,162	42,162
Cash and bank balances		1,522	-	1,522	1,522
		102,802	-	102,802	102,802
Financial liabilities					
Trade and other payables	23	-	8,997	8,997	8,997
Finance lease liabilities	22(a)	-	330	330	330
Amount due to a subsidiary	24	-	4,936	4,936	4,936
		-	14,263	14,263	14,263

(ii) *Determination of fair values*

The carrying amounts of trade and other receivables, amounts due from a subsidiary, fixed deposits placed with licensed banks, cash and bank balances, trade and other payables, borrowings and amount due to directors approximate their fair values due to relatively short term nature of these financial instruments.

The carrying amounts of short term borrowings with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Non-derivative financial liabilities

Fair value of hire purchase and finance lease liabilities and term loans ("non-derivative financial liabilities"), which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

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

	2012 %
Finance lease liabilities	3.00 - 4.35
Term loans	6.75

(c) Unrecognised Financial Instruments

There were no unrecognised financial instruments on the statements of financial position of the Group and of the Company as at 31st March 2012.

37. CAPITAL MANAGEMENT

The Group and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as going concerns and to maintain an optimal capital structure so as to maximise shareholder value. The Group and the Company maintain an optimum capital structure through internally generated funds.

The capital equity of the Group and of the Company consist of equity attributable to owners of the Company, comprising share capital, shares premium, retained profits and total liabilities.

The debt-to-equity ratio is as follows:-

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total liabilities	218,466	194,948	35,781	27,309
Equity attributable to owners of the Company	103,636	91,841	91,499	80,782
Debt-to-equity ratio	210.8%	212.3%	39.1%	33.8%

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25th March 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the reporting date, into realised and unrealised profits or losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and of the Company as at 31st March 2012 are as follows:-

	Group		**Company**	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Total retained profits of the Company and its subsidiaries				
- Realised	35,659	20,858	21,544	10,182
- Unrealised	(1,984)	1,022	(6)	639
Total retained profits	33,675	21,880	21,538	10,821

The determination of realised and unrealised profits is complied based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants on 20th December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

We, **HAJI JOHAR SALIM BIN YAHAYA and TAN SRI DATO' LIM KANG YEW,** being two of the directors of **PLS PLANTATIONS BERHAD,** do hereby state that in the opinion of the directors, the financial statements set out on pages 27 to 86 are properly drawn up in accordance with the 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 at 31st March 2012 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 87 have been compiled in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants.

On behalf of the Board,

....

HAJI JOHAR SALIM BIN YAHAYA
Director

....

TAN SRI DATO'LIM KANG YEW
Director

Kuala Lumpur
Date: 30th July 2012

STATUTORY DECLARATION

I, **HEI KUM HONG,** being the officer primarily responsible for the financial management of **PLS PLANTATIONS BERHAD,** do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 27 to 86 and the supplementary information set out on page 87 are 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, l960.

....

HEI KUM HONG

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 30th July 2012.

Before me,

....

Zulkifla Mohd Dahlim (W541)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
To The Members Of PLS Plantations Berhad
Incorporated In Malaysia

Report on the Financial Statements

We have audited the financial statements of PLS Plantations Berhad, which comprise the statements of financial position as at 31st March 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 86.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 about 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 judgement, 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 controls relevant to the Company's preparation of financial statements that give a true and fair view 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 controls. 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 the 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 at 31st March 2012 and of their financial performance and cash flows for the financial 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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a 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.

(c) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 87 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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 contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

M. J. Monteiro
No. 828/05/14(J/PH)
Partner

Kuala Lumpur
Date: 30th July 2012

ANALYSIS OF SHAREHOLDINGS
As At 8th August 2012

Authorized capital	:	RM200,000,000
Issued and fully paid-up	:	RM65,340,000
Class of shares	:	Ordinary shares of RM0.20 each
Voting rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholder	%	No. of shareholdings	%
Less than 100	47	4.70	941	0.00
100 - 1,000	276	27.57	68,659	0.02
1001 - 10,000	359	35.86	2,002,700	0.61
10,001 - 100,000	241	24.08	7,221,300	2.21
100,000 - less than 5% of issued shares	74	7.39	122,438,400	37.48
5% and above issued shares	4	0.40	194,968,000	59.68
TOTAL	**1,001**	**100.00**	**326,700,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct shareholdings	%	Indirect shareholdings	%
1. Iskandar Waterfront Holdings 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	22,323,000	6.83	-	-
5. Lee Hun Kheng	-	-	74,970,000	22.95
6. Lim Keng Guan	-	-	81,605,000	24.98
7. Tan Sri Dato' Lim Kang Hoo	-	-	76,500,000	23.42
8. Credence Resources Sdn Bhd	-	-	76,500,000	23.42
9. Kumpulan Prasarana Rakyat Johor Sdn Bhd	-	-	76,500,000	23.42
TOTAL	**209,968,000**	**64.27**		

