PJBUMI BERHAD
(141537-M)

TECHNOLOGY for Green Environment

ANNUAL REPORT 2010

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Vision & Mission

Vision

To be a world class total environmental solution provider.

Mission

At PJBumi we are committed to upholding a proud tradition of being the country's leading integrated provider of products and services relating to the efficient and effective management of our environment. In addition to our aim to provide continuous and outstanding cost effective services to our customers nationwide, we remain steadfast in our social responsibility to contribute back to the community in order to ensure the existence of a more caring and responsive society.

CORPORATE INFORMATION

Board of Director

Haji Zaid Bin Abdullah
Non-Independent
Non-Executive Chairman

Haji Johar Bin Yusof
Non-Independent
Non-Executive Director

Ir. Haji Mohd Nor @ Ghazali Bin Omar
Independent Non-Executive Director

Datuk Abdul Hamid Bin Sawal
Independent Non-Executive Director

Hajjah Zaidah Binti Mohd Salleh
Alternate Director to Haji Zaid Bin Abdullah

AUDIT COMMITTEE

Chairman
Datuk Abdul Hamid Bin Sawal

Members
Haji Zaid Bin Abdullah
Ir. Haji Mohd Nor @ Ghazali Bin Omar

NOMINATION COMMITTEE

Chairman
Ir. Haji Mohd Nor @ Ghazali Bin Omar

Members
Haji Zaid Bin Abdullah

REMUNERATION COMMITTEE

Chairman
Haji Johar Bin Yusof

Members
Ir. Haji Mohd Nor @ Ghazali Bin Omar

COMPANY SECRETARIES

Lim Seck Wah
(MAICSA 0799845)

Hamsiah Binti Khalid
(MIA 13604)

REGISTERED OFFICE

Tingkat 5, Lot 10, Bangunan BKA,
Jalan Astaka U8/84, Section U8,
Bukit Jelutong, 40150 Shah Alam,
Selangor Darul Ehsan
Tel : 03-7847 5740
Fax : 03-7847 4597

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
(Company No.: 378993 D)
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301, Petaling Jaya, Selangor
Tel : 03-78418000
Fax : 03-78408151

AUDITORS

Messrs Moore Stephens AC
Chartered Accountants
A -37-1, Level 37
Menara UOA Bangsar
No 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel : 03-23021888
Fax : 03-23021999

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
STOCK CODE: PJBUMI
STOCK NUMBER: 7163

PRINCIPAL BANKERS

Affin Bank Berhad (20546-T)
AmBank Berhad (8515-D)
RHB Bank Berhad (6171-M)
CIMB Bank Berhad (13491-P)
Malayan Banking Berhad (3813 K)

CORPORATE STRUCTURE

PJBUMI BERHAD
(141537-M)

- **100%** PJBUMI COMPOSITES SDN BHD
- **100%** PJBUMI WASTE MANAGEMENT SDN BHD
  - **15.79%** ALAM FLORA SDN BHD
- **100%** PJBUMI SERVICES SDN BHD

DIRECTOR'S PROFILE

HAJI ZAID BIN ABDULLAH

60, Malaysian
Non-Independent Non-Executive Chairman
Member of the Audit Committee
Member of the Nomination Committee

Haji Zaid joined the Board on 27 February 2008. He graduated with a Bachelor of Economics (Accounting) and Advanced Diploma in Accounting from the University of Malaya and is a Chartered Accountant by profession. He was the Director of Finance in Shapadu Corporation from 1978 to 1982 and was then promoted to Group Executive Director of Shapadu Group of Companies, a position he upheld until he left in 1992 and develop Progressive Impact Corporation Group.

He is also the Group Managing Director and major shareholder of Progressive Impact Corporation Berhad. He has an indirect interest of 15,100,000 ordinary shares via Progressive Impact Corporation Berhad in PJBumi. He is the spouse of Hajjah Zaidah Binti Mohd Salleh. He has no conflict of interest with PJBumi and has no convictions of offences within the past ten (10) years except for the traffic offences.

HAJI JOHAR BIN YUSOF

46, Malaysian
Non-Independent Non-Executive Director
Chairman of the Remuneration Committee

He joined the Board on 26 March 2008 as Group Managing Director and was re-designated to Non-Independent Non-Executive Director on 7 January 2011.

He holds Bachelor in Electrical Engineering from University of Miami, Florida, USA and Master in Business Administration (Finance) from International Islamic University of Malaysia. He has vast experience in oil & gas industry especially in project management and business development.

He does not hold any directorship in other public listed Company. He has no family relationship with other directors or major shareholders of PJBumi. He has no conflict of interest with PJBumi and has no convictions of offences within the past ten (10) years except for the traffic offences.

IR. HAJI MOHD NOR @ GHAZALI BIN OMAR

62, Malaysian
Independent Non-Executive Director
Chairman of the Nomination Committee
Member of the Audit Committee
Member of the Remuneration Committee

He joined the Board on 25 April 2008 as Independent Non-Executive Director. He graduated with Master Engineering (Water Use Management) from University of Roorkee, India and Bachelor of Science (Civil Engineering)(Hons) from University of Glasgow, Scotland. He has wide experience in hydraulics, hydrology and water resources engineering such as flood mitigation, storm water treatment, rural and agricultural drainage. He is also involved in the planning, implementation and operation of irrigation projects through his various capacities with departments of Irrigation & Drainage Malaysia.

He does not hold any directorship in other public listed Company. He has no family relationship with other directors or major shareholders of PJBumi. He has no conflict of interest with PJBumi and has no convictions of offences within the past ten (10) years except for the traffic offences.

DIRECTOR'S PROFILE (CONT'D)

DATUK ABDUL HAMID BIN SAWAL

63, Malaysian

Independent Non-Executive Director

Chairman of the Audit Committee

He joined the Board on 31 May 2010 as Independent Non-Executive Director. He graduated with Bachelor of Economics from the University of Malaya and MBA in Agribusiness from University of Santa Clara, California, USA. He joined the Malaysian civil service in 1971 and initially served in the Ministry of Finance Division (Treasury) and later was transferred to the Accountant General's Department. In 1974, he joined the Ministry of Primary Industries and in 1989, he was transferred to the Economic Planning Unit in the Prime Minister's Department as Head of Privatization Task Force. In 1997, he was appointed as Deputy Director General (Sectoral) in the Economic Planning Unit. In June 1999, he was transferred back to the Ministry of Primary Industries as Deputy Secretary General and was seconded to the Malaysian Rubber Board as the Director General in January 2000 and served until his retirement from the public service in January 2006.

He does not hold any directorship in other public listed Company. He has no family relationship with other directors or major shareholders of PJBumi. He has no conflict of interest with PJBumi and has no convictions of offences within the past ten (10) years except for the traffic offences.

HAJJAH ZAIDAH BINTI MOHD SALLEH

57, Malaysian

Alternate Director to Haji Zaid Bin Abdullah

She joined the Board on 14 January 2009 as an Alternate Director to Haji Zaid Bin Abdullah. She is not a member of any board committee.

She is a Chartered Accountant graduated from the University of Malaya with Bachelor of Economics (Accounting) in 1977 and Advanced Diploma in Accounting 1978. She started her career in 1978 as an Accountant in Jabatan Telekom and was promoted to Financial Controller (G) in 1981. In 1984, she was entrusted to head the Regional Accounts Division as the Regional Accountant of Telekom Malaysia. In 1989, she was promoted to the position of Senior Accountant (Operations), apposition she upheld until she left in 1993 to join Progressive Impact Corporation Berhad (PICORP). She was initially the Group Financial Controller who oversees all financial related matters in the Group of PICORP. She has been directly involved in obtaining the financial assistance from the relevant financial institutions, PUNB & PNS to facilitate the setting up of the Group and was promoted to be an executive Director in year 2003.

She is a Director of Progressive Impact Corporation Berhad and also has an indirect interest of 15,100,000 ordinary shares via Progressive Impact Corporation Berhad in PJBumi. She is the spouse of Haji Zaid Bin Abdullah.

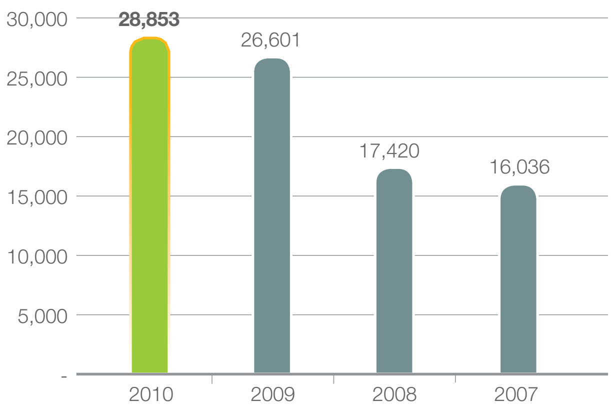
She has no conflict of interest with PJBumi and has no convictions of offences within the past ten (10) years except for the traffic offences.

FINANCIAL STATISTICS (GROUP)

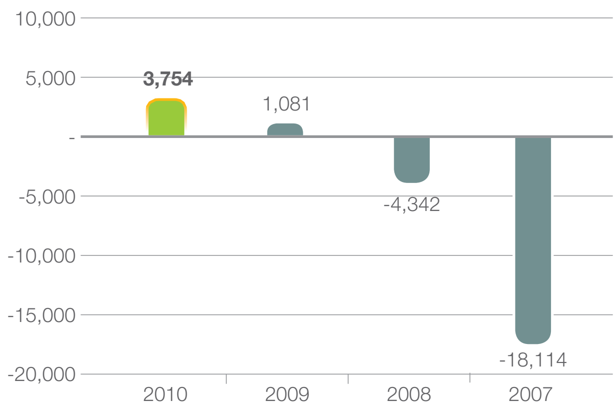
FOUR YEARS FINANCIAL STATISTICS (GROUP)

	2010	2009	2008	2007
REVENUE (RM'000)	**28,853**	26,601	17,420	16,036
NET PROFIT/(LOSS) FOR THE YEAR (RM'000)	**3,754**	1,081	-4,342	-18,114
LIQUIDITY:				
Current Ratio	**0.33**	0.54	1.24	1.02
PROFITABILITY:				
Operating Expenses Ratio (%)	**37**	63	61	97
Operating Profit Margin (%)	**13**	4	-25	-112
Return On Capital Employed (%)	**13**	4	-18	-64
BASIC EARNINGS PER SHARE (sen)	**7.51**	2.16	-8.68	-36.22
NET ASSET PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)	**0.58**	0.50	0.48	0.57
SHARE PRICES AS AT 31 DECEMBER (RM)	**0.21**	0.32	0.40	0.48
SEGMENTAL REVENUE (RM'000):				
Manufacturing	**16,237**	13,014	7,390	5,887
Construction, Maintenance & Design	**4,549**	4,344	2,259	-621
Waste Management Services	**8,067**	9,243	7,771	7,870

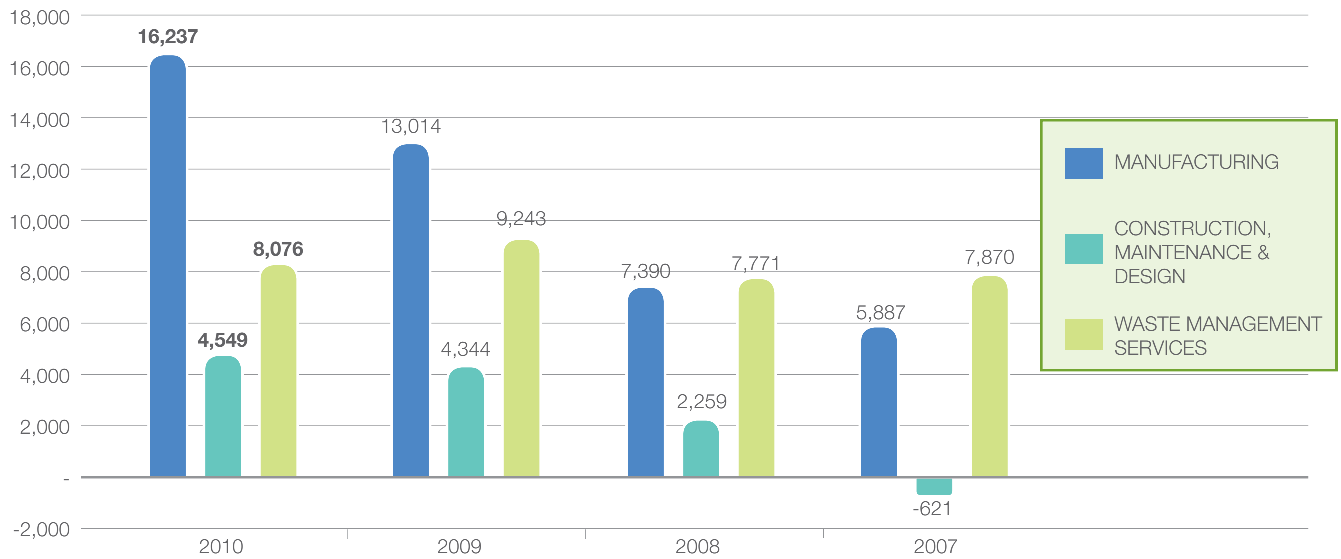
YEARLY PERFORMANCE OF GROUP'S REVENUE (RM'000)



YEARLY PERFORMANCE OF GROUP'S PROFITABILITY (RM'000)



SEGMENTAL REVENUE (RM'000)



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the board of directors, it is my privilege and honour to present PJBumi Berhad's Annual Report and Audited Financial Statements at the Group and Company level for the financial year ended 31 December 2010.

