



LEBAR DAUN BERHAD

1013461-K

ANNUAL REPORT 2009

Corporate Profile

Lebar Daun Berhad ("LDAUN") was incorporated in Malaysia under the Companies Act, 1965 on 28 August 2002 as a private limited company under the name Angkasa Ganda Sdn Bhd. On 23 September 2002, the Company was converted to a public limited company under the name Angkasa Ganda Berhad. Subsequently, on 10 February 2003, it changed its name to Lebar Daun Berhad and has assumed its present name since. LDAUN has been listed on Bursa Malaysia Securities Berhad since 1 March 2004.

LDAUN Group's business began in 1988 under its wholly-owned subsidiary, Lebar Daun Construction Sdn Bhd ("LDCSB") with housing development as its main activities and has since diversified to become an absolute construction company. To date, LDCSB is a Pusat Khidmat Kontraktor (PKK) Class "A" (Bumiputra) contractor and has attained the highest G7 classification with Construction Industry Development Board (CIDB). These accreditations put LDCSB in a better position to compete with other players in the industry.

LDCSB with several other companies formed a corporate alliance under the name of Kumpulan Lebar Daun ("KLD"). KLD has expanded rapidly since 1988 and is primarily involved in construction and property development in the Klang Valley. The expansion of KLD provides for the synergy and significant expansion of LDAUN Group, involving in various prestigious projects amongst which are the D'Kayangan and Bukit Bandaraya Shah Alam.

LDAUN Group is backed by the experience of more than 20 years of KLD in the construction and development of property. LDCSB's association with KLD provides LDAUN Group the strength and professional expertise to offer the very best in its field to its clients and business associates.

LDAUN Group strives to become a highly credible and respectable organisation in the construction industry, coherent with its vision and mission.





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GRAND &
MAJESTIC



BOARD OF DIRECTORS

NORAZMI BIN MOHAMED NURDIN
(Chairman/Managing Director)

TAN SRI DATUK ADZMI
BIN ABDUL WAHAB
(Independent Non-Executive Director)

DATUK MOHD HASHIM BIN HASSAN
(Independent Non-Executive Director)

DATO' NIK ISMAIL
BIN DATO' NIK YUSOFF
(Independent Non-Executive Director)

DATO' NOOR AZMAN @
NOOR HIZAM BIN MOHD NURDIN
(Non-Independent Non-Executive Director)

HAZLI BIN IBRAHIM
(Independent Non-Executive Director)
(Appointed on 13 April 2010)

PROF DR. HAMZAH BIN ISMAIL
(Independent Non-Executive Director)
(Resigned on 13 April 2010)

AUDIT COMMITTEE

HAZLI BIN IBRAHIM *(Chairman)*
(Appointed on 13 April 2010)

PROF DR. HAMZAH BIN ISMAIL
(Chairman)
(Resigned on 13 April 2010)

TAN SRI DATUK ADZMI
BIN ABDUL WAHAB

DATO' NIK ISMAIL
BIN DATO' NIK YUSOFF

NOMINATION COMMITTEE

DATO' NIK ISMAIL
BIN DATO' NIK YUSOFF *(Chairman)*

DATUK MOHD HASHIM BIN HASSAN

HAZLI BIN IBRAHIM
(Appointed on 13 April 2010)

PROF DR. HAMZAH BIN ISMAIL
(Resigned on 13 April 2010)

REMUNERATION COMMITTEE

DATUK MOHD HASHIM BIN HASSAN
(Chairman)

DATO' NIK ISMAIL
BIN DATO' NIK YUSOFF

HAZLI BIN IBRAHIM
(Appointed on 13 April 2010)

PROF DR. HAMZAH BIN ISMAIL
(Resigned on 13 April 2010)

COMPANY SECRETARY

Shahril Najmiddin Bin Muda
(MIA 15311)

AUDITORS

KPMG
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 603-7721 3388
Fax. No. : 603-7721 3399

SOLICITORS

Zul Rafique & Partners
Salehuddin Saidin & Associates

REGISTERED OFFICE

Wisma Lebar Daun
No. 2, Jalan Tengku Ampuan
Zabedah J9/J
Seksyen 9, 40000 Shah Alam
Selangor Darul Ehsan
Tel. No. : 603-5511 1333
Fax. No. : 603-5511 1888
Website : www.lebardaunberhad.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 603-7841 8000
Fax. No. : 603-7841 8008

PRINCIPAL BANKERS

CIMB Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad



ELEGANT
& LUXURIOUS





Profile of the Board of Directors

NORAZMI BIN MOHAMED NURDIN

Aged 44, Malaysian, was appointed as Chairman and Managing Director of Lebar Daun Berhad ("LDAUN") on 7 January 2004. He holds a Degree in Civil Engineering and also a Degree in Engineering Management from the University of Portland, USA. He started his career with Petronas Berhad in November 1992 as Senior Executive, Tender and Contract Division. He was with the company until 1996. Prior to joining the LDAUN Group, he was the General Manager of Putrajaya Holdings Sdn Bhd and also served in various senior positions in several other private companies under Putrajaya Holdings Sdn Bhd. He is the key personnel in the management team that runs the day-to-day operations of LDAUN Group. He also sits on the boards of several other private companies. He does not hold any other directorships of public companies. He holds a total of 86,158,800 ordinary shares (direct and indirect) in LDAUN and is deemed to have an interest in the shares of the subsidiary companies to the extent held by LDAUN. He is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, a Non-Independent Non-Executive Director and major shareholder of LDAUN and Encik Norazlan bin Mohamad Nordin, a major shareholder of LDAUN and the brother-in-law to Datin Nor Hayati bt Abd Malik, a major shareholder of LDAUN. He does not have any conflict of interest with the Company except for the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the LDAUN Group for which he is deemed to be interested as disclosed in page 18 of this Annual Report. He attended all the six board meetings held during the financial year ended 31 December 2009.

TAN SRI DATUK ADZMI BIN ABDUL WAHAB

Aged 67, Malaysian, was appointed as Independent Non-Executive Director of LDAUN on 13 December 2007. He is a member of the Audit Committee. He holds a Bachelor of Arts (Hons) Degree in Economics and a Post Graduate Diploma in Public Administration from the University of Malaya and a Master of Business Administration from the University of Southern California, USA. He was appointed as the longest serving Managing Director of Edaran Otomobil Nasional Berhad (EON) in November 1992 until May 2005. In 2003, he was conferred Malaysia CEO of the Year by AMEX and Business Times. He was first Chairman of the Malaysian Franchise Association from 1994 to 2005 and also the first Chairman of the Asia Pacific Franchise Confederation in 1998-1999. He was co-Chairman of World Franchise Council (WFC) and Asia Pacific Franchise Confederation (APFC) meetings in Kuala Lumpur 1998 and 2003. He served the Malaysian Administrative and Diplomatic Service in various capacities from 1967 to 1982 in the following areas: Central Procurement and Contract Management in Ministry of Finance, Investment Promotion in Pahang Tenggara Development Authority, Public Enterprise Management in Implementation Coordination Unit (Prime Minister's Department), Regional Planning in Klang Valley Planning Secretariat (Prime Minister's Department). He was a Manager, Corporate Planning Division of HICOM Berhad involved in development of heavy industries projects from 1982 to 1985. He served PROTON in 1985 to 1992 and his last position in PROTON was Director/Corporate General Manager, Administration and Finance Division. He has wide experience of over 20 years serving as a chairman and director of HICOM, PROTON and EON Group of Companies involved in automotive (car manufacturing, distribution and component), property development, telecommunication, general trading, life insurance and franchise businesses. He currently also sits on the boards of Magna Prima Berhad, Dataprep Holdings Bhd and other private companies involved in ICT, property development and construction, manufacturing, automotive and franchise businesses. He is also Advisor to the Malaysian Franchise Association. He does not hold any ordinary shares in LDAUN. He does not have any family relationship with any Director and/or major shareholder of LDAUN and has no conflict of interest with LDAUN. He attended all the six board meetings held during the financial year ended 31 December 2009.