DIRECTORS' SHAREHOLDINGS

Name of Shareholders	Direct shareholdings	%	Indirect shareholdings	%
1. Haji 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. Tan Sri Dato' Lim Kang Hoo	-	-	-	-
5. Dato' Lim Kang Poh	22,323,000	6.83	-	-
6. Dato' Haji Ibrahim Bin Haji Keling	-	-	-	-
7. Encik Hisham Bin Mahmood	-	-	-	-
8. Ms Kang Hui Ling	-	-	-	-
9. Puan Norliza Binti Suleiman	-	-	-	-
TOTAL	**58,498,000**	**17.90**		

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of shareholders	Shareholdings	%
1.	Iskandar Waterfront Holdings 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	22,323,000	6.83
5.	Limbongan Resources Sdn Bhd	15,000,000	4.59
6.	Lim Keng Cheng	8,762,700	2.68
7.	Lim Seong Hai Holdings Sdn Bhd	6,635,000	2.03
8.	Yap Shing @ Yap Sue Kim	6,616,300	2.03
9.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Mohamad Nor Bin Hamid	3,938,200	1.21
10.	Khoo Nang Seng @ Khoo Nam Seng	3,915,000	1.20
11.	Koh Hong Seng	3,708,500	1.14
12.	A.A. Anthony Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Wen Shiow	3,689,700	1.13
13.	A.A. Anthony Nominees (Tempatan) Sdn Bhd - Pledged securities account for Wong Kim Leng	3,314,500	1.01
14.	OSK Nominees (Tempatan) Sdn Bhd - Pledged securities account for Ngai Sok Fong	3,215,300	0.98
15.	Loh Yu San	3,073,900	0.94
16.	Wong Yit Choy	2,965,700	0.91
17.	HSBC Nominees (Asing) Sdn Bhd - Bintang Mas Consulting Ltd	2,924,000	0.90
18.	ECML Nominees (Tempatan) Sdn Bhd - Pledged securities account for Yap Kok Woon	2,852,700	0.87
19.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Cheong Meow Yen	2,267,500	0.69
20.	Wong Khai Shiang	2,261,000	0.69
21.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Pang Piu Fong	2,202,500	0.67
22.	Gary Lee Seaton	2,139,000	0.65
23.	Tan Lai Leng	2,116,700	0.65
24.	Cheong Meow Yen	1,855,500	0.57
25.	Tung Foong Ngoh	1,681,500	0.51
26.	Lim Hoe	1,673,000	0.51
27.	Tan Huey Ying	1,547,300	0.47
28.	Yong Huoy Ping	1,461,000	0.45
29.	Ong Chin Hooi	1,439,000	0.44
30.	Foo Suet Kum	1,429,500	0.44
TOTAL		**287,653,000**	**88.04**

LIST OF PROPERTIES
As At 31st March 2012

No.	Location	Description /Existing Use	Area	Land tenure	Age of Building	Date of Acquisition	Cost RM	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	20 Years	31.03.1992	688,000	464
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	191,077	172
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	196,115	177
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	195,793	177
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	179,877	166
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	238,871	220
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	247,930	228

No.	Location	Description /Existing Use	Area	Land tenure	Age of Building	Date of Acquisition	Cost RM	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	12 Years	15.09.2000	157,640	121
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	12 Years	15.09.2000	157,640	121
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	12 Years	15.09.2000	155,290	119
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	12 Years	15.09.2000	155,290	119
12	Plot 12, Jalan Simen 1, Kawasan Pelabuhan Johor, 81700 Pasir Gudang, Johor	Chipping Plant Factory	621,863 sq. ft	Leasehold 19 years expiring on 22 Mar 2023	7 Years	30.04.2004	16,805,213	10,448
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	5 Years	05.10.2006	928,218	874
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	5 Years	05.10.2006	928,218	874

The group has not revalued any of its properties

PLS PLANTATIONS 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-Fifth Annual General Meeting** of the Company to be held on **Thursday, 27th day of September 2012** at **10.00 a.m.** at Meeting 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) Dato' Lim Kang Poh (Article 82)	[Resolution 3]		
	b) Puan Norliza Binti Suleiman (Article 82)	[Resolution 4]		
	c) Haji Johar Salim Bin Yahaya (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.	**ORDINARY RESOLUTION 1** Authority to Issue Shares pursuant to Section 132D Of the Companies Act, 1965	[Resolution 8]		
	ORDINARY RESOLUTION 2 Proposed Renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	[Resolution 9]		
	SPECIAL RESOLUTION Proposed Amendments to the Articles of Association	[Resolution 10]		

Dated this ____________ day of ____________ 2012

Number of shares held ____________

Signature of Shareholder (s)

Notes:

1. *Only depositors whose names appear in the General Meeting Record of Depositors on 18 September 2012 shall be eligible to vote, speak and attend the Meeting.*
2. *A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting provided that where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
3. *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 to the Company. There shall be no restriction as to the qualification of the proxy.*
4. *For an exempt authorised nominee as defined under the Securities Industries (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.*
6. *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
(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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2nd fold here

PLS PLANTATIONS BERHAD
Company No. 160032-K

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