Despite still struggling with the challenging economic global condition, we remain grateful for continuing to achieve profitability for the year 2010. Clearly, this is a strong testament of the Group's ability to execute forward thinking strategies in order to improve our existing business operations and swiftly capitalize on opportunities in the marketplace.

FINANCIAL PERFORMANCE

In financial year 2010 (FY 2010), PJBumi Group's revenue increased by 8% to RM28.85 million from RM26.60 million reported in the previous year. The revenue growth during the financial year greatly been contributed by our Composites & Manufacturing sector which covers 57% of the total revenue in 2010. As for Waste Management sector, Alam Flora continues to be our most important business partner in solid waste management i.e for area cleansing and collection business. We have also seen growth in Services sector, especially from domestic waste services for hospitals, schools, higher institutions as well as hypermarkets.

During the year under review, PJBumi Group recorded a net profit of RM3.75 million compare to RM1.08 million in 2009. The continuance of stringent cost cutting measures, effective project management and reduction in the cost accrual aroused from legacy issue has contributed to the improvement in the Group's net profit in FY2010.

GREEN TECHNOLOGY, INNOVATION AND PROFITABLE GROWTH

The strategy of PJBumi is to grow the waste water business by introducing green technology concepts. In 2010, PJBumi , through a collaboration with Progressive Impact Corporation Berhad (PICORP) had introduced two New Domestic Waste Water Technology in Malaysia. The technology, namely 'The Bi-Act Submerged Contact Biodisc Aerator (SCBA)' and 'The Bi-Act Super Dissolve Oxygen (SDO) Pack' provides a very attractive value proposition to our customers which include land saving, energy saving, cost saving in terms of less maintenance cost involved as well as easy to maintain. It is also a superior solution of bad odor resulted in most of the conventional sewage treatment system, as well as providing a superior effluent result i.e Standard A Effluent. The land saving concepts provided by our technologies already attracted large developers to adopt our wastewater systems for their developments especially in the GREATER KL area and other major cities where the land is premium.

Internally the Management team is transforming the organization through continuous improvements with the objective to create peak performance teams in meeting our customers' aspirations in the ever changing marketplace and successfully achieve our growth paradigm. We are individually and collectively customer-centric and profitable growth is everyone's business in our organization.

FUTURE PLAN

The Group will continue to adhere to its determinants for improvement in the financial results , cash flows as well as in the business performance which in turn can appreciate higher rates of return that our investors has put to this business. Our future plans also to ensure that we continue to deliver on the expectation of all stakeholders and expect a greater demand from our customers, especially when resolving environmental issues become urgent and important.

CORPORATE SOCIAL RESPONSIBILITY

The Group believes that effective corporate responsibility can deliver benefits to its businesses and, in turn, to its shareholders, by enhancing reputation and business trust, risk management performance, relationships with regulators, staff motivation and attraction of talent, customer preference and loyalty, the goodwill of local communities and long-term shareholder value. Most importantly, the Board and Management team require that all its practices give due consideration to the interest of the Group's stakeholder, ensuring all business objectives are pursued with integrity and full compliance with the law and forward thinking as possible.

DIVIDENDS

Based on our financial performance and cash flow position hereby reported, the directors do not recommend any payment of dividends in respect of the financial year ended 31 December 2010

ACKNOWLDGEMENT

On behalf of the board, we would like to take this opportunity to express our appreciation to all our employees for their tireless & continuous dedication, support, commitment and efforts which enabled the group to achieve record results in 2010.

My appreciation also goes to my fellow Directors for their invaluable counsel and business insights during the year. I would also like to extend a warm welcome to Datuk Abdul Hamid bin Sawal which has been appointed to the Board of Directors as Independent Non-Executive Directors on 31 May 2010 . We look forward to his contributions and services to our Group.

We wish to thank our valued customers, suppliers, bankers, business associates and other stakeholders for their support and loyalty and look forward to their continued trust and support.

Finally, to our dear shareholders, our special thanks to all of you, for the continuous support and confidence in the Group and we assure you that we will continue to work to uphold your trust in us.

HAJI ZAID BIN ABDULLAH
Chairman

2010 OPERATIONS REVIEW

2010 is the great year for PJBumi to be on track achieving profitable growth by creating a niche for itself in the waste management business either wastewater or solid waste. We are continuously reaching our customers' expectations and providing innovative solutions through our peak performance teams in business development, design, project management and construction. We are moving forward from our traditional manufacturing and trading base towards the full scale construction of waste water treatment plant. This will be the important milestone for PJBumi to be recognized as one-stop center to provide total solutions in the waste management industry.

THE 7-PARADIGM STRATEGY CONTINUES……

2010 is the third year PJBumi operated its business functions based on the 7-paradigm as Business Turnaround Strategy. From those early years of 2008 the 7-paradigm strategy has been the crucial ingredients in our turnaround success. The 7-paradigm we are continuously revisiting are 1) Growth in Revenue, 2) Margin and Cost Improvement, 3) Prudent Cash Management, 4) Legal Management, 5) Assets Disposal, 6) Increase Organizational Velocity, and 7) Excellent Customer Management. We believe the 7-paradigm struck such a rich chord with the people of PJBumi and the customers because we tried to do something that hadn't been done before. The 7-paradigm strategy will be continuously revisited by all of us in PJBumi to propel towards the successful future growth in the ever changing market.

BUSINESS GROWTH – INNOVATION AND SEGMENTATION

Revenue growth is everyone's business in our organization. Through innovation of products and service offerings we are

reaching various segments of customers in the public and private sectors to increase the revenue growth. The new innovative SCBA and SDO wastewater technology are creating tremendous stir in the marketplace. These technologies branded as the 'green technology' in wastewater is great in saving space, use less energy, and produce less sludge and simple to operate.

We also continuously innovating our traditional FRP products like Super Sept, SATS and Hi-Kleen according to authority's requirements and customers' needs. Our other great product and services like wastewater consultancy services to undertake WasteWater Characteristics Studies (WWCS), upgrading and refurbishment of old and existing wastewater treatment plant and design and build Pre-treatment plant for oil and grease treatment in the hypermarkets. With the creative segmentation of our products and services, and attractive value proposition we are reaching various segments of customers to continuously increase our revenue growth.

Our people in Business Development Team using various marketing programs like Key Account Management able to keep close to the customers and serving their needs for example the consultants and corporate customers. We also continue our series of road show as a key strategy to create awareness among the public sector customers. The pinnacle of our marketing success was the tradeshow in ASIAWATER 2010. It has been one of the most visited booths in the tradeshow by various visitors from local and overseas.

TEAMWORK TOWARD GROWTH CULTURE – PEOPLE, INFORMATION, COMMUNICATION AND COLLABORATION (PICC)

People are the key asset in our organization for the continuous success. The human resource department has organized various programs like internal and external trainings to enhance the potentialities of our people. The 'Stand-Up' meetings, 'War Room' strategies, 'Deal Winning' discussions and 'ceramah' on work ethics are the mechanisms beings used to ensure the flow of information and effective communication, and of course the strong collaboration among our people to inherit the growth culture. The Key Account Management team, Customer Satisfaction team and Peak Performance teams are the cornerstones of our growth culture to ensure we deliver on time the promises we made to our customers.

CORPORATE SOCIAL RESPONSIBILITY

The activities in 2010 mainly focused on integrating our CSR work and to promote and involve our people in the entire organization. This CSR Report offers an overview of the responsible business practice and social commitment which we hope in a long run will lift our brand value and recognition for our business and our society.

PJBumi CSR 2010 focus on people in the organization, not only should the organization be responsible to the public, the community and the environment of its operations, but it should also be responsible to its employees, to ensure that they are being inculcate with Islamic values, highly motivated, highly skilled and competent.

RESPONSIBILITY TO EMPLOYEES

a. Human Capital Development

Jungle Trekking at FRIM, Kepong on 26 June 2010.

Kursus Pencetus Perkasa Diri on 2 July 2010.

Gotong Royong activities at JUSCO, Balakong on 28 September 2010.

PJBumi Family Day on 22 January 2011.

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

b. Safety at the Workplace

Safety at sites and factory with "Personal Protection Equipment - PPE"

RESPONSIBILITY TO THE COMMUNITY

The PJBumi recognizes that its businesses have direct and indirect impact on the communities in which we operate. Find out how PJBumi is contributing towards being a positive global citizen.

PJBumi has joined the 5's Training held by UMW Toyota on 24 September 2011.

RESPONSIBILITY TO THE ENVIRONMENT

Employees of each group company receive environmental training and other self development programs to help raise employee awareness on the environment.

Asia Water 2010 Exhibition held on 6-8 April 2010.

Calendar Of Events

JANUARY

To strengthen and motivate the Customer Satisfaction Team, we have organized "Feelings, We Care We Concern" on 5 – 6 February 2010 at Asli Lodge, Cameron Highlands.

MARCH

Win Win Negotiation Skill conducted on 4 – 5 March 2010 to improve the Business Team knowledge in negotiation influencing skill.

APRIL

PJBumi has participated in the Asia Water Exhibition held on 6-8 April 2010 at PWTC.

MAY

We are the champion for the Futsal Tournament Inter PICORP Group of Companies which held on 9 May 2010.

JUNE

PJBumi has arranged a visit to Nippon Paint Malaysia on 30 June 2010 in order to exchange knowledge of 5'S implementation in their organisation.

JULY

Our Annual Event'Kursus Pencetus Perkasa Diri (KPPD)' have been organised on 2-4 July 2010 for 3 days in order for our staffs to become a Mukmin Professional.

Fruits Festival is part of our contribution in promoting and supporting our local fruits besides gathering our people together which held on 22 July 2010.

Training of Operation & Maintenance of STP was attended by new staffs on 22 July 2010.

SEPTEMBER

An annual event i.e Pesta Pantun Raya held in conjunction of Hari Raya Aidilfitri 2010.

PICORP Group Hari Raya Open House on 2 October 2010.

DECEMBER

Brainstorming session was conducted on 4-5 December 2010 at Legend Water Chalet, Port Dickson under PICORP Group of companies . The objectives is to get more ideas on the new business opportunities, operation improvement, customer satisfaction and human resource development for 2011.

APPRECIATION

Our monthly birthday celebration from January – December 2010.

STATEMENT OF CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors ("the Board") recognizes the importance of Corporate Governance in conducting the day to day business and affairs of the Group. Thus at all times practice of good corporate governance is the main priority in safeguarding and enhancing the shareholders' value and protecting the interest of other stakeholders.

In line with the Listing Requirement of Bursa Malaysia Securities Berhad, the Board wishes to report on the manner the Group has maintained the standard of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in the Malaysian Code of Corporate Governance ("the Code").

BOARD OF DIRECTORS

1. Duties of Board of Directors

The Group is headed by an effective Board which leads and controls the activities of the Group. The Board provides strategic direction for the Group and regularly meets to review corporate and operational strategies as well as to ensure that the necessary financial and other resources are made available to the management to enable them to meet the Group's objectives.

2. Board Meetings

The Board meets at least four (4) times a year, with additional meetings convened as necessary. During the financial year under review, the Board meets five (5) times. The composition of the Board and individual Director's attendance of meetings during the financial year ended 31 December 2010 were as follows:-

		*Meetings Attended (Out of five (5) held)
Haji Zaid Bin Abdullah	Non-Independent Non-Executive Chairman	5/5
Haji Johar Bin Yusof	Non-Independent Non-Executive Director	5/5
Ir.Haji Mohd Nor @ Ghazali Bin Omar	Independent Non-Executive Director	5/5
Hajjah Zaidah Binti Mohd Salleh	Alternate Director to Haji Zaid Bin Abdullah	-
Haji Taib Bin Hashim *Resigned w.e.f. 31.05.2010*	Independent Non-Executive Director	3/3
Datuk Abdul Hamid Bin Sawal *Appointed w.e.f. 31.05.2010*	Independent Non-Executive Director	2/2

* Meetings held on 24/02/2010, 13/04/2010, 25/05/2010, 16/07/2010, 10/11/2010.

3. Supply of Information

The Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities. All Directors have access to the advice and services of the Company Secretaries and to obtain independent professional advice, whenever necessary, at the expense of the Company.

4. Board Composition

The Board is currently has five (5) members comprising of one (1) Non-Independent Non-Executive Chairman, two (2) Non-Independent Non-Executive Director (inclusive of one (1) Alternate Director) and two (2) Independent Non-Executive Directors.

The Board's composition fully complies with the Listing Requirements of Bursa Malaysia Securities Berhad. The presence of Independent Non-Executive Directors provides impartial views and advice to ensure that minority shareholders' interests are adequately represented. Their deliberation will take into account the long term interest of the shareholders, employees, customers and the communities in which the Group conducts its business.