profile of the board of directors

DATUK MOHD HASHIM BIN HASSAN

Aged 65, Malaysian, was appointed as Independent Non-Executive Director of LDAUN on 7 January 2004. He serves as the Chairman of the Remuneration Committee and is a member of the Nomination Committee. He holds a Bachelor of Agriculture Science (Hons) Degree from the University of Malaya, a Master in Business Administration from Ohio University, USA and also a Master of Science (Food Science) from Michigan State University, USA. He has held various key positions in the government, semi-government and private sectors and his prominent career highlights include appointments as Chief Executive Officer of Kedah State Development Corporation from 1993 until 1996, Managing Director of Kulim Technology Park Corporation from 1994 until 1996, Executive Chairman of Bina Darulaman Berhad from 1994 until 1997 and Director/Chief Executive Officer of Putrajaya Holdings Sdn Bhd from 1996 until 2002 and subsequently appointed as the Chairman of the company from 2002 to 2003. He currently also serves as the Chairman of EXIM Bank Malaysia Berhad and sits on the boards of Amanah Raya Berhad and several other private companies. He does not hold any ordinary shares in LDAUN. He does not have any family relationship with any Director and/or major shareholder of LDAUN and has no conflict of interest with LDAUN. He attended three out of six board meetings held during the financial year ended 31 December 2009.

DATO' NIK ISMAIL BIN DATO' NIK YUSOFF

Aged 64, Malaysian, was appointed as Independent Non-Executive Director of LDAUN on 7 January 2004. He serves as the Chairman of the Nomination Committee and is a member of the Audit and Remuneration Committees. He obtained a Diploma in Police Science from the University of Kebangsaan Malaysia. He began his career with the Royal Malaysia Police in 1965, where he served in numerous senior positions within the Royal Malaysia Police such as the Head of Special Branch, Terengganu (1982-1983), Commandant Special Branch Training School (1989-1992), Deputy Director Special Branch 1 (1995-1997), and Chief Police Officer of Terengganu (1997), Kedah (1997-1999), Selangor (1999-2001). He retired from the force as the Deputy Commissioner of Police in 2001. He currently also sits on the boards of Malaysian AE Models Holdings Berhad and several other private companies. He does not hold any ordinary shares in LDAUN. He does not have any family relationship with any Director and/or major shareholder of LDAUN and has no conflict of interest with LDAUN. He attended all the six board meetings held during the financial year ended 31 December 2009.

DATO' NOOR AZMAN @ NOOR HIZAM BIN MOHD NURDIN

Aged 48, Malaysian, was appointed as Non-Independent Non-Executive Director of LDAUN on 7 January 2004. He graduated with an Honours in Business Management degree from the University of Kebangsaan Malaysia. He began his career as a Corporate and Retail Banking Executive with MUI Bank Berhad in 1985. He left MUI Bank Berhad in 1988 to set up Lebar Daun Construction Sdn. Bhd.. He also sits on the boards of several other private companies. He does not hold any other directorships of public companies. He holds a total of 86,158,800 ordinary shares (direct and indirect) in LDAUN and is deemed to have an interest in the shares of the subsidiary companies to the extent held by LDAUN. He is the spouse of Datin Nor Hayati bt Abd Malik, a major shareholder of LDAUN and the brother of Encik Norazmi bin Mohamed Nurdin, the Chairman and Managing Director and a major shareholder of LDAUN and Encik Norazlan bin Mohamad Nordin, a major shareholder of LDAUN. He does not have any conflict of interest with the Company except for the recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the LDAUN Group for which he is deemed to be interested as disclosed in page 18 of this Annual Report. He attended five out of six board meetings held during the financial year ended 31 December 2009.

HAZLI BIN IBRAHIM

Aged 47, Malaysian, was appointed as Independent Non-Executive Director of LDAUN on 13 April 2010. He serves as the Chairman of the Audit Committee and is a member of the Nomination and Remuneration Committees. He holds a Bachelor of Finance with Accounting from the University of East London and a fellow of the Association of Chartered Certified Accountants and a Master of Business Administration (Finance) from Cass Business School, London. He started his career in London with several chartered accountants firms. Upon his return to Malaysia in August 1994, he joined Aseambankers Malaysia Berhad, an investment banking arm of Malayan Banking Berhad as Manager of Corporate Finance. Subsequently in November 1996, he moved to Amanah Merchant Bank Berhad. He left Amanah Group in September 1998 to join Pengurusan Danaharta Nasional Berhad ("Danaharta"), a national asset management company of Malaysia, as the Head of Corporate Planning, Corporate Services Division. He left Danaharta in October 2002 to set up Haz-iq Capital Sdn. Bhd., a consultancy firm, specializing in corporate finance works, where he is currently the Managing Director. He has extensive experience in investment banking and capital markets. He currently sits on the boards of Mentiga Corporation Berhad and DutaLand Berhad and several other private companies. He holds a total of 711,400 ordinary shares (direct and indirect) in LDAUN and is deemed to have an interest in the shares of the subsidiary companies to the extent held by LDAUN. He does not have any family relationship with any Director and/or major shareholder of LDAUN and has no conflict of interest with LDAUN. He did not attend any board meetings held during the financial year ended 31 December 2009 as he was appointed to the Board on 13 April 2010.



STYLISH & PRACTICAL





Chairman's Statement

DEAR VALUED SHAREHOLDERS,

*ON BEHALF OF THE BOARD OF DIRECTORS OF
LEBAR DAUN BERHAD, I AM PLEASED TO
PRESENT THE ANNUAL REPORT 2009 AND THE
AUDITED FINANCIAL STATEMENTS OF THE
COMPANY AND GROUP FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2009.*

REVIEW OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

The 2009 global economy was very much affected by the significant volatility of the financial markets caused by the 2008 global financial crisis. As a result, the local business environment also experienced a slowdown due to reduced demands in all sectors of the economy. Despite these scenarios, there were positive signs of recovery towards the end of 2009. This is mainly attributed to Malaysia's strong fundamentals and steps taken by the government to enhance productivity and make Malaysia a high value economy.

FINANCIAL HIGHLIGHTS

For the financial year ended 31 December 2009, the Group registered a pre-tax profit of RM2.495 million as compared with RM233,000 achieved in the last financial year. In addition, turnover increased from RM48.874 million last year to RM76.800 million this year. The increase in revenue was mainly attributed to the improved progress at site of several construction contracts undertaken by the Group.

As at 31 December 2009, the Company's issued and paid-up share capital remained at RM68.242 million with shareholders' fund and net asset per share increased marginally to RM118.215 million and RM0.866, from RM116.761 million and RM0.855 a year before, respectively.



chairman's statement



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On 22 April 2010, the Group disclosed that the pre-tax profit of RM2.495 million was adjusted from RM5.616 million which was a deviation from the original results as announced on 23 February 2010. This was due to a claim as a result from an unfavourable outcome from the arbitration case between the Company's wholly-owned subsidiary, Lebar Daun Construction Sdn Bhd and third party entities of which was not provided in the Group's unaudited results.

REVIEW OF OPERATIONS

Despite the general economic slowdown, the Group showed perseverance and resilient where it managed to produce a set of positive financial results for 2009. Apart from the construction of private residential homes, the construction of Selangor Syariah Court Head Quarters and nine (9) other Syariah Lower Courts throughout Selangor is on schedule and is expected for completion in 2011. Another new project, the construction of roadworks in Meru, Klang commenced in 2009 and is expected to be completed in 2011.

The year under review also saw the Group continued with the construction of private residential homes with the launches of new phases in D'Kayangan and Bukit Bandaraya Shah Alam and other residential property development projects. Despite the economic uncertainties, the sales of private residential homes constructed by the Group have not been severely affected.

DIVIDEND

In view of the uncertainties of the current economy, the Board has decided that priority be given to the Group's cash requirements and thus has not recommended any dividend payment for the financial year ended 31 December 2009.