There is also clear segregation of roles and responsibilities between the Chairman and the Group Managing Director to ensure balance of power and authority exist.

The background of each Director is provided on pages 5 to 6 of this Annual Report.

5. Appointment to the Board

The Nomination Committee has been established by the Board comprising exclusively Non-Executive Directors, a majority of whom are Independent as follows:-

i) Ir. Haji Mohd Nor @ Ghazali Bin Omar (Chairman)
ii) Haji Zaid Bin Abdullah

The Nomination Committee is primarily responsible for recommending suitable appointments to the Board taking into consideration the Board structure, size, composition and the required mix of expertise and experience, which the Director should bring to the Board. It assesses the effectiveness of the Board as a whole as well as the performance of each Director.

The Board is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining the necessary information from the Directors.

6. Re-election

In accordance with the provisions of the Articles of Association of the Company, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office and election of Directors shall take place provided always that each Director shall retire from office at least once in every three (3) years but shall be eligible for re-election. Directors over seventy (70) years of age are subject for re-appointment annual in accordance with Section 129(6) of the Companies Act, 1965.

7. Directors' training

The Board has completed its Mandatory Accreditation Programme. There has been greater awareness of the importance and benefits of attending and participating in the training and continuing education programme. The Board in committed to equip themselves in discharging their duties and responsibilities and shall continue to attend relevant seminars, conferences and other training programme deemed appropriate for the Directors.

8. Directors' Remuneration

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the Board has established a Remuneration Committee. The Committee's primary responsibility is to recommend to the Board the remuneration of Directors. However, the final decision on remuneration for Directors is a matter for the Board as a whole and the respective director involved is required to abstain from discussion of his/her own remuneration.

The members of the Remuneration Committee are as follows:-

i) Haji Johar Bin Yusof (Chairman)
ii) Ir. Haji Mohd Nor @ Ghazali Bin Omar

The aggregate Directors' remuneration for the financial year ended 31 December 2010 are set out below:-

	Remuneration (RM)
Executive Directors	303,000
Non-Executive Directors	2,500

The remuneration paid to the Directors, analysed in the following bands, is as below:-

Range of Remuneration (RM)	Executive	Non-Executive
50,000 and below		5
300,000 – 350,000	1	

SHAREHOLDERS

1. Dialogue with Investors

The Board recognizes the values of the dialogue with investors and shareholders and the importance of accountability to them. As such, the Board is disseminating proper, timely and adequate information to the investors and shareholders through annual report, announcements, circulars to shareholders and press release.

2. General Meetings

The Company's Annual General Meeting ("AGM") serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Extraordinary General Meeting is held as and when required.

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Directors are responsible to present a true and fair assessment of the Group's position and prospects in the annual reports and quarterly reports. The quarterly financial results were reviewed by the Audit Committee and approved by the Board of Directors prior to submission to Bursa Malaysia Securities Berhad.

A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

2. Statement of Directors' Responsibility for Preparing Financial Statements

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results and cash flows of the Group for the financial year then ended. The matter will be further enhanced in the forthcoming year.

During the financial year's part of the Company's continuing disclosure obligations under the Listing Requirements of Bursa Malaysia Securities Berhad, the Board ensures that timely and accurate financial information relating to the Group's and Company's quarterly financial results are announced to Bursa Malaysia Securities Berhad. The shareholders and investors are therefore kept abreast of the Company's and the Group's performance throughout the financial year.

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

3. Internal Control

The Directors are mindful of their responsibilities in relation to the maintenance of a sound system of internal controls which provides reasonable assessment and review of the Company's effectiveness to safeguard shareholders' investment and Group's assets. The Board is continuously reviewing the adequacy and integrity of its system of internal controls.

Further details of the state of the system of internal control of the Group are presented on pages 22 to 23 of this Annual Report.

4. Relationship with the Auditors

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the external auditors in seeking professional advice and ensuring the compliance with the appropriate accounting standards. The Audit Committee met with the external auditors to discuss their audit plan, audit findings and the financial statements.

COMPLIANCE STATEMENT

The Company is committed in achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that the Company has complied with the principles and best practices as set out in parts 1 and 2 respectively of the Code.

AUDIT COMMITTEE REPORT

The Audit Committee was formed to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records as well as financial reporting practices of the Company and its subsidiaries.

1. COMPOSITION

The present Committee comprises of two (2) Independent Non-Executive and one (1) Non-independent Non-Executive members of the Board. The composition of the Committee complies with the requirements of Paragraph 15.09 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

The present members of the Committee and their respective designation are as follows:-

Name of Committee Member	Designation
Ir. Haji Mohd Nor @ Ghazali Bin Omar	Independent Non-Executive Director
Haji Zaid Bin Abdullah	Non-Independent Non-Executive Director
Datuk Abdul Hamid bin Sawal *(Chairman)*	Independent Non-Executive Director

2. MEETINGS AND ATTENDANCE

The Audit Committee held five (5) meetings during the financial year under review. The details of attendance of each member are as follows:-

Committee Members	Number of Meetings Attended
Ir. Haji Mohd Nor @ Ghazali Bin Omar (Chairman)	5/5
Haji Zaid Bin Abdullah	5/5
Haji Taib Bin Hashim (Resigned w.e.f 31.05.2010)	3/3
Datuk Abdul Hamid bin Sawal (Appointed w.e.f 31.05.2010)	2/2

Meetings held on 24/02/2010, 13/04/2010, 25/05/2010, 16/07/2010, 10/11/2010.

3. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

3.1 Membership

3.1.1 The Committee shall be appointed by the Board amongst the Directors of the Company and shall consist of not fewer than three (3) members.

3.1.2 The majority of the members including the Chairman of the committee shall be independent and all Committee must be non-executive as defined in Chapter 15 of the Listing Requirements of Bursa Malaysia Securities Berhad.

3.1.3 The Committee shall include at least one (1) person:

a) Who is a member of the Malaysian Institute of Accountants; or

b) Who must have at least three (3) years' working experience and:-

i) have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or

ii) is a member of one of the associations specified in Part II of the 1st Schedule of the Accountant Act, 1967

3.1.4 No alternate director shall be appointed to the Committee

3.1.5 Should the membership of the Committee be reduced below the minimum three (3), the Board shall as soon as possible and within three (3) months appoint such member of new members as may be required to make up the minimum of three (3) members.

3.1.6 A member of the Committee ceases to be a member upon ceasing to be a member of the Board.

3.2 Meetings

3.2.1 The quorum of a Committee Meeting shall be at least two (2) members; the majority present must be Independent Directors

3.2.2 The committee shall meet at least four (4) times a year and any such additional meetings as the Chairman shall decide.

3.2.3 Notwithstanding paragraph 3.2.2 above, upon the request of any member of the Committee, the Board, the Group Managing Director, the Internal and External Auditors, the Chairman shall convene a meeting of the Committee to consider matters brought to its attention.

3.2.4 In the absence of the Chairman, the Committee shall appoint one of the Independent Non-Executive Members present to be the Chairman of that meeting.

3.2.5 The committee may invite the external auditors, the chief financial officer, any other Directors or members of the management and employees of the Group to be in attendance during meetings to assists in the deliberations.

3.2.6 The Internal Auditors shall be in attendance at all meetings to present and discuss the audit report and other related matters as well as the recommendations relating thereto and to follow up on all relevant decisions made.

3.2.7 At least once a year, the Committee shall meet with the external auditors without any executive Board member present and upon the request of the external auditors, the Chairman of the Committee shall convene a meeting to consider any matter which the external auditors believe should be brought to the attention of the Board of shareholders.

3.2.8 The Company Secretary shall be Secretary of the Committee.

3.3 Rights and Authority

3.3.1 The Committee is granted the authority to investigate any activity, within its terms of reference and have the resources which are required to perform its duties as well as full and unrestricted access to any information pertaining to the Company and its subsidiaries. The Committee is empowered to obtain independent professional advice as necessary to assist the Committee in fulfilling its responsibility. The Committee shall also have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.

3.3.2 The Audit Committee may regulate its own procedures, in particular: -

a) The calling of meetings, including the convening of such meetings with external auditors without any executive board member(s) present/any Directors and employees can only attend such meetings upon Audit Committee's invitation

b) The notice to be given of such meetings

c) The voting and proceedings of such meetings

d) The keeping of minutes; and

e) The custody, production and inspection of such minutes.

3.4 Functions and Duties

The duties and functions of the Committee shall be: -

3.4.1 To recommend the nomination of a person and persons as external auditors and to review the re-appointment and or resignation of the external auditor the scope and general extent of the external auditors' audit examination and ensure co-ordination between internal and external auditors. The external auditor's fee is to be arranged and reviewed by the Committee.

3.4.2 To have the rights to convene meetings with external auditors, internal auditors or both, excluding the attendance of other directors and employees.

3.4.3 To review the quarterly results and annual financial statements before submission to the Board, to consider on matters such as: -

a) going concern assumption;
b) any changes in accounting policies and practices;
c) significant adjustments resulting from the audit;
d) compliance with accounting standards;
e) compliance with stock exchange and legal requirements;
f) major judgmental areas.

3.4.4 To review the following and report the same to the Board: -

a) With external auditor, the audit plan, the evaluation of the system of internal controls and audit report;
b) The assistance given by the employees of the Company to the external auditor;
c) The adequacy of the competency, scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
d) The internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
e) Any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedures or course of conduct that raises questions of management integrity.

4. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The activities of the Audit Committee during the financial year were as follows:-

a) Reviewed the quarterly and annual financial statements and ensure that the financial reporting and disclosure requirements had been complied with before recommending them for the approval of the Board.
b) The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues and reviewed pertinent issues resulting from the audit of the financial statements.
c) Reviewed and discussed the Business Risk Assurance Department's Risk report, the findings and management action plan's status.
d) Reviewed and approved the minutes of the Committee meetings.
e) Discussed and performed any other matters as agreed by the Audit Committee and the Board.

During the financial year it has through the Enterprise Risk Management framework ensure that the key business risks identified by the Group are being managed and the management action plans are being implemented by the organization. Total cost incurred to carry out the internal audit function on the financial year is approximately RM33,000.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and Group's assets. Pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of Directors ("the Board") of PJBumi Berhad and its subsidiaries ("the Group") is pleased to make the following statement on the state of internal control of the Group for the financial year ended 31 December 2010.

BOARD RESPONSIBILITY

The Board recognizes that internal control is an integral part of managing risks in an effort to achieve corporate objectives. As such, the Board acknowledges the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets.

The system of internal control is designed to manage risks in order to achieve business objectives. However, as with any internal control system, control can only provide reasonable and not absolute assurance against material misstatement or loss.

KEY ELEMENTS OF INTERNAL CONTROL

1. Audit Committee

The Audit Committee that is established by the Board performs an oversight role in maintaining the integrity of the Group's system of internal control. The Audit Committee reviews the quarterly results of the Group and recommends adoption of such results to the Board before announcement to Bursa Malaysia Securities Berhad is made.

2. Risk Management

Risk management is regarded as an integral part of the business operations. Management at all levels have a collective responsibility for creating a risk aware culture and ensuring that business risk assessment becomes an explicit part of decision making process. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group for the financial year under review.

3. Internal Audit Functions

The internal audit function is outsourced to Business Risk and Assurance Department ("BRAD") of Progressive Impact Corporation Berhad which focused on principal risks affecting the key business processes of the Group.

The internal audit reports are tabled at the Audit Committee meetings which are held every quarter. The Board, through the Audit Committee, conducted regular reviews of the system of internal control of the Group.

4. Other Key Elements of Internal Control

Other key elements of the system of internal control of the Group include the following:-

- There is a formal organizational structure with delineated lines of authority, responsibility and accountability within the Group.
- Capital and revenue expenditure, acquisition and disposal of investment interests are all properly approved before they are carried out.
- The Group's performance is monitored through an integrated budgeting system which requires all material variances to be identified and reviewed by management on a quarterly basis.
- Monthly management accounts are prepared by Group Finance for the review by executive management while quarterly results are presented to the Board to monitor the Group's progress towards achieving its objectives.
- Executive Directors participate actively in the daily operations of the Group and regular operational meetings were held with the Senior Management team.

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

The Management continues to take measures to strengthen the controls environment. Any internal control weaknesses that were identified were rectified. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The Board remains committed towards operating a sound system of internal control and have recognized that the system must continuously evolve to support the type of business and size of operations of the Group. The Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control.

ADDITIONAL COMPLIANCE STATEMENT

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

PJBumi did not raise any funds nor conduct any corporate exercise during the financial year under review.

2. SHARE BUY-BACKS

PJBumi has not purchase any of its own shares during the financial year under review.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised in respect of the financial year.

4. AMERICAN DEPOSITORY RECEIPT ("ADR") /GLOBAL DEPOSITORY RECEIPT ("GDR")

PJBumi did not sponsor and ADR or GDR programmes during the financial year.

5. IMPOSITION OF SANCTIONS / PENALTIES

There were no public impositions of sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial year.

6. NON-AUDIT FEES

There were no non-audit fees charged to PJBumi during the financial year under review.

7. PROFIT ESTIMATE, FORECAST AND PROJECTIONS

The Company did not announce any profit estimate, forecast or projections during the financial year under review.

8. VARIANCE IN RESULTS

There is no significant variance between the profit after tax for the financial statement ended 31 December 2010 and the unaudited results previously announced.

9. PROFIT GUARANTEE

The Company did not give any form of profit guarantee to any parties during the financial year under review.

10. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There were no contracts relating to loan and material contracts of the Company and its subsidiaries involving the Directors and substantial shareholders since the end of the previous financial year.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE

There is no Recurrent Related Party Transactions entered during the financial year.

12. REVALUATION POLICY ON LANDED PROPERTIES

The Group's revaluation policies on landed properties held by the Group are disclosed in note 3(e) to the financial statements.

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting ("AGM") of the Company will be held at 2nd Floor, Lot No. 19, Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan on Monday, 23rd May 2011 at 02.30 p.m. for the following purposes:-

AGENDA		
1.	To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon.	**(Please refer to Note A)**
2.	To re-elect Ir Haji Mohd Nor @ Ghazali Bin Omar who is retiring in accordance with the Article 102 of the Company's Articles of Association, and being eligible, offers himself for re-election.	**(Resolution 1)**
3.	To re-elect Datuk Abdul Hamid Bin Sawal who is retiring in accordance with the Article 85 of the Company's Articles of Association, and being eligible, offers himself for re-election.	**(Resolution 2)**
4.	To appoint the Auditors of the Company and to authorize the Board of Directors to fix their remuneration. Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 from a member of the Company has been received for the nomination of Messrs Ernst & Young for appointment as Auditors and of the intention to propose the following Ordinary Resolution: "THAT Messrs Ernst & Young, be and are hereby appointed Auditors of the Company in place of the retiring auditors, Messrs Moore Stephens AC, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorized to determine their remuneration."	**(Resolution 3)**
5.	**AS SPECIAL BUSINESS** To consider, and if thought fit, to pass the following Resolution:- **ORDINARY RESOLUTION** **AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) per cent of the issued share capital of the Company for the time being **AND THAT** the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall continue in force until the conclusion of the next AGM of the Company."	**(Resolution 4)**

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING (CONT'D)

AGENDA		
6.	**ORDINARY RESOLUTION** **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** "THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to obtain the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the day to day operations and on terms that are not more favourable to the related parties than those generally available to the public ("Proposed RRPT Mandate") and are not to the detriment of the minority shareholders as set out in Section 2.2 of the Circular to Shareholders dated 29 April 2011 and that the authority conferred by this resolution shall take effect immediately upon the passing of this resolution.	**(Resolution 5)**
	THAT such Proposed RRPT Mandate is subject to annual renewal and such approval shall continue to be in force until: (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 153(2) of the Companies Act, 1965); or (c) revoked or varied by resolution passed by the shareholders in general meeting whichever is earlier THAT the Directors of the Company be and are hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the renewal and the extension of the scope of the Proposed RRPT Mandate. "	
7.	To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.	

By Order of the Board

LIM SECK WAH (MAICSA NO. 0799845)
HAMSIAH BINTI KHALID (MIA 13604)
Company Secretaries

Selangor
Dated : 29th April 2011

Notes:-	
A.	This Agenda item is meant for discussion only as the provision in the Company's Articles of Association do not require a formal approval of shareholders and hence, is not put forward for voting.
1.	A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies and that a proxy need not also be a Member.
2.	When a member appoints two or more proxies the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3.	The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such an appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
4.	The instrument appointing a proxy must be deposited at the Registered Office at Tingkat 5, Lot 10, Bangunan BKA, Jalan Astaka U8/84, Section U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
5.	**EXPLANATORY NOTE ON SPECIAL BUSINESS:-** **ORDINARY RESOLUTION 4** The proposed Resolution 4 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company. The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issue capital. In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purposes. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company. No shares have been issue and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 25 May 2010. **ORDINARY RESOLUTION 5** This resolution is primarily to give flexibility to the Board of Directors to enter into recurrent related party transactions of revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/Major Shareholders ("Proposed RRPT Mandate") Further information of the Proposed RRPT Mandate is contained in the Circular to Shareholders dated 29 April 2011.

PROGRESSIVE
IMPACT

PROGRESSIVE IMPACT CORPORATION BERHAD
(203352-V)

26 April 2011

The Board of Directors
PJBumi Berhad
Tingkat 5, Lot 10, Bangunan BKA
Jalan Astaka U8/84, Section U8
Bukit Jelutong, 40150 Shah Alam
Selangor Darul Ehsan

Dear Sirs,

NOTICE OF NOMINATION OF MESSRS ERNST & YOUNG AS AUDITORS

We, a member of PJBumi Berhad ("the Company") holding not less than 5% of the total voting shares of the Company, hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of our nomination of Messrs Ernst & Young as new Auditors of the Company in place of the retiring auditors and of my intention to propose the following resolution as an ordinary resolution at the forthcoming Annual General Meeting of the Company :

"THAT, Messrs Ernst & Young, be and are hereby appointed Auditors of the Company in place of the retiring auditors, Messrs Moore Stephens AC, and to hold office until the conclusion of the next annual general meeting and that the Directors be authorized to determine their remuneration."

Yours faithfully,

Hassan Bin Hussain
Group Executive Director

Tingkat 2, No. 19, Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia. Tel: 603-78456566 Fax: 603-78457566

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of management services and investment holding whilst the principal activities of the subsidiaries are stated in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	3,754	1,328

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

There was no material transfer to or from reserves or provisions during the financial year other than those shown 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 provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and adequate provision for doubtful debts was made.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off as bad debts or the amount of provision for doubtful debts 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 which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which 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 method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (CONT'D)

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of any companies within the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their 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 in the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
(ii) 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 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

During the financial year, no new issue of shares was made by the Company.

DIRECTORS OF THE COMPANY

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

HAJI ZAID BIN ABDULLAH
Ir. HAJI MOHD NOR @ GHAZALI BIN OMAR
JOHAR BIN YUSOF
HAJJAH ZAIDAH BINTI MOHD SALLEH
(Alternate to HAJI ZAID BIN ABDULLAH)
DATUK ABDUL HAMID BIN SAWAL (Appointed on 31.5.2010)
HAJI TAIB BIN HASHIM (Resigned on 31.5.2010)

DIRECTORS' INTERESTS

The Director in office at the end of the financial year who has an interest in the ordinary shares of the Company is as follows:

	Number of Ordinary Shares of RM1.00 each			
	At 1.1.2010	Bought	Sold	At 31.12.2010
Deemed interest:				
Haji Zaid bin Abdullah *	15,100,000	-	-	15,100,000

* Deemed interest by virtue of his substantial shareholdings in Progressive Impact Corporation Berhad, a corporate shareholder of PJBumi Berhad.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of his interest in the shares of the Company, the above-mentioned Director is also deemed interested in the shares of the subsidiaries during the financial year to the extent that PJBumi Berhad has an interest.

The other Directors holding office at end of the financial year had no interest in the ordinary shares of the Company or 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 any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 5 to 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 except for any benefits or deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 25 to the financial statements.

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

AUDITORS

The auditors, Messrs. Moore Stephens AC, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 April 2011.

HAJI ZAID BIN ABDULLAH **JOHAR BIN YUSOF**

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of the Company, do hereby state that in the opinion of the Directors, the accompanying financial statements as set out on pages 36 to 77, are 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 31 December 2010 and of their financial performance, changes in equity and cash flows for the financial year then ended.

The supplementary information set out in Note 27 to the financial statements has been prepared 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 and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 18 April 2011.

HAJI ZAID BIN ABDULLAH

JOHAR BIN YUSOF

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Hamsiah binti Khalid, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 36 to 77, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 18 April 2011

HAMSIAH BINTI KHALID

Before me

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the Members of PJBumi Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of PJBumi Berhad, which comprise the statements of financial position as at 31 December 2010 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 77.

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 Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, 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 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 control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the Members of PJBumi Berhad (Incorporated in Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 27 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Malaysia") 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. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

OTHER MATTERS

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

MOORE STEPHENS AC
Chartered Accountants
AF 001826

DATO' CHONG KWONG CHIN, DIMP., JP
707/04/12 (J/PH)
Chartered Accountant

Kuala Lumpur
18 April 2011

STATEMENTS OF COMPREHENSIVE INCOME

for the Year Ended 31 December 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	3	28,853	26,601	2,902	2,655
Cost of sales	3	(15,923)	(16,093)	-	-
Gross profit		12,930	10,508	2,902	2,655
Other income		3,973	11,119	2,126	5,290
Selling and distribution expenses		(397)	(237)	-	-
Administrative expenses		(6,994)	(6,464)	(2,500)	(2,260)
Other expenses		(3,256)	(10,040)	(240)	(9,766)
Profit/(Loss) from operations		6,256	4,886	2,288	(4,081)
Finance costs		(1,982)	(2,670)	(960)	(1,306)
Profit/(Loss) before tax	4	4,274	2,216	1,328	(5,387)
Tax expense	6	(520)	(1,135)	-	-
Profit/(Loss) for the year, representing total comprehensive income attributable to equity holders of the Company		3,754	1,081	1,328	(5,387)
Basic earnings per share attributable to shareholders of the Company (sen):					
Earnings per share	7	7.51	2.16		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	16,731	18,253	133	396
Investment properties	9	10,669	-	10,669	-
Investment in subsidiaries	10	-	-	29,999	29,999
Other investments	11	35,942	37,272	-	-
Deferred tax assets	12	363	-	-	-
		63,705	55,525	40,801	30,395
Current assets					
Properties held for sale	13	1,879	12,861	1,879	12,861
Receivables, deposits and prepayments	14	8,946	7,587	192	182
Inventories	15	1,626	1,733	-	-
Tax recoverable		32	299	-	-
Cash and bank balances		455	1,233	106	159
		12,938	23,713	2,177	13,202
Total assets		76,643	79,238	42,978	43,597
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	50,000	50,000	50,000	50,000
Reserves	16	5,473	5,473	3,473	3,473
Accumulated losses		(26,644)	(30,398)	(31,611)	(32,939)
Total equity		28,829	25,075	21,862	20,534
Liabilities					
Non-current liabilities					
Loans and borrowings	17	9,354	10,069	2,491	1,730
Payables and accruals	18	-	227	-	227
		9,354	10,296	2,491	1,957
Current liabilities					
Provision	19	-	-	-	2,516
Payables and accruals	18	24,234	27,517	10,614	8,120
Loans and borrowings	17	3,347	2,281	1,726	1,131
Tax liabilities		7,787	7,923	3,193	3,193
Liabilities directly associated with properties classified as held forsale	13	3,092	6,146	3,092	6,146
		38,460	43,867	18,625	21,106
Total liabilities		47,814	54,163	21,116	23,063
Total Equity and Liabilities		76,643	79,238	42,978	43,597

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2010

	Attributable to shareholders of the Company				
	← Non-distributable →				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance at 1 January 2009	50,000	3,473	2,000	(31,479)	23,994
Total comprehensive income	-	-	-	1,081	1,081
Balance at 31 December 2009/ 1 January 2010	50,000	3,473	2,000	(30,398)	25,075
Total comprehensive income	-	-	-	3,754	3,754
Balance at 31 December 2010	50,000	3,473	2,000	(26,644)	28,829

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2010

		Non-distributable		
	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000	Total equity RM'000
Balance at 1 January 2009	50,000	3,473	(27,552)	25,921
Total comprehensive income	-	-	(5,387)	(5,387)
Balance at 31 December 2009/ 1 January 2010	50,000	3,473	(32,939)	20,534
Total comprehensive income	-	-	1,328	1,328
Balance at 31 December 2010	50,000	3,473	(31,611)	21,862

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS
for the Year Ended 31 December 2010

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	4,274	2,216	1,328	(5,387)
Adjustments for :				
Amortisation of intangible assets	-	101	-	-
Bad debts written off	569	5,186	6	4,601
Depreciation of investment properties	99	-	99	-
Depreciation of property, plant and equipment	639	887	124	221
Dividend income	(2,465)	(5,110)	-	-
Gain on disposal of properties held for sale	(287)	(83)	(287)	(83)
Property, plant and equipment written off	175	-	-	-
Impairment loss on:				
- other investment	1,330	-	-	-
- properties held for sale	-	778	-	778
- property, plant and equipment	829	-	208	-
- receivables	183	352	-	1,326
- receivables no longer required	(773)	(5,367)	(1,095)	(4,760)
Intangible assets written off	-	503	-	-
Interest expense	1,982	2,670	960	1,306
Interest income	(3)	(5)	-	-
Derecognition of financial guarantee	-	-	(662)	(309)
Unrealised gain on foreign exchange	(78)	(9)	-	-
Operating profit/(loss) before changes in working capital	6,474	2,119	681	(2,307)
Inventories	107	(256)	-	-
Receivables, deposits and prepayments	(1,336)	(3,549)	116	2
Payables and accruals	(3,312)	(308)	(1,357)	1,803
Cash generated from/ (used in) operations	1,933	(1,994)	(560)	(502)
Tax (paid)/ refunded	(137)	1	-	-
Net cash from/ (used in) operating activities	1,796	(1,993)	(560)	(502)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(121)	(123)	(69)	(52)
Dividends received	1,849	3,833	-	-
Interest received	3	5	-	-
Net repayments to subsidiaries	-	-	963	1,329
Proceeds from disposal of properties held for sale	500	2,017	500	2,017
Net cash from investing activities	2,231	5,732	1,394	3,294

STATEMENTS OF CASH FLOWS (CONT'D)

for the Year Ended 31 December 2010

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from financing activities				
Net advances from a subsidiary	-	-	1,771	653
Net advances from a director	(120)	1,110	-	-
Payments of finance lease	(19)	(35)	(19)	(35)
Repayments of restructured loans and term loans	(2,585)	(2,877)	(1,580)	(2,506)
Interest paid	(1,982)	(1,966)	(960)	(1,306)
Net cash used in financing activities	(4,706)	(3,768)	(788)	(3,194)
Net (decrease)/ increase in cash and cash equivalents	(679)	(29)	46	(402)
Cash and cash equivalents at 1 January	(1,589)	(1,560)	(2,663)	(2,261)
Cash and cash equivalents at 31 December	(2,268)	(1,589)	(2,617)	(2,663)

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances		455	1,233	106	159
Bank overdrafts associated with properties classified as held for sale	13	(2,723)	(2,822)	(2,723)	(2,822)
		(2,268)	(1,589)	(2,617)	(2,663)

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2010

PJBumi Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows:

Tingkat 5, Lot 10,
Bangunan BKA,
Jalan Astaka U8/84,
Section U8, Bukit Jelutong,
40150 Shah Alam,
Selangor Darul Ehsan.