BUSINESS OUTLOOK AND DIRECTION

The Group will focus on securing more construction jobs in 2010 to increase its revenue and building a strong order book. To achieve this, the Group will be more active in its bidding for construction jobs in the public as well as in the private sectors.

On private residential projects, the Group expects the market to be better in 2010 as compared with last year. This is mainly attributed to the evidence that the domestic economic activity is picking up from the increasing property sales.

Going forward, the Group foresees the overall market for local construction industry will remain active in 2010. Despite this, the Group will remain cautious in view of the uncertainties and will continue to focus on cost control measures and to increase productivity to meet the challenges ahead. Against this basis, we anticipate the Group's performance in 2010 will improve from that of 2009.

ACKNOWLEDGEMENTS

On behalf of the Board, I am pleased to welcome Encik Hazli Bin Ibrahim to the Board. I would also like to take this opportunity to thank our director, Prof Dr. Hamzah Bin Ismail, who has resigned, for his invaluable contributions to the Board and the Group during his tenure.

I wish to thank the management and staff for their dedication, contributions, loyalty and trust over the years to ensure the continued growth and success of the Group. Further, I would like to extend my sincere appreciation to all our bankers, clients, suppliers and business associates for the support and confidence. I would also like to express my utmost appreciation to my fellow board members for their valuable contribution and commitment. Last but not least, my sincere gratitude to all shareholders for the continued support to the Group.

NORAZMI BIN MOHAMED NURDIN
Chairman/Managing Director

Corporate Social Responsibility



The Board of Directors of Lebar Daun Berhad recognises the importance of practising the Corporate Social Responsibility (CSR) as it will bring value to the Company's business operations and at the same time, deliver sustainable value to the society at large.

Lebar Daun Berhad and its subsidiaries ("LDAUN Group") is committed to undertake its CSR practices, with the belief that these initiatives will have positive impact on the Environment, Workplace, Community and Marketplace.

The CSR initiatives undertaken by the Group are summarised below:-

ENVIRONMENT

The nature of our business activities has a major impact on the environment in which we operate. We have taken many steps to mitigate or minimise adverse impacts arising from our construction activities, including water sprinkling to reduce dust pollution, controlled open burning and proper handling of waste and construction debris to reduce air pollution and adoption of proper piling methods to mitigate noise pollution. We will continue to adhere to the environmental standards set by the local authorities at our construction sites. In addition, we have implemented the recycling of office stationery and used papers and promoted good practices on energy saving at our corporate office.

WORKPLACE

We are committed to provide a safe and healthy working environment for our employees. Construction workers are provided with safety equipment and are briefed on working procedures in relation to the health and safety matters. Briefings on safety matters are conducted regularly to instill safety consciousness in the staff and workers as to enhance safety and health in the working environment as well as to reduce and avoid any incident or accident at the workplace.

We always believe a healthy mind starts with a healthy body. LDAUN Sport Club has organised various sporting and fitness activities like badminton matches and aerobics dances to promote healthy lifestyle for the staff. In addition, efforts were also made to promote staff interaction and to instill a sense of belonging amongst the staff by organising indoor games tournaments, holding Family Day and celebrating staffs' birthday.

COMMUNITY

LDAUN Group always supports and participates in community activities and also encourages its employees to support and participate in charitable activities or community work of any kind. Over the years, LDAUN Group has offered Industrial Training Programmes for University pre-graduates. Besides, LDAUN Group also makes monetary donations and contributions to the charitable organisations from time to time.

MARKETPLACE

At the marketplace, we always endeavor to deliver good quality products to our clients and have thus focused on the quality management system of our operations. The construction division of LDAUN Group has obtained the ISO 9001:2000 certification. Additionally, LDAUN Group operates in tandem with its vision through sound business practices, effective management and good corporate governance with the aim of enhancing the stakeholders' value.



Statement on Corporate Governance

The Board of Directors of Lebar Daun Berhad ("the Board") recognises the importance of practising the highest standards of corporate governance throughout the Company and its subsidiaries ("the Group") and fully supports the recommendations of the Malaysian Code on Corporate Governance ("the Code"). The Board constantly strives to ensure that the highest standards of corporate governance are practised throughout the Group to protect and enhance shareholders' value and the financial performance of the Group as a part of its fiduciary duties.

The Board is pleased to report on the manner the Group has applied the principles and the extent of compliance with the best practices of the Code throughout the financial year ended 31 December 2009.

THE BOARD OF DIRECTORS

Board Composition, Duties and Responsibilities

The Board currently has six members, comprising the Chairman/Managing Director, four Independent Non-Executive Directors and a Non-Independent Non-Executive Director. With this composition, the Board satisfies the requirement of having at least one third of its members as Independent Directors. All the Independent Directors are independent of the Management and are free from any business or other relationship that would materially interfere with the exercise of their independent judgement. The Board is of the view that four Independent Directors fairly reflect the interests in the Company by the minority shareholders. The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise to enable the Board in discharging its duties and responsibilities effectively. A brief description on the background of the Directors is presented on pages 6 and 7 of this Annual Report.

The Board has overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the resources, investments and businesses of the Group. All Board members participate fully in major decisions and key issues involving the Group such as approval of quarterly and annual results, budgets, significant acquisitions and disposals of assets, major capital expenditure as well as long term strategic planning for the Group.

The roles of the Chairman and Managing Director are combined and currently held by Encik Norazmi bin Mohamed Nurdin. This is perceived as appropriate and in the best interest of the Group as he has extensive knowledge and experience in the Group's businesses, policies and administrative matters and is able to lend a hands-on approach in managing the Group. The Board is mindful of the dual role held by him but is of the opinion that the current Board composition reflects a strong independent element so that no individual has unfettered power of decision and no small group of individuals dominates the Board decision making.

The Board has identified Dato' Nik Ismail bin Dato' Nik Yusoff as the Senior Independent Non-Executive Director to whom all concerns regarding the Company may be conveyed.

Board Meetings and Supply of Information

The Board meets on a scheduled basis at least four times a year, with additional meetings convened when necessary. During the financial year, six Board meetings were held and the details of attendance of each Director at the Board meetings are recorded within the Profile of the Board of Directors on pages 6 and 7 of this Annual Report.

Prior to each Board meeting, all Directors are provided with a set of board papers with details on matters to be discussed at the meeting.

All members of the Board have unrestricted access to the advice and services of the senior managers and the company secretary. The company secretary is responsible for ensuring that all Board meeting procedures are followed and that all applicable rules and regulations are complied with.

Directors may obtain independent professional advice in furtherance of their duties, at the Company's expense.

Appointment to the Board

In order to comply with good practice for the appointment of new directors through a formal and transparent procedure, the Board has set up a Nomination Committee, which comprised exclusively of Non-Executive Directors, to evaluate and recommend candidates for directorships to the Board.

statement on corporate governance



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Re-election of Directors

In accordance with the Company's Articles of Association, one-third of the Directors for the time being, or, if their number is not three, or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election Provided Always that all Directors including a Managing Director shall retire from office once at least in each three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the Annual General Meeting at which he retires.

The Articles of Association also provide that any Director who is appointed from time to time shall hold office only until the next Annual General Meeting of the Company, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Directors' Training

At present, the Company does not have a formal orientation programme for the newly appointed Directors. However, newly appointed Directors will be provided with relevant information pertaining to the Group, including visits to the Group's operating sites and meetings with senior management to facilitate their understanding of the nature of business and strategy of the Group.

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board will continue to evaluate and determine the training needs of its Directors from time to time to enhance their skills and knowledge so as to enable them to discharge their duties as Directors more effectively.

During the financial year, except for Datuk Mohd Hashim Bin Hassan who did not attend any training programmes due to his busy business schedules, the other Directors have attended the seminar on the Blue Ocean Strategy. In addition, the Directors have been briefed and updated by the external auditors, the company secretary and the senior management on relevant new regulations and statutory requirements during the Audit Committee and Board meetings.

BOARD COMMITTEES

The Board, in discharging its fiduciary duties, is assisted by the following Board Committees, each entrusted with specific tasks and operate within clearly defined terms of reference.

Audit Committee

The Audit Committee was established on 14 January 2004. It presently comprises of three Independent Non-Executive Directors. The Audit Committee Report is set out on pages 19 to 22 of this Annual Report.

Nomination Committee

The Nomination Committee was established on 12 May 2004 and comprises of the following members:-

Chairman

Dato' Nik Ismail bin Dato' Nik Yusoff (*Independent Non-Executive Director*)

Members

Datuk Mohd Hashim bin Hassan (*Independent Non-Executive Director*)

Hazli bin Ibrahim (*Independent Non-Executive Director*)(Appointed on 13 April 2010)

Prof Dr. Hamzah bin Ismail (*Independent Non-Executive Director*)(Resigned on 13 April 2010)

The Nomination Committee is responsible for making recommendations to the Board on all new Board and Board Committees appointment. The Nomination Committee will also review the required mix of skills and experience of the directors of the Board in determining the appropriate Board balance and size of non-executive participation.

statement on corporate governance

**Remuneration Committee**

The Remuneration Committee was established on 12 May 2004 and comprises of the following members:-

Chairman

Datuk Mohd Hashim bin Hassan (*Independent Non-Executive Director*)

Members

Dato' Nik Ismail bin Dato' Nik Yusoff (*Independent Non-Executive Director*)

Hazli bin Ibrahim (*Independent Non-Executive Director*) (*Appointed on 13 April 2010*)

Prof Dr. Hamzah bin Ismail (*Independent Non-Executive Director*) (*Resigned on 13 April 2010*)

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration packages of Executive Chairman, Managing Director and Executive Directors of the Company in all its forms, drawing from outside advice as necessary. The determination of remuneration packages of Non-Executive Directors is the responsibility of the Board as a whole. Individual directors will abstain from deliberations and voting on decisions in respect of their own remuneration package.

DIRECTORS' REMUNERATION

The objective of the Company's policy on Directors' remuneration is to attract and retain experienced and capable Directors to run the Group successfully. In the case of Executive Directors, the component parts of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The Directors' remuneration paid or payable to all the Directors of the Company for the financial year ended 31 December 2009 are as follows:-

	Fees RM	Salaries RM	Total RM
Executive Director	-	204,000	204,000
Non-Executive Directors	150,000	-	150,000
Total	150,000	204,000	354,000

The number of Directors of the Company whose total remuneration falls within the following bands are as follows:-

Range of Remuneration	Executive	Non-Executive
Less than RM50,000	-	5
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	1	-

There is only one Executive Director whose remuneration details have been disclosed as above. The Board is of the view that it's not necessary to give break-up of remuneration of Non-Executive Directors, which is not considered significant.

statement on corporate governance



SHAREHOLDERS

The Board acknowledges the need for shareholders to be informed on all material business matters affecting the Group. In addition to the various announcements made, the timely release of financial results on a quarterly basis provides shareholders and the investing public with an overview of the Group's performance and operations.

In addition, the Board encourages full participation by shareholders at every Annual General Meeting and Extraordinary General Meeting of the Company and opportunity is given to the shareholders to make relevant enquiries and seek clarification on the Group's business activities and financial performance.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospect at the end of the financial year, primarily through the annual financial statements and quarterly announcement of results to the shareholders as well as the Chairman's Statement in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' Responsibility Statement in respect of the Audited Financial Statements

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

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates. The Directors also have a general responsibility for taking such steps to safeguard the assets of the Group and to prevent and detect fraud and irregularities.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company, and ensuring that the financial statements comply with the Act and the applicable approved Financial Reporting Standards in Malaysia.

Internal Control

The Statement on Internal Control is set out on page 23 of this Annual Report.

Relationship with Auditors

The Group has established and maintained an appropriate and transparent relationship with the Group's auditors, both internal and external, particularly in seeking their professional advice and towards ensuring compliance with the accounting standards in Malaysia.

COMPLIANCE WITH BEST PRACTICES IN CORPORATE GOVERNANCE

The Board is of the opinion that the Group has principally complied with the Best Practices in Corporate Governance as set out in the Code throughout the financial year 2009 save as explained above.

statement on corporate governance



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ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information is provided:-

Utilisation of Proceeds

The Company did not raise any funds through any corporate proposals during the financial year.

Share Buybacks

The Company did not have a share buyback programme in place during the financial year.

Options, Warrants or Convertible Securities

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

Depository Receipt Programme

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

Imposition of Sanctions/Penalties

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

Non-Audit Fees

There were no non-audit fees paid to the external auditors by the Company during the financial year.

Variation in Results

The Company did not issue any profit estimates, forecasts or projections for the financial year.

The Group's Audited Financial Statements for the financial year ended 31 December 2009 recorded a Profit after Tax and Minority Interest of RM1.454 million as compared to the Group's Unaudited Results of a Profit after Tax and Minority Interest of RM4.575 million as announced on 23 February 2010.

The deviation of 68% is due to a claim as a result of an unfavourable outcome from the Arbitration between Lebar Daun Construction Sdn Bhd ("LDCSB"), a wholly-owned subsidiary of the Company and Baktian Sdn Bhd & O-Stable Panels Sdn Bhd ("Claimants") of which has not been provided in the Group's Unaudited Results.

The provision was not made earlier due to management was confident that the decision will be in favour of LDCSB based on the legal opinion provided by the LDCSB's solicitors and from the factual situation of the case.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year or entered into since the end of the previous financial year except for those recurrent related party transactions of a revenue or trading nature entered into for which shareholders' mandate had been secured.

statement on corporate governance



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Recurrent Related Party Transactions of a Revenue or Trading Nature

Breakdown of the aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year are as follows:-

Nature of Transactions	Interested Related Party	Transaction Value for the Financial Year Ended 31 December 2009 RM
Construction works awarded to Lebar Daun Construction Sdn Bhd (LDCSB) by Lebar Daun Development Sdn Bhd (LDDSB)	Norazmi bin Mohamed Nurdin ⁽¹⁾ Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin ⁽²⁾ Noorazhar bin Mohamed Nurdin ⁽³⁾ Datin Nor Hayati bt Abd Malik ⁽⁴⁾	11,702,228
Letting of office premises to LDDSB by LDCSB	Norazmi bin Mohamed Nurdin ⁽¹⁾ Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin ⁽²⁾ Noorazhar bin Mohamed Nurdin ⁽³⁾ Datin Nor Hayati bt Abd Malik ⁽⁴⁾	159,600
Letting of office equipment and furniture to LDDSB by LDCSB	Norazmi bin Mohamed Nurdin ⁽¹⁾ Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin ⁽²⁾ Noorazhar bin Mohamed Nurdin ⁽³⁾ Datin Nor Hayati bt Abd Malik ⁽⁴⁾	42,000
Construction works awarded to LDCSB by Basco Sdn Bhd (BASCO)	Norazmi bin Mohamed Nurdin ⁽¹⁾ Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin ⁽²⁾ Noorazhar bin Mohamed Nurdin ⁽³⁾ Norazlan bin Mohamad Nordin ⁽⁵⁾ Fatmawati bt Kasbin ⁽⁶⁾	53,187,306
Construction works awarded to BASCO by LDCSB	Norazmi bin Mohamed Nurdin ⁽¹⁾ Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin ⁽²⁾ Noorazhar bin Mohamed Nurdin ⁽³⁾ Norazlan bin Mohamad Nordin ⁽⁵⁾ Fatmawati bt Kasbin ⁽⁶⁾	7,164