The Company is principally engaged in the provision of management services and investment holding, whilst the principal activities of the subsidiaries are as stated in Note 10. There have been no significant changes in the nature of these activities during the year.

The financial statements were approved by the Board of Directors on 18 April 2011.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and complied with the provisions of the Companies Act, 1965.

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") adopted

At 1 January 2010, the Group and the Company adopted new and revised FRSs, Amendments to FRSs, IC Interpretations and TRs as follows:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 8 Operating Segments
FRS 101 Presentation of Financial Statements (Revised)
FRS 123 Borrowing Costs
FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"
IC Interpretation 9 Reassessment of Embedded Derivatives
IC Interpretation 10 Interim Financial Reporting and Impairment
IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13 Customer Loyalty Programmes
IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR3 Guidance on Disclosures of Transition to IFRSs
TR i-3 Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TR does not have any effect on the financial performance of position of the Group and of the Company except for those discussed below:

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and revised FRSs, Amendments to FRSs, Issues Committee ("IC") Interpretations and Technical Releases ("TRs") adopted (cont'd)

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income. It presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement. New terminologies have replaced 'balance sheet' with 'statement of financial position' and 'cash flow statement' with 'statement of cash flows'.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

New and revised FRSs, Amendments to FRSs, IC Interpretations and TR issued but not yet effective

The MASB has issued the following new and revised FRSs, Amendments to FRSs, IC Interpretations and TR that are not yet effective and have not been early adopted in preparing these financial statements :

		For financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
FRS 124	Related Party Disclosure (Revised)	1 January 2012
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters (Amendment to FRS 1)		1 January 2011
Improving Disclosures about Financial Instruments (Amendments to FRS 7)		1 January 2011
Additional Exemptions for First-time Adopters (Amendments to FRS 1)		1 January 2011
Amendments to FRS 2 Share-based Payment		1 July 2010
Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2)		1 January 2011

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and revised FRSs, Amendments to FRSs, IC Interpretations and TR issued but not yet effective (cont'd)

		For financial periods beginning on or after
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations		1 July 2010
Amendments to FRS 132 Financial Instruments: Presentation		1 January 2010 and 1 March 2010
Amendments to FRS 138 Intangible Assets		1 July 2010
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"		1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives		1 July 2010
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)		1 July 2011
TR i-4	Shariah Compliant Sale Contracts	1 January 2011

The adoption of the above FRSs, Amendments to FRSs, IC Interpretations and TRs is not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

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

(d) Significant accounting estimates and judgements

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

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

Significant areas of estimation, uncertainty and critical judgement in applying accounting principles that have significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Going concern – The management's use of the going concern assumption in the preparation of the financial statements of the Group and of the Company is determined given the positive outlook of the environmental industry and the ability of the Group to achieve profitable results and generate positive cash flows to meet their obligations toward the bankers and creditors. The management will continue with the plans in growing the Group's revenue through expansion of market share and new products offering, profit margin enhancement through cost reduction, disposal of non-revenue generating properties and obtaining the support of the bankers and creditors. Subsequent events may result in outcomes that are inconsistent with the management's judgement on going concern that was reasonable at the time it was made.

1. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (cont'd)

(ii) Impairment of property, plant and equipment (Note 8) – the measurement of the recoverable amount of cash generating unit ("CGU") is determined based on the estimation of the present value of the future cash flows generated by the CGU which involves uncertainties and on assumptions used and judgement made regarding estimates of future cash flows and discount rate.

(iii) Depreciation of property, plant and equipment (Note 8) – property, plant and equipment are depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipments to be within 5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation charges.

(iv) Deferred tax assets (Note 12) – deferred tax assets are recognised for deductible temporary differences in respect of expenses to the extent that is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Company and its subsidiaries.

(v) Impairment loss on trade receivables (Note 14) – The Company assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities (including unincorporated entities) controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that currently are exercisable are taken into account.

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

The financial statements of subsidiaries acquired or disposed off during the financial year are included in the consolidated financial statements based on the purchase method from the effective date of acquisition or up to the effective date of disposal respectively. The assets, liabilities and contingent liabilities assumed of the acquired subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated statement of financial position.

Any 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 assumed represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the statement of comprehensive income.

Minority interests are the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to the equity shareholders of the Company. Minority interests presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

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

(ii) Changes in group composition

Where a subsidiary issues new equity shares to minority interest for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in profit or loss.

When a group purchases a subsidiary's equity shares from minority interest for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interest in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. 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.

(iii) Transactions eliminated on consolidation

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

(b) Foreign Currency Transactions

Transactions in currencies other than the Group's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period in which they arise. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the 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.

(ii) Services

Revenue from service rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Revenue (cont'd)

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iv) Interest income

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

(d) Employee benefits

(i) Short Term Employee Benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense as incurred.

(e) Lease payments

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

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.

(f) Borrowing costs

All borrowings costs are recognised in 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 borrowings 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.

(g) Tax expense

Tax expense in the profit and loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Tax expense (cont'd)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxation authority to offset or when it is probable that future taxable income will be available against which the assets can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(h) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in 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 costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

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

Buildings	50 years
Furniture, fittings, computer, equipment and machinery	5 - 10 years
Motor vehicles	5 years

The depreciable amount is determined after deducting the residual value.

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

(i) Leased assets

Lease in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Building is depreciated on a straight line basis over the estimated useful lives of 50 years to write off the cost of the asset to its residual value over the estimated useful life.

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of investment properties. These are adjusted prospectively, if appropriate.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(k) 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. In the case of work-in-progress and finished goods, costs include an appropriate share of production overheads based on normal operating capacity. Net realisable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(l) Non-currents assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(m) Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised in profit or loss.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

(n) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial assets (cont'd)

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and has categorised the financial assets as loans and receivables and available-for-sale financial assets.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise trade and other receivables and cash and bank balances.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(ii) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Fair value estimation of unquoted equity securities

The fair values of unquoted equity securities that are not traded in an active market are determined by using a variety of methods and makes assumptions based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair value of securities. However, if the probabilities of various estimates cannot be reasonably measured, the Company is precluded from measuring the instruments at fair value, and the financial instruments are measured at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(q) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(s) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(u) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest 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.

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) 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 debtor 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 debtor 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.

(w) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

3. REVENUE AND COST OF SALES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue				
Sales of goods	13,078	11,367	-	-
Services rendered	15,775	15,234	-	-
Management fees	-	-	2,902	2,655
	28,853	26,601	2,902	2,655
Cost of sales				
Cost of goods sold	6,592	5,550	-	-
Cost of services	9,331	10,543	-	-
	15,923	16,093	-	-

4. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Amortisation of intangible assets	-	101	-	-
Auditors' remuneration				
- Audit services	100	100	45	45
- Other services by auditors of the Company	14	32	14	32
Bad debts written off	569	5,186	6	4,601
Depreciation of investment properties	99	-	99	-
Depreciation of property, plant and equipment	639	887	124	221
Direct operating expenses				
- did not generate rental income	13	11	-	-
Impairment loss on:				
- property, plant and equipment	829	-	208	-
- other investments	1,330	-	-	-
- properties held for sale	-	778	-	778
- trade receivables				
- third parties	183	352	-	152
- other receivables				
- subsidiaries	-	-	-	1,174
Intangible assets written off	-	503	-	-
Interest expense	1,982	2,670	960	1,306
Employee benefits expenses				
- Contribution to Employees Provident Fund	427	445	130	126
- Wages, salaries and others	4,382	4,186	1,171	1,123
Property, plant and equipment written off	175	-	-	-
Rental expense:				
- motor vehicles	92	29	-	-
- office equipment	42	34	14	27
- office premises	185	157	160	133
and after crediting:				
Bad debts recovered	-	130	-	243
Gross dividend income from:				
- unquoted shares in Malaysia	2,465	5,110	-	-
Gain on disposal of properties held for sale	287	83	287	83
Impairment loss on trade receivables no longer required				
- subsidiaries	-	-	963	-
- third parties	773	5,367	132	4,760
Interest income	3	5	-	-
Realised gain of foreign exchange	-	1	-	-
Rental income	27	51	27	51
Derecognition of financial guarantee	-	-	662	309
Unrealised gain on foreign exchange	78	9	-	-

5. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Directors of the Company				
- Other emoluments	303	303	303	303
Total short-term employee benefits	303	303	303	303
Post-employment benefits	36	36	36	36
	339	339	339	339

The estimated monetary value of benefits-in-kind received and receivable by a Director of the Company from the Group and the Company amounted to RM3,000 (2009: RM3,000).

6. TAX EXPENSE

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Current tax expense				
Malaysian - current year	617	1,114	-	-
- under provision in prior years	266	21	-	-
	883	1,135	-	-
Deferred tax expense				
Origination and reversal of temporary differences	(363)	-	-	-
Tax expense	520	1,135	-	-

Reconciliation of effective tax expense

	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Profit/(Loss) before tax	4,274	2,216	1,328	(5,387)
Tax calculated using Malaysian tax rate of 25%	1,069	554	332	(1,346)
Non-deductible expenses	1,277	3,036	349	2,853
Non-taxable income	(550)	(1,288)	(478)	(1,288)
Deferred tax assets not recognised during the year	-	101	-	17
Utilisation of deferred tax assets previously not recognised	(1,179)	(1,289)	(203)	(236)
Recognition of previously unrecognised deferred tax assets	(363)	-	-	-
Under provision of current tax expense in prior years	266	21	-	-
Tax expense	520	1,135	-	-

6. TAX EXPENSE

During the year, the Group and the Company utilised their capital allowances and tax losses brought-forwards to set off against their chargeable income resulting in a tax saving of approximately RM1,179,000 (2009: RM1,289,000) and RM203,000 (2009: RM236,000) respectively.

The Group has estimated tax losses carry-forwards of RM 28,781,000 (2009: RM33,584,000) and capital allowances carry-forwards of RM nil (2009: RM470,000), available for set-off against future taxable profits.

The Company has estimated tax losses carry-forwards of RM10,273,800 (2009: RM10,990,300) available for set-off against future taxable profits.

7. BASIC EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share is based on the net profit attributable to ordinary shareholders divided by the number of ordinary shares outstanding during the financial year.