Notes:-

- (1) Norazmi bin Mohamed Nurdin is the Chairman/Managing Director and a major shareholder of Lebar Daun Berhad (LDAUN) and a Director of LDCSB (a wholly-owned subsidiary of LDAUN) and LDDSB. He is the brother of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Noorazhar bin Mohamed Nurdin and Norazlan bin Mohamad Nordin and the brother-in-law to Datin Nor Hayati bt Abd Malik and Fatmawati bt Kasbin.
- (2) Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin is a Non-Independent Non-Executive Director and major shareholder of LDAUN and a Director of LDCSB. He is also a Director and major shareholder of LDDSB. He is the spouse of Datin Nor Hayati bt Abd Malik and the brother of Norazmi bin Mohamed Nurdin, Noorazhar bin Mohamed Nurdin and Norazlan bin Mohamad Nordin and the brother-in-law to Fatmawati bt Kasbin.
- (3) Noorazhar bin Mohamed Nurdin is a Director of LDCSB and LDDSB. He is the brother of Norazmi bin Mohamed Nurdin, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and Norazlan bin Mohamad Nordin and the brother-in-law to Datin Nor Hayati bt Abd Malik and Fatmawati bt Kasbin.
- (4) Datin Nor Hayati bt Abd Malik is a major shareholder of LDAUN. She is also a Director and deemed major shareholder of LDDSB. She is the spouse of Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and the sister-in-law to Norazmi bin Mohamed Nurdin, Noorazhar bin Mohamed Nurdin, Norazlan bin Mohamad Nordin and Fatmawati bt Kasbin.
- (5) Norazlan bin Mohamad Nordin is a major shareholder of LDAUN. He is also a Director and major shareholder of BASCO. He is the spouse of Fatmawati bt Kasbin and the brother of Norazmi bin Mohamed Nurdin, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin and Noorazhar bin Mohamed Nurdin and the brother-in-law to Datin Nor Hayati bt Abd Malik.
- (6) Fatmawati bt Kasbin is a Director and deemed major shareholder of BASCO. She is the spouse of Norazlan bin Mohamad Nordin and the sister-in-law to Norazmi bin Mohamed Nurdin, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin, Noorazhar bin Mohamed Nurdin and Datin Nor Hayati bt Abd Malik.

Revaluation of Landed Properties

The Company did not have any revaluation policy on landed properties during the financial year.

Audit Committee Report



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MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee presently comprises the following members:-

Chairman

Hazli Bin Ibrahim (*Independent Non-Executive Director*) (*Appointed on 13 April 2010*)

Prof Dr. Hamzah Bin Ismail (*Independent Non-Executive Director*) (*Resigned on 13 April 2010*)

Members

Tan Sri Datuk Adzmi Bin Abdul Wahab (*Independent Non-Executive Director*)

Dato' Nik Ismail Bin Dato' Nik Yusoff (*Independent Non-Executive Director*)

TERMS OF REFERENCE

1. Objectives

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies. In addition, the Audit Committee shall:-

- a) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) determine the adequacy of the Group's administrative, operating and accounting controls.

2. Membership

The Audit Committee shall be appointed by the Board of Directors from among their number, which fulfils the following requirements:-

- a) the Audit Committee must be composed of no fewer than three (3) members;
- b) all the Audit Committee members must be non-executive directors, with a majority of them being independent directors; and
- c) at least one (1) member of the Audit Committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

No alternate director shall be appointed as a member of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 2 (a) to (c) above, the vacancy must be filled within three (3) months of that event.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.



3. Functions

The functions of the Audit Committee are as follows:-

- a) To review the following and report the same to the Board of Directors:-
 - i) with the external auditor, the audit plan;
 - ii) with the external auditor, his evaluation of the system of internal controls;
 - iii) with the external auditor, his audit report;
 - iv) the assistance given by the Company's employees to the external auditor; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- b) To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of a person or persons as external auditors;
- c) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly results and year-end financial statements before recommending for the Board of Directors' approval, focusing particularly on:-
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- f) To review the external auditors' management letter and management's response;
- g) In relation to Internal Audit function:-
 - Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;
 - Approve any appointments or termination of senior staff members of the internal audit function;
 - Inform itself of resignations of internal audit staff members and provide the resigning staff members an opportunity to submit his reasons for resigning;
 - Review and assess the adequacy of the risk management framework and risk assessment.
- h) To consider the major findings of internal investigations and management's response;
- i) To report to the Bursa Malaysia Securities Berhad matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- j) To consider other areas as defined by the Board of Directors.



4. *Authority*

The Audit Committee shall, whenever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

5. *Meetings*

The Audit Committee shall meet at least four (4) times a year and shall hold such additional meetings as the Chairman shall decide in order to fulfill its duties.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member or the internal or external auditors.

A resolution in writing, signed by all the committee members shall be as valid and effective as if it had been deliberated and decided upon at a meeting of the Audit Committee.

Unless otherwise determined by the Audit Committee from time to time, a seven (7) days' notice of all Audit Committee's meetings shall be given to all the committee members either personally or by electronic or by facsimile transmission.

The Head of Internal Audit Department shall be expected to attend all meetings of the Audit Committee.

The Audit Committee may invite other directors and employees of the Company and of the Group, the external auditors or any other person to be in attendance to assist it in its deliberations. However, at least twice a year the Audit Committee shall meet with the external auditors without executive board members present.

A quorum shall consist of a majority of independent directors and shall not be less than two (2).

If at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the committee members present shall elect a Chairman from among the independent directors.

Any questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote except where the quorum is made up of only two (2) members or where only two (2) members are competent to vote on the question at issue.

The Company Secretary shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it in a timely manner, supported by explanatory documentation to committee members prior to each meeting.

The secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

audit committee report



MEETINGS

During the financial year ended 31 December 2009, six (6) Audit Committee Meetings were held and the details of attendance of each Audit Committee member are as follows:-

Audit Committee Members	No. of Meetings Attended
Prof Dr. Hamzah Bin Ismail	3/6
Tan Sri Datuk Adzmi Bin Abdul Wahab	6/6
Dato' Nik Ismail Bin Dato' Nik Yusoff	6/6

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee has discharged its duties as set out in its Terms of Reference, which accompany this Report. During the year under review, the following were the activities of the Audit Committee:-

- i) Reviewed, discussed and approved the audit plans for the year for the Group and the Company presented by the internal auditor.
- ii) Reviewed the adequacy of the scope, functions and staffing requirements of Group's Internal Audit Department to ensure that it was adequately staffed by employees with the relevant skills, knowledge and experience to enable the Group's Internal Audit Department to perform its role and that it has the necessary authority to carry out its work.
- iii) Reviewed the internal audit reports. The Audit Committee was briefed on the audit reports issued and on the issues raised by the Internal Auditor on various aspects of the system in operation, practices and procedures and internal controls. Special notice was taken of significant issues raised in the audit reports and that adequate corrective actions have been taken by the Operating Management to rectify the weaknesses.
- iv) Reviewed the external auditors' scope of work and audit plan of the year.
- v) Reviewed the quarterly results and year-end financial statements prior to the approval by the Board of Directors focusing particularly on:-
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements.
- vi) Reviewed the related party transactions and conflict of interest situation that may arise within the Group including any transactions, procedure or course of conduct that raises questions of Management integrity.
- vii) Commissioned special reviews on specific areas of operations.

INTERNAL AUDIT FUNCTION

The Group had an Internal Audit Department which is independent of the activities or operations of the Group and which provides the Audit Committee and the Board with much of the assurance it requires regarding the adequacy and integrity of the internal control.

Its principal responsibility is to undertake regular and systematic review of the system of internal control so as to provide a reasonable assurance that such system operates satisfactorily and effectively in the Group and report to the Audit Committee on a quarterly basis. Internal audit strategy and a detailed Audit Plan are presented to the Audit Committee for approval. The internal audit function adopts a risk-based approach in preparing its audit strategy and plan. The internal audit strategy and plan is developed based on the risk assessment of the Group. The Board ensures that appropriate management responses are given to any key audit findings and the relevant corrective and/or preventive actions are undertaken.

The Board, together with the Internal Audit Department and the Management, are taking the necessary measures for the continuous improvement of the internal control environment.

During the financial year, the total cost incurred for the internal audit function is RM31,200.00.

Statement on Internal Control



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INTRODUCTION

The Malaysian Code on Corporate Governance sets out the principle that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") requires the Board of Directors of listed companies to include a statement on internal control in its annual report.

RESPONSIBILITY

The Board of Directors of the Company recognises the importance of a sound system of internal control as part of good corporate governance within the Group. The Board affirms its overall responsibility for the Group's system of internal control and for the review of its adequacy and integrity. The Group has developed an internal control system with on-going processes to:-

- Identify, evaluate, monitor and manage significant risk affecting achievement of the Group's business objectives; and
- Review the adequacy and integrity of the Group's system of internal control itself.

However, such a system is designed to manage risk rather than to eliminate risk of failure to achieve the policies and business objectives of the Group. It can only provide reasonable assurance, but not absolute assurance, against material misstatement of management and financial information and records or against financial losses or fraud.

The Board is of the view that the system of internal control in place for the year under review and up to the date of issuance of the annual report and financial statements is sound and sufficient based on the review performed by the internal audit department to safeguard the shareholders' investment, the interests of customers, regulators and employees and the Group's assets.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

RISK MANAGEMENT FRAMEWORK

The Group's identification and review of risks are carried out during Head of Departments (HOD) meetings as an on-going process. The Group updates as required the status of its risk profile in the process of identifying, evaluating and managing the significant risks faced by the Group. The topics that were discussed include human resource, information system and information technology, project management, procurement and contract, and tender management.

The other key elements of the Group's system of internal control are as follows:-

- There is an organisation structure, which formally defines and entrench lines of responsibility and delegation of authority to ensure proper identification of accountabilities and segregation of duties.
- Key functions such as finance, tax and treasury, corporate and legal matters, human resource and administration, information technology are controlled centrally.
- HOD meetings were held nine (9) times during the year to review and oversee the Group's financial performance, business development, management and corporate issues.
- The Group produces consolidated quarterly performances, which allow the management to focus on areas of concern from the data captured in the financial system.
- The Audit Committee examines the effectiveness of the Group's systems of internal control on behalf of the Board. This is accomplished through review of the internal audit department's work. The internal audit department independently reviews the risk identification procedures and control processes implemented by the management and reports to the Audit Committee quarterly. Internal audit department also reviews the internal controls in the key activities of the Group's business and functional units in accordance with the audit plan approved by the Audit Committee and the Board.
- An Employee Handbook clearly emphasises ethical behaviour and working environment to enhance positive corporate values.
- Surprise visits to project sites by the Managing Director and senior management on an ad-hoc basis.

The Board is cognisant of the importance of maintaining appropriate controls and will continue to review the adequacy and integrity of the Group's system of internal control.

Directors' Report



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for the year ended 31 December 2009

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2009.

Principal activities

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit/(Loss) for the year	1,454,234	(441,041)

Reserves and provisions

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

Dividends

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

Directors of the Company

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

Norazmi bin Mohamed Nurdin
Tan Sri Datuk Adzmi bin Abdul Wahab
Datuk Mohd Hashim bin Hassan
Dato' Nik Ismail bin Dato' Nik Yusoff
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin
Hazli bin Ibrahim (appointed on 13.4.2010)
Prof Dr Hamzah bin Ismail (resigned on 13.4.2010)

Directors' interests

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

	Number of ordinary shares of RM0.50 each			
	At 1.1.2009	Bought	Sold	At 31.12.2009
Shareholdings in which Directors have direct interest				
Norazmi bin Mohamed Nurdin	8,082,000	-	-	8,082,000
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	59,751,000	-	-	59,751,000
Shareholdings in which Directors have deemed interests				
Norazmi bin Mohamed Nurdin	78,076,800	-	-	78,076,800
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	26,407,800	-	-	26,407,800

directors' report



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for the year ended 31 December 2009

Directors' interests (cont'd)

By virtue of their interests in the shares of the Company, Norazmi bin Mohamed Nurdin and Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Lebar Daun Berhad has an interest.

None of the other Directors holding office at 31 December 2009 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company) 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 as disclosed in Note 24 to the financial statements.

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

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

Other statutory information

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

directors' report



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for the year ended 31 December 2009

Other statutory information (cont'd)

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2009 have not been substantially affected by any item, transaction or event of a material and unusual nature except for the write back of investment in quoted shares of RM2,257,439 nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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

.....
Norazmi bin Mohamed Nurdin

.....
Dato' Nik Ismail bin Dato' Nik Yusoff

Shah Alam,

Date: 22 April 2010



Balance Sheets

at 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Assets					
Property, plant and equipment	3	3,700,429	4,030,798	12,019	32,622
Intangible assets	4	11,803,642	11,803,642	-	-
Investment properties	5	555,000	570,000	-	-
Investments in subsidiaries	6	-	-	74,562,969	74,500,002
Total non-current assets		16,059,071	16,404,440	74,574,988	74,532,624
Investment in quoted shares	7	10,892,207	8,634,768	-	-
Receivables, deposits and prepayments	8	162,059,976	155,380,314	3,939,690	4,411,620
Inventories	9	29,043	30,369	-	-
Current tax assets		560,964	430,357	27,294	27,294
Cash and cash equivalents	10	2,488,454	2,878,824	6,314	35,302
Total current assets		176,030,644	167,354,632	3,973,298	4,474,216
Total assets		192,089,715	183,759,072	78,548,286	79,006,840
Equity					
Share capital	11	68,241,838	68,241,838	68,241,838	68,241,838
Share premium		10,477,946	10,477,946	10,477,946	10,477,946
Retained earnings/(Accumulated losses)		39,495,124	38,040,890	(350,118)	90,923
Total equity		118,214,908	116,760,674	78,369,666	78,810,707
Liabilities					
Loans and borrowings	12	-	57,898	-	13,693
Deferred tax liabilities	13	391,829	254,479	-	-
Total non-current liabilities		391,829	312,377	-	13,693
Deferred income	14	2,634,942	5,155,776	-	-
Payables and accruals	15	64,116,695	53,893,104	164,927	164,926
Current tax liabilities		1,938	1,938	-	-
Loans and borrowings	12	6,729,403	7,635,203	13,693	17,514
Total current liabilities		73,482,978	66,686,021	178,620	182,440
Total liabilities		73,874,807	66,998,398	178,620	196,133
Total equity and liabilities		192,089,715	183,759,072	78,548,286	79,006,840

The notes on pages 32 to 56 are an integral part of these financial statements.

Income Statements



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for the year ended 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Revenue		76,799,728	48,873,849	-	-
Cost of sale		(69,036,813)	(40,935,344)	-	-
Gross profit		7,762,915	7,938,505	-	-
Other income		735,409	1,069,125	-	-
Administrative expenses		(7,855,172)	(4,775,917)	(439,895)	(341,315)
Write back/(down) of investments		2,257,439	(3,611,691)	-	-
Results from operating activities		2,900,591	620,022	(439,895)	(341,315)
Interest income		57,843	93,355	-	-
Finance costs		(463,030)	(480,069)	(1,146)	(2,033)
Profit/(Loss) before tax	16	2,495,404	233,308	(441,041)	(343,348)
Tax expense	18	(1,041,170)	(1,030,217)	-	-
Profit/(Loss) for the year attributable to shareholders of the Company		1,454,234	(796,909)	(441,041)	(343,348)
Basic earnings per ordinary share (sen)	19	1.06	(0.58)		

The notes on pages 32 to 56 are an integral part of these financial statements.



Consolidated Statement of Changes in Equity

for the year ended 31 December 2009

Group	<i>Non-distributable</i> Share capital RM	<i>Share</i> premium RM	<i>Distributable</i> Retained earnings RM	Total equity RM
At 1 January 2008	68,241,838	10,477,946	38,837,799	117,557,583
Loss for the year	-	-	(796,909)	(796,909)
At 31 December 2008	68,241,838	10,477,946	38,040,890	116,760,674
Profit for the year	-	-	1,454,234	1,454,234
At 31 December 2009	68,241,838	10,477,946	39,495,124	118,214,908
Company				
At 1 January 2008	68,241,838	10,477,946	434,271	79,154,055
Loss for the year	-	-	(343,348)	(343,348)
At 31 December 2008	68,241,838	10,477,946	90,923	78,810,707
Loss for the year	-	-	(441,041)	(441,041)
At 31 December 2009	68,241,838	10,477,946	(350,118)	78,369,666

The notes on pages 32 to 56 are an integral part of these financial statements.