	Group	
	2010 RM'000	2009 RM'000
Profit attributable to ordinary shareholders of the Company	3,754	1,081
Number of ordinary shares in issue ('000)	50,000	50,000

	2010	2009
Basic earnings per share (sen)	7.51	2.16

8. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2009	8,487	17,359	7,726	3,207	36,779
Additions	-	-	123	-	123
Written off	-	-	-	(1,650)	(1,650)
Transfer to properties held for sale (Note 13)	(2,420)	(4,962)	-	-	(7,382)
At 31 December 2009 / 1 January 2010	6,067	12,397	7,849	1,557	27,870
Additions	-	-	121	-	121
Written off	-	-	(538)	-	(538)
At 31 December 2010	6,067	12,397	7,432	1,557	27,453

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

Group	Freehold land RM'000	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
Accumulated depreciation and impairment loss					
At 1 January 2009					
- Accumulated depreciation	-	1,987	5,213	3,150	10,350
- Accumulated impairment loss	825	-	-	-	825
Depreciation for the year	-	347	506	34	887
Written off	-	-	-	(1,650)	(1,650)
Transfer to properties held for sale (Note 13)	(219)	(576)	-	-	(795)
At 31 December 2009 / 1 January 2010					
- Accumulated depreciation	-	1,758	5,719	1,534	9,011
- Accumulated impairment loss	606	-	-	-	606
Depreciation for the year	-	248	370	21	639
Impairment loss	-	-	829	-	829
Written off	-	-	(363)	-	(363)
At 31 December 2010					
- Accumulated depreciation	-	2,006	5,726	1,555	9,287
- Accumulated impairment loss	606	-	829	-	1,435
	606	2,006	6,555	1,555	10,722
Net carrying amount					
At 1 January 2009	7,662	15,372	2,513	57	25,604
At 31 December 2009 / 1 January 2010	5,461	10,639	2,130	23	18,253
At 31 December 2010	5,461	10,391	877	2	16,731

Company	Freehold land RM'000	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2009	2,420	4,962	2,005	2,763	12,150
Additions	-	-	52	-	52
Written off	-	-	-	(1,650)	(1,650)
Transfer to properties held for sale (Note 13)	(2,420)	(4,962)	-	-	(7,382)
At 31 December 2009 / 1 January 2010	-	-	2,057	1,113	3,170
Additions	-	-	69	-	69
At 31 December 2010	-	-	2,126	1,113	3,239

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

Company	Freehold land RM'000	Buildings RM'000	Furniture, fittings, computers, equipment and machinery RM'000	Motor vehicles RM'000	Total RM'000
Accumulated depreciation and impairment loss					
At 1 January 2009					
- Accumulated depreciation	-	477	1,586	2,716	4,779
- Accumulated impairment loss	219	-	-	-	219
Depreciation for the year	-	99	92	30	221
Written off	-	-	-	(1,650)	(1,650)
Transfer to properties held for sale (Note 13)	(219)	(576)	-	-	(795)
At 31 December 2009 / 1 January 2010					
- Accumulated depreciation	-	-	1,678	1,096	2,774
Depreciation for the year	-	-	107	17	124
Impairment loss	-	-	208	-	208
At 31 December 2010					
- Accumulated depreciation	-	-	1,993	1,113	3,106
Net carrying amount					
At 1 January 2009	2,201	4,485	419	47	7,152
At 31 December 2009 / 1 January 2010	-	-	379	17	396
At 31 December 2010	-	-	133	-	133

Assets under finance lease

The net carrying amount of property, plant and equipment acquired under finance lease arrangement is as follows:

	Group/Company 2010 RM'000	2009 RM'000
Motor vehicles	-	17

Security

The entire freehold land and buildings of the Group are pledged as security for bank borrowings (Note 17).

9. INVESTMENT PROPERTIES

	Group/Company	
	2010 RM'000	2009 RM'000
Cost		
Transfer from properties held for sale	12,406	-
At 31 December	12,406	-
Accumulated depreciation and impairment loss		
Transfer from properties held for sale		
- Accumulated depreciation	1,250	-
- Accumulated impairment loss	388	-
Depreciation charge for the year	99	-
At 31 December		
- Accumulated depreciation	1,349	-
- Accumulated impairment loss	388	-
Net carrying amount	10,669	-
Fair value of investment properties	12,765	-

Included in the above are:

	Group/Company	
	2010 RM'000	2009 RM'000
Freehold land	7,056	-
Building	3,613	-
	10,669	-

The fair value of investment properties are estimated based on information obtained from an external, independent professionally qualified valuer.

Security

The entire freehold land and building are pledged as security for bank borrowings (Note 17).

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost	33,500	33,500
Less: Accumulated impairment loss	(3,501)	(3,501)
	29,999	29,999

10. INVESTMENT IN SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of Subsidiary	Principal Activities	Country of Incorporation	Effective Equity Interest 2010 %	Effective Equity Interest 2009 %
PJBumi Composites Sdn. Bhd.	Manufacture and sale of Fibre Reinforced Plastic ("FRP") Sewerage treatment plants, underground storage tanks and other FRP products	Malaysia	100	100
PJBumi Waste Management Sdn. Bhd.#	Investment holding, solid waste management, garbage collection, area cleaning and other related activities	Malaysia	100	100
PJBumi Services Sdn.Bhd.	After-sales support services including connecting works of FRP tanks and mechanical and electrical equipment, providing maintenance, upgrading and/or rectification works, desludging works and sludge treatment	Malaysia	100	100

The unquoted shares are pledged as security via a memorandum of deposit for advances from a director as mentioned in Note 18.4.

11. OTHER INVESTMENTS

	Note	Group 2010 RM'000	Group 2009 RM'000
Unquoted shares, at cost			
- in Malaysia	11.1	35,942	35,942
- outside Malaysia	11.2	1,330	1,330
Less: Impairment loss		(1,330)	-
		35,942	37,272

The unquoted shares are measured at cost in accordance with the policy set out in Note 2(o). These unquoted shares are recorded at cost as there is no active market, published price quotations or other sources available to determine reliable fair values for these financial assets. In particular, the estimated fair value cannot be measured because of the significant variability in the range of reasonable fair value estimates or that the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair values of these available-for-sale financial assets. Therefore, fair value information is not disclosed.

Note 11.1

The unquoted shares in Malaysia relates to the 15.79% (2009: 15.79%) equity interest in Alam Flora Sdn. Bhd. ("AFSB"), a company incorporated in Malaysia held by a subsidiary. The principal activity of AFSB is provision of integrated solid waste management services. The unquoted shares are pledged as security via a memorandum of deposit for advances from a director as mentioned in Note 18.4.

Note 11.2

The unquoted shares outside Malaysia relates to the 7.6% (2009: 7.6%) equity interest in SEECO Engineering for Sewerage & Environmental Co. Ltd. ("SEECO"), a company incorporated in the State of Khartoum, Republic of Sudan, held by a subsidiary. The principal activities of SEECO are that of design, construct, test, commission, operate, manage and maintain plant and sewerage system and ancillary facilities.

12. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets/liabilities recognised before appropriate off-setting are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deferred tax assets	(1,193)	(1,016)	(92)	(90)
Deferred tax liabilities	830	1,016	92	90
	(363)	-	-	-

This is in respect of estimated deferred tax assets/liabilities arising from temporary differences as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deferred tax assets				
Deductible temporary differences arising from expenses	(55)	(107)	-	(42)
Capital allowance carry-forwards	-	(118)	-	-
Tax loss carry-forwards	(1,138)	(791)	(92)	(48)
	(1,193)	(1,016)	(92)	(90)
Deferred tax liabilities				
Differences between the carrying amount of property, plant and equipment and its tax base	810	1,014	92	90
Taxable temporary differences in respect of income	20	2	-	-
	830	1,016	92	90

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

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deductible temporary differences in respect of expenses	117	97	78	-
Tax loss carry-forwards	24,490	30,682	9,905	10,797
	24,607	30,779	9,983	10,797

The tax loss carry-forwards do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the above items because it is not probable that the future taxable profit will be available against which the Company and its subsidiaries can utilise the benefits therefrom.

13. PROPERTIES HELD FOR SALE

(a) Properties classified as held for sale

Properties that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

	Group/Company	
	2010 RM'000	2009 RM'000
At lower of carrying amount and fair value less cost to sell		
At 1 January	13,639	8,986
Transfer property, plant and equipment (Note 8)	-	6,587
Transfer to investment properties (Note 9)	(11,156)	-
Disposals	(214)	(1,934)
At 31 December	2,269	13,639
Less: Accumulated impairment loss		
At 1 January	778	49
Additions	-	778
Transfer to investment properties (Note 9)	(388)	-
Disposals	-	(49)
At 31 December	390	778
	1,879	12,861

Included in the above are:

	2010 RM'000	2009 RM'000
Freehold land	-	6,772
Buildings	1,879	6,089
	1,879	12,861

The above properties classified as held for sale are pledged as security for banking facilities as mentioned in Note 13(b).

(b) Liabilities directly associated with properties classified as held for sale

This is in respect of liabilities that are directly associated with the properties classified as held for sale.

		Group/Company	
	Note	2010 RM'000	2009 RM'000
Secured			
Restructured loan	13.1	-	2,979
Bank overdraft	13.2	2,723	2,822
Term loan	13.2	369	345
		3,092	6,146

13. PROPERTIES HELD FOR SALE (CONT'D)

(b) Liabilities directly associated with properties classified as held for sale (cont'd)

Note 13.1

The above restructured loan is in respect of the defaulted bank overdraft and term loan which was restructured in the previous years. The loan is repayable by 24 monthly instalments of RM50,000 each follows by monthly instalments of RM120,000 each until full settlement and is secured and supported by:

(i) fixed charge over the freehold land and buildings of the Company (Note 13 (a)); and
(ii) corporate guarantee given by a subsidiary.

Note 13.2

The bank overdraft and term loan which have not been restructured will be settled in full upon disposal of the properties classified as held for sale and are secured and supported by:

(i) fixed charge over buildings of the Company (Note 13(a)); and
(ii) joint and several guarantees by certain former directors of the Company.

The term loan and restructured loan bear interest at rates ranging from 7.75% to 8.30% (2009: 7.55% to 8.05%) per annum. The bank overdraft bears interest at rates ranging from 7.80% to 8.30% (2009: 7.55% to 8.05%) per annum.

14. RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2010	2009	2010	2009
	Note	RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables		9,595	17,458	451	7,565
Less: Allowance for impairment loss		(1,087)	(10,647)	(451)	(7,543)
	14.1	8,508	6,811	-	22
Non-trade					
Amounts due from subsidiaries	14.2	-	-	2,279	3,242
Amount due from an affiliated company	14.2	-	281	-	-
Other receivables		783	868	272	238
Less: Allowance for impairment loss	14.3	(576)	(627)	(2,483)	(3,446)
		207	522	68	34
Deposits		100	75	112	107
Prepayments		131	179	12	19
		438	776	192	160
		8,946	7,587	192	182

Note 14.1

The Group's and the Company's normal trade credit term is 30 days. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are non-interest bearing.

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

(a) Ageing analysis of trade receivables

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

	Group 2010 RM'000	Company 2010 RM'000
Neither past due nor impaired	3022	-
1 to 30 days past due not impaired	1,330	-
31 to 60 days past due not impaired	842	-
61 to 90 days past due not impaired	970	-
91 to 120 days past due not impaired	964	-
More than 121 days past due not impaired	1,380	-
	5,486	-
Impaired	1,087	451
	9,595	451

Receivables that are neither past due nor impaired
Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired
Trade receivables that are past due but not impaired because there have been no significant changes in credit quality of the debtors. The Group regularly monitors the collection of these debtors. The Group does not anticipate any potential impairment issues as instances of bad debts have occurred infrequently.

Note 14.2

The amounts due from subsidiaries and affiliated company are in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash. Information on affiliated company is further disclosed in Note 25.

Note 14.3

The movement of allowance accounts used to record the individual impairment are as follows:

	Group 2010 RM'000	Company 2010 RM'000
At 1 January	10,647	7,543
Charge for the year (Note 4)	183	-
Written off	(8,970)	(6,960)
Reversal of impairment loss on receivables (Note 4)	(773)	(132)
At 31 December	1,087	451

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

15. INVENTORIES

	Group 2010 RM'000	Group 2009 RM'000
At cost:		
Raw materials	65	156
Tools and accessories	774	833
Work-in-progress	377	249
Finished goods	410	495
	1,626	1,733

16. SHARE CAPITAL AND RESERVES

Share capital

	Group/Company 2010 RM'000	Group/Company 2009 RM'000
Authorised :		
100,000,000 ordinary shares of RM1.00 each	100,000	100,000
Issued and fully paid:		
50,000,000 ordinary shares of RM1.00 each	50,000	50,000

The holders of ordinary shares 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 with regards to the Company residual interests.

Reserves

	Share premium RM'000	Capital reserve RM'000	Total RM'000
Group			
At 1 January 2009/ 31 December 2009 / 31 December 2010	3,473	2,000	5,473
Company			
At 1 January 2009/ 31 December 2009 / 31 December 2010	3,473	-	3,473

Capital reserve

The capital reserve is in respect of capitalisation of retained earnings for bonus issue of a subsidiary.

17. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's and of the Company's interest-bearing loans and borrowings. For more information about the Group's and the Company's exposure to interest rate risk, see Note 21.

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current				
Restructured loans - secured	9,354	10,069	2,491	1,730
Current				
Restructured loans - secured	3,347	2,262	1,726	1,112
Finance lease liabilities	-	19	-	19
	3,347	2,281	1,726	1,131
Total	12,701	12,350	4,217	2,861

The restructured loans bear effective interest at rates ranging from 7.75% to 8.30% (2009: 7.50% to 9.55%) per annum.

The restructured loans are secured by:

(i) fixed charge over the freehold land and buildings of the Group and of the Company (Notes 8 and 9);
(ii) a debenture over the fixed and floating assets of the Group;
(iii) a negative pledge over the Company's and certain subsidiaries' assets;
(iv) corporate guarantee given by the Company and a subsidiary; and
(v) joint and several guarantees by certain former directors of the Company.

Terms and debt repayment schedule:

	Carrying Amount RM'000	Under 1 year RM'000	1-2 years RM'000	2-3 years RM'000	3-4 years RM'000	4-5 years RM'000	Over 5 years RM'000
Group							
2010							
Secured restructured loans	12,701	3,347	3,271	437	155	169	5,322
2009							
Secured restructured loans	12,331	2,262	3,077	1,540	215	234	5,003
Finance lease liabilities	19	19	-	-	-	-	-
	12,350	2,281	3,077	1,540	215	234	5,003
Company							
2010							
Secured restructured loans	4,217	1,726	2,196	295	-	-	-
2009							
Secured restructured loans	2,842	1,112	1,314	416	-	-	-
Finance lease liabilites	19	19	-	-	-	-	-
	2,861	1,131	1,314	416	-	-	-

17. LOANS AND BORROWINGS (CONT'D)

In year 2008, the banking facilities of the Group and of the Company have been restructured and/or rescheduled as follows:

(a) Bank overdraft I and bills payable of RM2,533,000 of the Company are repayable over 48 monthly instalments of RM77,750 each commencing in September 2008;
(b) Bank overdraft II of RM1,110,000 of the Company is first repayable by 9 monthly instalments of RM14,000 each commencing in December 2008 follows by 12 monthly instalments of RM23,000 each, RM40,000 each for the next 22 monthly instalments and 2 final instalments of RM60,000 and RM103,000 respectively;
(c) Bank overdraft and finance lease liabilities of RM1,110,000 of a subsidiary are repayable by an upfront payment of RM30,000 in August 2008 follows by 12 monthly instalments of RM15,000 each, RM30,000 each for the next 12 monthly instalments, RM45,000 each for the subsequent 12 monthly instalments and subsequently RM55,000 each month until full settlement;
(d) Term loan I of RM2,824,000 of a subsidiary is repayable first by 9 monthly instalments of RM36,000 each commencing in December 2008 follows by 12 monthly instalments of RM57,000 each, subsequently 22 monthly instalments of RM100,000 each and a final month instalment of RM80,000; and
(e) Term loan II of RM5,926,000 of a subsidiary is repayable by an upfront payment of RM150,000 follows by 12 monthly instalments of RM25,000 each commencing in June 2008 and RM35,000 per month for the subsequent years until full settlement.

Accordingly, the above restructured and/or rescheduled banking facilities have been collectively referred to as restructured loans.

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group/Company	Future minimum lease payments 2010 RM'000	Finance charges 2010 RM'000	Present value of minimum lease payments 2010 RM'000	Future minimum lease payments 2009 RM'000	Finance charges 2009 RM'000	Present value of minimum lease payments 2009 RM'000
Less than one year	-	-	-	20	1	19

18. PAYABLES AND ACCRUALS

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
NON-CURRENT					
Non-trade					
Other payable	18.1	-	227	-	227
CURRENT					
Trade					
Trade payables	18.2	8,364	9,999	714	523
Non-trade					
Amounts due to a subsidiary	18.3	-	-	2,424	653
Amount due to a director	18.4	5,647	5,406	-	-
Other payables	18.5	6,681	7,509	4,517	5,777
Financial guarantee liability	18.6	-	-	1,854	-
Accrued expenses		3,542	4,603	1,105	1,167
		24,234	27,517	10,614	8,120

18. PAYABLES AND ACCRUALS (CONT'D)

Note 18.1

This is in respect of an obligation to settle the banking facilities taken by a former subsidiary, PJBumi Engineering Sdn. Bhd. pursuant to the formal arrangement entered into with the purchaser in the previous years.

The amount bears effective interest at a rate of 9.05% (2009: 9.05%) per annum and is secured and supported as follows:

(i) fixed charge over the freehold land of the Company;
(ii) corporate guarantee given by the Company; and
(iii) joint and several guarantees by certain former directors of the Company.

The maturity profile of non-current other payable is as follows:

	Group/Company	
	2010 RM'000	2009 RM'000
Non-current		
Payable after 1 year but not later than 2 years	-	227

Note 18.2

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and to the Company range from 30 days to 60 days.

The foreign currency profile of trade payables of the Group is as follows:

	Group	
	2010 RM'000	2009 RM'000
United States Dollar	710	788

Note 18.3

The amount due to a subsidiary is in respect of advances and payments made on behalf which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

Note 18.4

The amount due to a director is in respect of advances which is repayable on demand, bears profit rates ranging from 8.05% to 8.75% (2009: 7.30% to 8.75%) per annum, expected to be settled in cash and secured as follows:

(i) a memorandum of deposit by PJBumi Waste Management Sdn. Bhd. ("PJBWM"), a subsidiary of the Company over all the ordinary shares held by PJBWM in Alam Flora Sdn. Bhd.;
(ii) a memorandum of deposit by the Company over all the ordinary shares held by the Company in PJBWM; and
(iii) a deed of debentures executed by PJBWM over its current and future assets.

Note 18.5

Included in other payables of the Group and of the Company are:

(a) an amount of RM229,000 (2009: RM952,000), being an obligation to settle the banking facilities taken by a former subsidiary, PJBumi Engineering Sdn. Bhd. as referred in Note 18.1 ; and
(b) amounts of RM200,000 (2009 : RM200,000) due to companies in which a director has substantial financial interest. These amounts are in respect of advances which are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

18. PAYABLES AND ACCRUALS (CONT'D)

Note 18.6

The amount relates to a corporate guarantee given by the Company to a bank for banking facilities taken by a subsidiary.

19. PROVISION

	Company 2010 RM'000	2009 RM'000
Provision for corporate guarantee		
At 1 January (previous stated)	2,516	2,825
Effect of adopting FRS 139	(2,516)	-
At 1 January (as restated)	-	2,825
Reversal of provision	-	(309)
At 31 December	-	2,516

The provision of the Company is in respect of corporate guarantee given by the Company for banking facilities taken by its subsidiaries.

20. SEGMENTAL REPORTING

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purpose of resource and allocation and assessment of segment performance.

Accordingly, the Group's reportable segments under FRS 8 are as follows:

(i) Manufacturing - manufacturing of Fibre Reinforced Plastic ("FRP"), Reinforced Concrete Sewerage Treatment Plants ("STP") and Underground Storage Tanks ("UST").

(ii) Construction, maintenance and design - Construction, maintenance, after-sales support services and design of FRP, STP and UST.

(iii) Waste management services - solid waste management, garbage collection, area cleaning, dump processing and other related activities.

(iv) Investment - investment holding and management services.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results represent profit or loss before finance costs, interest income and tax expense. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax recoverable.

Segment liabilities

Segment liabilities are measured based on all liabilities, excluding tax liabilities and deferred tax liabilities.

20. SEGMENTAL REPORTING (CONT'D)

	Manufacturing		Constructions, maintenance and design		Waste management services		Investment		Eliminations		Consolidated	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Segment Revenue												
External customers	16,237	13,014	4,549	4,344	8,067	9,243	-	-	-	-	28,853	26,601
Inter-segment revenue	-	-	-	-	-	-	2,902	2,655	(2,902)	(2,655)	-	-
	16,237	13,014	4,549	4,344	8,067	9,243	2,902	2,655	(2,902)	(2,655)	28,853	26,601
Segment results	1,755	2,095	(325)	763	3,422	4,557	2,218	(4,281)	(887)	1,678	6,183	4,812
Finance costs											(1,912)	(2,601)
Interest income											3	5
Profit before tax											4,274	2,216
Tax expense											(520)	(1,135)
Profit for the year											3,754	1,081

20. SEGMENTAL REPORTING (CONT'D)

	Manufacturing		Constructions, maintenance and design		Waste management services		Investment		Eliminations		Consolidated		Less: Non-current assets classified as held for sale		Continuing operations	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Segment assets	23,141	24,161	1,732	2,510	17,131	16,025	42,978	43,466	(8,480)	(7,223)	76,502	78,939	(1,879)	(12,861)	74,623	66078
Unallocated assets	-	-	-	-	32	299	-	-	-	-	32	299	-	-	32	299
Total assets	23,141	24,161	1,732	2,510	17,163	16,324	42,978	43,466	(8,480)	(7,223)	76,534	79,238	(1,879)	(12,861)	74,655	66,377
Segment liabilities	20,947	22,926	2,817	3,269	7,127	8,831	17,923	19,871	(8,896)	(8,657)	39,918	46,240	(3,092)	(6,146)	36,826	40094
Unallocated liabilities	4,594	4,730	-	-	-	-	3,193	3,193	-	-	7,787	7,923	-	-	7,787	7923
Total liabiliites	25,541	27,656	2,817	3,269	7,127	8,831	21,116	23,064	(8,896)	(8,657)	47,705	54,163	(3,092)	(6,146)	44,613	48,017
Other segment information																
Bad debts written off	536	559	27	26	-	-	6	4,601	-	-	569	5,186	-	-	569	5,186
Depreciation and amortisation	497	754	12	7	6	6	223	221	-	-	738	988	-	-	738	988
Intangible assets written off	-	503	-	-	-	-	-	-	-	-	-	503	-	-	-	503
Property, plant and equipment written off	175	-	-	-	-	-	-	-	-	-	175	-	-	-	175	-
Impairment loss on																
- other investment	1,330	-	-	-	-	-	-	-	-	-	1,330	-	-	-	1,330	-
- property, plant and equipment	621	-	-	-	-	-	208	-	-	-	829	-	-	-	829	-
- receivables	95	200	88	-	-	-	-	152	-	-	183	352	-	-	183	352
- receivables no longer required	(289)	(607)	(352)	-	-	-	(132)	(4,760)	-	-	(773)	(5,367)	-	-	(773)	(5,367)
Additions to non-current assets other than financial instruments and deferred tax assets	35	34	17	35	-	2	69	52	-	-	121	123	-	-	121	123

20. SEGMENTAL REPORTING (CONT'D)

Geographical information

Revenue and non-current assets information is presented based on the location of customers and geographical location of the assets respectively. Non-current assets do not include financial instruments and deferred tax assets

	Revenue		Non-current assets	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	28,853	26,601	-	78,802
Sudan	-	-	-	137
	28,853	26,601	-	78,939

Major customers

The following are major customers with revenue equal or more than 10% of the Group's revenue:

	Revenue		Segment
	2010 RM'000	2009 RM'000	
- Customer A	8,067	16,324	Waste management services

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director and Financial Controller. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk primarily arises from its trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position and financial guarantee to a bank in respect of banking facility granted to an affiliated company. The Company is also exposed to credit risk arising from financial guarantees given to the banks in respect of banking facilities granted to a subsidiary.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all new customers who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis to minimise the Company's exposure to bad debts.

As at 31 December 2010, approximately 24% (2009 : 44%) of the Company's trade receivables was due from a customer, Alam Flora Sdn. Bhd. Trade receivables balance from the customer was amounted to RM2,051,677 (2009: RM3,014,341).

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (cont'd)

Financial guarantee
The Company provides financial guarantees to banks in respect of banking facilities granted to a subsidiary and an affiliated company.

The maximum exposure to credit risk in respect of the guarantees amounting to RM1,854,000 (2009: RM2,516,000) and RM12,120,000 (2009:RM14,064,000) representing the outstanding banking facilities utilised by the subsidiary and the affiliated company respectively at the reporting date. At the reporting date, the Company has recognised the financial guarantee liability in full on the outstanding banking facilities utilised by the subsidiary as the subsidiary was in net liabilities position.

On 24 January 2011, the Company received a notice of demand from solicitor of Export-Import Bank of Malaysia Berhad ("EXIM Bank") demanding full payment of the defaulted amount owing by the affiliated company as at 30 November 2010 of USD3,838,474 (equivalent to RM11,818,354). On 25 February 2011, the Company via its solicitor, refuted the claim on the ground of negligence of EXIM Bank and breach of the facility agreement by EXIM Bank when disbursing part of the loan to the affiliated company without observing and complying with all the terms and conditions in the facility agreement. The Company's solicitor opined that it is not probable that EXIM Bank will succeed in their action against the Company. Accordingly, no provision for financial guarantee has been made in these financial statements.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group incur foreign currency risk on sales and purchases that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily US dollars as disclosed in Note 18.

It is not the Group's policies to enter into forward foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

Sensitivity analysis for foreign currency risk
Based on the financial instruments held at the reporting date, a 5% strengthening/weakening of RM against USD, with all other variables held constant, would have reduced/increased the Group's profit for the year by RM27,000 as a result of foreign exchange losses or gains on translation of foreign currency denominated financial instruments.

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The repayment schedule of most defaulted banking facilities of the Group and of the Company have been restructured in the previous years. The remaining defaulted banking facilities will be settled via disposal of the Group's properties. The Group actively manages its operating cash flows so as to ensure that all repayment and funding needs are met.