Cash Flow Statements

for the year ended 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities					
Profit/(Loss) before tax		2,495,404	233,308	(441,041)	(343,348)
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment		355,668	380,385	20,603	20,604
Depreciation of investment properties	5	15,000	15,000	-	-
Dividend income		(533,809)	(712,250)	-	-
Finance costs		463,030	480,069	1,146	2,033
(Gain)/Loss on disposal of investment in quoted shares		-	(156,874)	-	-
Write (back)/down of investment in quoted shares		(2,257,439)	3,611,691	-	-
Interest income		(57,843)	(93,355)	-	-
Impairment in investment in subsidiary		-	-	137,033	-
Operating profit/(loss) before changes in working capital		480,011	3,757,974	(282,259)	(320,711)
Inventories		1,326	183,879	-	-
Payables and accruals		10,223,591	(14,484,609)	1	54,000
Receivables, deposits and prepayments		(9,181,787)	4,397,502	-	51,555
Cash generated from/(used in) operations		1,523,141	(6,145,254)	(282,258)	(215,156)
Interest received		57,843	111,031	-	-
Interest paid		(463,030)	(480,069)	(1,146)	(2,033)
Tax paid		(1,034,426)	(1,574,202)	-	-
Net cash from operating activities		83,528	(8,088,494)	(283,404)	(217,189)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(44,009)	(85,910)	-	-
Repayment/(Advance) to subsidiaries		-	-	471,930	(380,217)
Advance from related companies		-	134,002	-	-
Proceeds from disposal of quoted share investment		-	1,056,926	-	-
Dividend received		533,809	712,250	-	-
Investment in a subsidiary		-	-	(200,000)	-
Net cash generated from/(used in) investing activities		489,800	1,817,268	271,930	(380,217)
Cash flows from financing activities					
(Repayment)/Drawdown of borrowings		340,000	(57,000)	(13,693)	-
Repayment of hire purchase liabilities		(189,785)	(181,438)	(3,821)	(16,627)
Decrease in pledged deposits		516,840	1,010,832	-	-
Net cash generated from/(used in) financing activities		667,055	772,394	(17,514)	(16,627)
Net increase/(decrease) in cash and cash equivalents		1,240,383	(5,498,832)	(28,988)	(614,033)
Cash and cash equivalents at 1 January	(i)	(5,387,903)	110,929	35,302	649,335
Cash and cash equivalents at 31 December	(i)	(4,147,520)	(5,387,903)	6,314	35,302

cash flow statements



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for the year ended 31 December 2009

i) *Cash and cash equivalents*

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

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	10	273,985	147,515	6,314	35,302
Deposits placed with licensed banks	10	2,214,469	2,731,309	-	-
Bank overdraft repayable on demand - unsecured	12	(4,421,505)	(5,535,418)	-	-
		(1,933,051)	(2,656,594)	6,314	35,302
Less: Deposits pledged	10	(2,214,469)	(2,731,309)	-	-
		(4,147,520)	(5,387,903)	6,314	35,302

ii) *Acquisition of property, plant and equipment*

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM44,009 (2008 - RM85,910), of which RM Nil (2008 - Nil), were acquired by means of hire purchase plans.

Notes to the Financial Statements



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

Principal place of business and Registered office:

No 2, Jalan Tengku Ampuan Zabedah J9/J
Seksyen 9, 40000 Shah Alam
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the Group).

The Company is principally engaged in investment holding while the other Group entities are primarily involved in the construction, trading and services.

The financial statements were approved by the Board of Directors on 22 April 2010.

1. Basis of preparation

(a) Statement of compliance

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

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

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

- FRS 8, *Operating Segments*

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

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

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

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

notes to the financial statements



1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

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

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

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

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*

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

- from the annual period beginning 1 January 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, except for FRS 4 and IC Interpretation 11, 13 and 14 which are not applicable to the Group and Company; and
- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011 except for IC Interpretation 12, 15, 16 and 17 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), *Accounting Policies, Changes in Accounting Estimates and Errors*, in respect of applying FRS 4, FRS 7, FRS 139 and IC Interpretation 12 are not disclosed by virtue of the exemptions given in these respective FRSs.

Material impact of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively is disclosed below:

(i) FRS 8, *Operating Segments*

FRS 8 replaces FRS 114²⁰⁰⁴, *Segment Reporting* and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in the notes.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.



notes to the financial statements

1. Basis of preparation (cont'd)

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - measurement of the recoverable amounts of intangible assets
- Note 5 - valuation of investment properties
- Note 13 - recognition of deferred tax liabilities

2. Significant accounting policies

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

(a) Basis of consolidation

(i) *Subsidiaries*

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

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

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses, if any.

(ii) *Transactions eliminated on consolidation*

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

(b) Property, plant and equipment

(i) *Recognition and measurement*

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

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

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

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



notes to the financial statements

2. Significant accounting policies (cont'd)

(b) Property, plant and equipment (cont'd)

(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 the income statement as incurred.

(iii) *Depreciation*

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is depreciated on a straight line method using the same rate of the freehold building due to the freehold land cost on which the building is located cannot be segregated.

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

• leasehold land and buildings	50 years
• plant and equipment	2.5 - 10 years
• fixtures and fittings	8 - 10 years
• motor vehicles	5 years

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

(c) Intangible assets

(i) *Goodwill*

Goodwill arises on business combination and is measured at cost less accumulated amortisation and impairment, if any.

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

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

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment. When the excess is negative (negative goodwill), it is recognised immediately in the income statement.

(ii) *Amortisation*

Before the adoption of FRS 3, goodwill was measured at cost less accumulated amortisation. Goodwill was amortised from the date of initial recognition over its estimated useful life of not more than 20 years. Impairment tests on goodwill were performed when there were indications of impairment.

Following the adoption of FRS 3, goodwill is measured at cost and is no longer amortised but tested for impairment at least annually and whenever there is an indication that they may be impaired.

(d) Investments properties

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

Investment property carried at cost

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

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of fifty (50) years for buildings.

notes to the financial statements



2. Significant accounting policies (cont'd)

(d) Investments properties (cont'd)

Determination of fair value

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

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

Valuations reflect, where appropriate, the type of tenants likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Company and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Significant assumptions in arriving at the fair value of investment properties are disclosed in note 5.

(e) Leased assets

Finance lease

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

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

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Receivables

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

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

Receivables are not held for the purpose of trading.

(h) Constructions work-in-progress

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

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

notes to the financial statements



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2. Significant accounting policies (cont'd)

(i) Investments in quoted shares

Investments are carried at the lower at cost and market value, determined on an individual investment basis.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(j) Cash and cash equivalents

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

(k) Impairment of assets

The carrying amounts of assets except for assets arising from construction contracts, financial assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(l) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

(m) Employee benefits

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

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

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



notes to the financial statements

2. Significant accounting policies (cont'd)

(n) Provisions

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

Contingent liabilities

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

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

(o) Payables

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

(p) Revenue

(i) Goods sold

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

(ii) Construction contracts

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

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

(q) Other income

(i) Rental income

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

(ii) Dividend income

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

notes to the financial statements



2. Significant accounting policies (cont'd)

(r) Interest income and borrowing costs

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

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

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

(s) Tax expense

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

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

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

Deferred tax liability is recognised for all taxable temporary differences.