Analysis of financial instruments by remaining contractual maturity
The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Liquidity risk (cont'd)

	2010					
	On demand RM'000	Within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
FINANCIAL LIABILITIES:						
Group						
Trade payables	-	8,364	-	-	-	8,364
Other payables	5,647	10,114	-	-	-	15,761
Bank overdraft	-	2,723	-	-	-	2,723
Restructured loans	-	3,347	3,271	761	5,322	12,701
Term loan	-	369	-	-	-	369
	5,647	25,026	3,271	761	5,322	40,027
Company						
Trade payables	-	714	-	-	-	714
Other payables	4,278	5,622	-	-	-	9,900
Bank overdraft	-	2,723	-	-	-	2,723
Restructured loans	-	1,726	2,196	295	-	4,217
Term loan	-	369	-	-	-	369
	4,278	11,154	2,196	295	-	17,923

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and advances from a director. Loans and borrowings and advances from a director which are at floating interest rate expose the Company to cash flow interest rate risk.

Sensitivity analysis for interest rate risk
If the interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's and the Company's profits for the year ended 31 December 2010 would decrease/increase by RM49,000 and RM17,000 respectively as a result of exposure to floating rate borrowings.

22. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it will be able to continue as a going concern whilst maximising the return to its shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholder, return capital to shareholder, issue new shares and disposing its assets to repay borrowings. No changes were made in the objectives, policies and processes during the years ended 31 December 2010 and 31 December 2009.

The Company and its subsidiaries are not subject to any externally imposed capital requirements.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

The carrying amount of non-current other payable which bears interest at floating rate approximates its fair value.

(b) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

It was not practical to estimate the fair value of the Company's investment in unquoted shares due to lack of active market to determine reliably the fair value of the financial asset. The carrying amount of other financial assets and liabilities recognised in the statements of financial position approximate their fair values.

24. CONTINGENCIES

(a) On 3 September 2010, Petronas Dagangan Berhad ("Petronas") served the Company with Summons and Statement of Claim which was presented to the Kuala Lumpur High Court. Petronas made a claim against the Company for a sum of RM13,647,838 being cost incurred to replace the defective tanks supplied by the Company and other costs/ claims and interest that the Court may deem fit. The claim by Petronas is premised on a breach of warranty in respect of fibre tanks supplied for its petrol filling/ service stations located in Malaysia. The Company is in the process of preparing the Statement of Defence to be filed by 25 April 2011

The Directors, in consultation with the solicitors, are of the opinion that the Company has a good chance of success in defending the case. Accordingly, no provision for any liability has been made in these financial statements.

(b) On 29 and 30 March 2011, arbitration hearings were held in relation to a claim by MMC Engineering Construction Sdn. Bhd. ("MMC") against the Company for a sum of RM1,704,771. The claim by MMC is premised on contractual breach of a project known as Sewerage Treatment Plant at Tanjung Pelepas wherein the Company was appointed as a sub-contractor. The next arbitration hearings had been fixed on 25 and 26 April 2011.

The Directors, in consultation with the solicitors, are of the opinion that the Company has a good change of success in defending the case. Accordingly, no provision for any liability has been made in these financial statements.

25. RELATED PARTIES

Identity of related parties

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

The Group has a related party relationship with its subsidiaries, a major corporate shareholder which a director has substantial financial interest, affiliated company and key management personnel. Affiliated company refers to SEECO Engineering for Sewerage & Environmental Co. Ltd., a company incorporated in the Republic of Sudan in which the Group has 7.6% equity interest and with common directors.

25. RELATED PARTIES (CONT'D)

Related party transactions and balances

	2010 RM'000	2009 RM'000
Group		
Paid or payable		
Progressive Impact Corporation Berhad, a major corporate shareholder which a director has substantial financial interest		
- Professional fees	30	33
Haji Zaid bin Abdullah, a Director of the Company		
- Interest charges	361	704
Company		
Paid or payable		
Management fees from subsidiaries	(2,902)	(2,655)
Progressive Impact Corporation Berhad, a major corporate shareholder which a director has substantial financial interest	30	33

Information on outstanding balances with related parties at the reporting date is disclosed in Notes 14 and 18.

Key management personnel compensation

Key management personnel compensation is disclosed in Note 5.

26. NON-CANCELLABLE OPERATING LEASE COMMITMENT

At the reporting date, the Company had commitments under non-cancellable operating lease for rental of premises as follows:

	Group/ Company	
	2010 RM'000	2009 RM'000
Payable within one year	173	56
Payable within one year and five years	72	-
	245	56

The Group and the Company lease premises under non-cancellable operating lease for their operations. The leases have an initial period of 2 years, with an option to renew the lease after that date.

27. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT OR LOSS

The following analysis of realised and unrealised accumulated losses of the Group and of the Company at 31 December 2010 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with 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.

The accumulated losses of the Group and of the Company as at 31 December 2010 is analysed as follows:

	Group RM'000	Company RM'000
Total accumulated losses of the Company and its subsidiaries		
- realised	(27,085)	(31,611)
- unrealised	441	-
Total accumulated losses	(26,644)	(31,611)

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 purpose.

SHAREHOLDINGS ANALYSIS
as at 1 April 2011

Authorised Capital	RM100,000,000.00
Issued and fully paid-up capital	RM50,000,000.00
Class of shares	Ordinary shares of RM1.00 each
Voting Rights	One vote per ordinary share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
<100	6	0.57	283	0.00
100-1,000	279	26.52	241,783	0.48
1,001 – 10,000	486	46.20	2,588,506	5.18
10,001 – 100,000	236	22.43	8,078,100	16.16
100,001 - < 5% issued shares	43	4.09	17,981,328	35.96
5% and above of issued shares	2	0.19	21,110,000	42.22
	1052	100.00	50,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

	No. of Shares Held			
Name	Direct Interest	%	Deemed Interest	%
Progressive Impact Corporation Berhad	15,100,000	30.20	-	-
Citrine Holdings Ltd	6,010,000	12.02		
Haji Zaid Bin Abdullah	-	-	15,100,000*	30.20*
Hajjah Zaidah Binti Mohd Salleh	-	-	15,100,000*	30.20*

** Deemed interest by virtue of their substantial shareholdings in Progressive Impact Corporation Berhad*

DIRECTORS' SHAREHOLDINGS

	No. of Shares Held			
Name	Direct Interest	%	Deemed Interest	%
Haji Zaid Bin Haji Abdullah	-	-	15,100,000*	30.20*
Encik Johar Bin Yusof	-	-	-	-
Ir. Haji Mohd Nor @ Ghazali Bin Omar	-	-	-	-
Datuk Abdul Hamid Bin Sawal	-	-	-	-
Hajjah Zaidah Binti Mohd Salleh	-	-	15,100,000*	30.20*

** Deemed interest by virtue of their substantial shareholdings in Progressive Impact Corporation Berhad*

SHAREHOLDINGS ANALYSIS (CONT'D)

as at 1 April 2011

30 LARGEST SHAREHOLDERS AS AT 1 APRIL 2011

No.	Shareholders	Shareholding	%
1.	Progressive Impact Corporation Berhad	15,100,000	30.20
2.	Cimsec Nominess (Asing) Sdn Bhd *Bank of Singapore Limited for Citrine Holdings Ltd*	6,010,000	12.02
3.	Raja Mohd Nazri Bin Raja Abd Malek	2,139,000	4.28
4.	Thayiba Binti Mahdi Nala	1,899,300	3.80
5.	Kenanga Nominees (Asing) Sdn Bhd *Exempt an for Phillip Securities Pte Ltd*	1,330,000	2.66
6.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ab Ghaus Bin Ismail*	934,600	1.87
7.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Mohammed Amin Bin Mahmud*	828,600	1.66
8.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Leong Wye Keong*	810,700	1.62
9.	Selvaraja A/L Krishnan Thevar	789,000	1.58
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Abdul Jaber Bin Abdul Hafiz*	622,000	1.24
11.	Mokhsen Bin Ibrahim	525,828	1.05
12.	M.I.T Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ridzuan Bin Ismail*	500,000	1.00
13.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Mohd Shafei Bin Abdullah*	470,000	0.94
14.	Mohd Noor Bin Bidin	451,000	0.90
15.	Ahmad Bin Sayid Bajrai	400,000	0.80
16.	F.I.T Nominees (Asing) Sdn Bhd *Pledged Securities Account for Shanmughanathan A/L Vellanthurai*	398,900	0.80
17.	Abdul Jaber Bin Abdul Hafiz	378,000	0.76
18.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Mohd Yunus Bin Mohd Tasi*	365,900	0.73
19.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Noble Sound Sdn Bhd*	345,000	0.69
20.	Khalijah Binti Mohd Salleh	336,000	0.67
21.	Mohamad Yunus Bin Ariffin	319,300	0.64
22.	Mohamad Bin Sham	316,300	0.63
23.	Soon Khiat Voon	305,000	0.61
24.	Mohammed Amin Bin Mahmud	252,000	0.50
25.	Hng Kee Heong	235,000	0.47
26.	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Low Kok Chew*	229,900	0.46
27.	Chim Luang Eng	215,500	0.43
28.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Foo Phang Ming*	200,000	0.40
29.	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yayasan Pok dan Kassim*	194,300	0.39
30.	Madzlan Binti Ismail	185,300	0.37
	Total	**37,086,428**	**74.17**

LIST OF PROPERTIES

No	Address	Description	Sq.Ft	Existing Use	Tenure	Age of Building	*Net Book Value
1	Lot 46-1, Jalan Setiawangsa 11A, Taman Setiawangsa, 54200 Kuala Lumpur	Building	1,000	Vacant	Freehold	20 years	75,899.87
2	Lot 3.3.005, Wisma Prima Peninsula, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Building	3,804	Office Suite	Freehold	-	646,680.94
3	Lot 5.4.006, Wisma Prima Peninsula, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Building	1,216	Vacant	Freehold	-	194,560.00
4	Lot 5.4.007, Wisma Prima Peninsula, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Building	2,798	Vacant	Freehold	-	475,660.00
5	Lot 5.4.008, Wisma Prima Peninsula, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Building	1,815	Office Suite (Rented)	Freehold	-	291,258.34
6	Lot 5.5.006, Wisma Prima Peninsula, Jalan Setiawangsa 11, Taman Setiawangsa, 54200 Kuala Lumpur	Building	1,215	Office Suite (Rented)	Freehold	-	194,560.00
7	(Plot 1) Lot 9 & 10, Jalan 9, Kawasan MIEL, Fasa V Estate, 08000 Sungai Petani, Kedah Darul Aman	Factory Land and Building	496,539	Factory	Malay Reserve	9 years	16,278,234.00
8	Plot 2,PT 60593, 08000 Sungai Petani, Kedah Darul Aman	Land	201,716	-	Malay Reserve	10 years	2,200,631.97
9	Plot 3,PT 60594, 08000 Sungai Petani, Kedah Darul Aman	Land	200,351	-	Malay Reserve	11 years	1,800,000.00
10	Plot 4,PT 60595, 08000 Sungai Petani, Kedah Darul Aman	Land	218,410	-	Malay Reserve	12 years	2,382,766.00

PJBUMI BERHAD
(Company No. 141537 M)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

No. of ordinary shares held	

I/We ______________________________ I/C No./Co. No./CDS A/C No. ______________
(Full name in block capital)

of ____
(Full address)

being a member/members of **PJBUMI BERHAD**, hereby appoint the following person(s):-

Name of proxy, NRIC No. & Address | **No. of shares to be represented**

1. ______________________________ ______________

2. ______________________________ ______________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at 2nd Floor, Lot No. 19, Jalan Astaka U8/84, Bukit Jelutong Business & Technology Centre, Section U8, 40150 Shah Alam, Selangor Darul Ehsan on Monday, 23rd May 2011 at 02.30 p.m.. My/our proxy/proxies is to vote as indicated below:-

		FIRST PROXY		SECOND PROXY	
Resolution	**ORDINARY BUSINESS**	**FOR**	**AGAINST**	**FOR**	**AGAINST**
1.	To re-elect Ir Haji Mohd Nor @ Ghazali Bin Omar who is retiring pursuant to Article 102.				
2.	To re-elect Datuk Abdul Hamid Bin Sawal who is retiring pursuant to Article 85.				
3.	To appoint Messrs Ernst & Young in place of the retiring auditors, Messrs Moore Stephens AC and to authorised the Directors to fix their remuneration.				
4.	**AS SPECIAL BUSINESS** Proposed renewal on authority to issue shares by the Company pursuant to Section 132D of the Companies Act, 1965.				
5.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions				

* Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion. The first named proxy shall be entitled to vote on a show of hands.

____
Signature of Shareholder(s)/Common Seal

Signed this ....day of 2011

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies and that a proxy need not also be a Member.

2. When a member appoints two or more proxies the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.

4. The instrument appointing a proxy must be deposited at the Registered Office at Tingkat 5, Lot 10, Bangunan BKA, Jalan Astaka U8/84, Section U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

STAMP

The Company Secretary

PJBUMI BERHAD (141537-M)

Tingkat 5, Lot 10, Bangunan BKA
Jalan Astaka U8/84, Section U8
Bukit Jelutong, 40150 Shah Alam
Selangor Darul Ehsan

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PJBUMI BERHAD
(141537-M)

Tingkat 5, Lot 10, Bangunan BKA,
Jalan Astaka U8/84, Section U8, Bukit Jelutong,
40150 Shah Alam, Selangor Darul Ehsan