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

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(t) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(u) Segment reporting

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

(v) Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise they are charged to the income statement. Dividends to shareholders are recognised in equity in the period in which they are declared and approved.



notes to the financial statements

3. Property, plant and equipment

Group	Leasehold land and buildings RM	Motor vehicles RM	Plant and machinery, office, tele- communication equipment RM	Fixtures, fittings and renovation RM	Total RM
<i>Cost</i>					
At 1 January 2008	3,566,005	2,995,096	773,984	259,220	7,594,305
Additions	-	3,980	80,860	1,070	85,910
At 31 December 2008/ 1 January 2009	3,566,005	2,999,076	854,844	260,290	7,680,215
Additions	-	-	44,009	-	44,009
At 31 December 2009	3,566,005	2,999,076	898,853	260,290	7,724,224
<i>Depreciation</i>					
At 1 January 2008	285,280	2,050,249	623,900	191,670	3,151,099
Depreciation for the year	71,320	340,314	76,247	10,437	498,318
At 31 December 2008/ 1 January 2009	356,600	2,390,563	700,147	202,107	3,649,417
Depreciation for the year	71,320	210,489	82,132	10,437	374,378
At 31 December 2009	427,920	2,601,052	782,279	212,544	4,023,795
<i>Carrying amounts</i>					
At 1 January 2008	3,280,725	944,847	150,084	67,550	4,443,206
At 31 December 2008/ 1 January 2009	3,209,405	608,513	154,697	58,183	4,030,798
At 31 December 2009	3,138,085	398,024	116,574	47,746	3,700,429

notes to the financial statements



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

Company	Motor vehicles RM
<i>Cost</i>	
At 1 January 2008/31 December 2009	103,017
<i>Depreciation</i>	
At 1 January 2008	49,791
Depreciation for the year	20,604
At 31 December 2008/1 January 2009	70,395
Depreciation for the year	20,603
At 31 December 2009	90,998
<i>Carrying amounts</i>	
At 1 January 2008	53,226
At 31 December 2008/1 January 2009	32,622
At 31 December 2009	12,019

Motor vehicle acquired on hire purchase

At 31 December 2009, the Group and the Company has motor vehicle acquired by means of hire purchase agreement with carrying value of RM392,019 (2008 - RM602,622) and RM12,019 (2008 - RM32,622) respectively.

Depreciation for the year

The Group's depreciation during the year amounting to RM18,710 (2008 - RM117,933) has been capitalised in the construction work-in-progress included under receivables, deposits and prepayments in note 8.

Leasehold land and building

The carrying value of the leasehold land and building have not been segregated from the cost and carrying amounts as the information required is not available.

4. Intangible assets

	2009 RM	Group 2008 RM
Goodwill	11,803,642	11,803,642

The recoverable amount of the investment in a subsidiary was based on its value in use and the recoverable amount is higher than the carrying amount of this intangible asset. There is no impairment loss recognised during the year.

notes to the financial statements



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4. Intangible assets (cont'd)

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

- Cash flows were projected based on actual operating results and the 5-year business plan.
- The subsidiary will continue its operation indefinitely.
- The size of operation will remain with at least or not lower than the current results.
- The discount rate used was the weighted average cost of capital rate for the Group at 10.96%.

The key assumptions represent management's assessment of future trends in the construction industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following areas:

- An increase of 1 percentage point in the discount rate used would have no impact in impairment of goodwill.
- A 10 percent decrease in future planned revenues would have no impact on the impairment of goodwill.

5. Investment properties

	Freehold land and building RM
Group	
Cost	
At 1 January 2008/31 December 2009	750,000
<i>Accumulated Depreciation</i>	
At 1 January 2008	165,000
Depreciation for the year	15,000
At 31 December 2008/1 January 2009	180,000
Depreciation for the year	15,000
At 31 December 2009	195,000
Carrying amounts	
At 31 December 2008/1 January 2009	570,000
At 31 December 2009	555,000
Fair value	
At 31 December 2008/1 January 2009	1,800,000
At 31 December 2009	1,860,000

The carrying value of the freehold land and building have not been segregated from the cost and carrying amounts as the information required is not available.

The valuation of investment property is prepared by considering the desktop valuation made on 13 January 2010 by external valuer.

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5. Investment properties (cont'd)

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

	2009 RM	2008 RM
Direct operating expenses	4,736	9,176

Investment property is located in Malaysia and comprise:

Property	Title	Approximate net lettable area
Lot 9024, Lot 9026 & Lot 9028 at Jalan Mahang 1, Taman Meru Utama, Klang	Freehold	Land - 468 sq. meter Building - 1,809 sq. meter

Security

At 31 December 2009, the properties are pledged to a licensed bank to secure banking facilities granted to the Group (see note 12).

6. Investments in subsidiaries

	Company	
	2009 RM	2008 RM
At cost:		
Unquoted shares	74,700,002	74,500,002
Less: Accumulated impairment	(137,033)	-
	74,562,969	74,500,002

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2009 %	2008 %
Lebar Daun Construction Sdn. Bhd.	Malaysia	Civil and building construction	100	100
Lebtech Energy Sdn. Bhd.	Malaysia	Trading and services	100	100
Paksi Aman Sdn. Bhd.	Malaysia	Dormant	100	-

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7. Investment in quoted shares

	Group 2009 RM	2008 RM
Current At Cost:		
Quoted shares in Malaysia	12,737,269	12,737,269
Less: Write down of investments	(1,845,062)	(4,102,501)
	<u>10,892,207</u>	<u>8,634,768</u>
Market value:		
Quoted shares in Malaysia	<u>11,310,635</u>	<u>9,010,600</u>
Details of disposed investments are as follows:		
Proceeds from disposal	-	1,056,926
Carrying amount of investment disposed	-	(900,052)
	<u>-</u>	<u>156,874</u>
Loss on disposal	-	156,874

8. Receivables, deposits and prepayments

		Group 2009 RM	2008 RM	Company 2009 RM	2008 RM
Current					
Trade					
Trade receivables	a	6,504,644	6,661,484	-	-
Construction work-in-progress	b	17,674,612	13,090,410	-	-
Amount due from related companies	c	137,503,671	135,385,993	-	-
		<u>161,682,927</u>	<u>155,137,887</u>	<u>-</u>	<u>-</u>
Non-trade					
Amount due from subsidiaries	d	-	-	3,939,480	4,411,410
Other receivables		181,495	139,924	210	210
Deposits		187,887	96,886	-	-
Prepayments		7,667	5,617	-	-
		<u>377,049</u>	<u>242,427</u>	<u>3,939,690</u>	<u>4,411,620</u>
		<u>162,059,976</u>	<u>155,380,314</u>	<u>3,939,690</u>	<u>4,411,620</u>

notes to the financial statements



8. Receivables, deposits and prepayments (cont'd)

Note a

Included in trade receivables at 31 December 2009 are retention sums of RM762,174 (2008 - Nil) relating to construction work-in-progress.

Retention sums are unsecured, interest-free and are expected to be collected as follows:

	2009 RM	Group 2008 RM
Within 1 year	221,434	-
2 - 3 years	20,821	-
3 - 5 years	519,919	-
	<u>762,174</u>	<u>-</u>

Note b

Construction work-in-progress

	Note	2009 RM	2008 RM
Aggregate costs incurred to date		857,877,113	789,119,320
Add: Attributable profits		148,917,794	141,205,281
		<u>1,006,794,907</u>	<u>930,324,601</u>
Less: Progress billings		(991,755,237)	(922,389,967)
		<u>15,039,670</u>	<u>7,934,634</u>
Customer advances for construction work-in-progress	14	2,634,942	5,155,776
		<u>17,674,612</u>	<u>13,090,410</u>
Additions to aggregate costs incurred during the year include:			
Depreciation of property, plant and equipment		18,710	117,933

Note c

The amount due from related companies is unsecured and subject to the normal trade terms.

Included in amount due from related companies at 31 December 2009 are retention sums of RM41,494,562 (2008 - RM36,139,503) relating to construction work-in-progress.

Retention sums are unsecured, interest-free and are expected to be collected as follows:

	2009 RM	2008 RM
Within 1 year	17,149,766	23,973,991
1 - 2 years	6,599,803	7,075,884
2 - 3 years	7,032,637	746,478
3 - 4 years	5,153,104	2,533,180
4 - 5 years	5,559,252	1,809,970
	<u>41,494,562</u>	<u>36,139,503</u>

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8. Receivables, deposits and prepayments (cont'd)

Note d

Amount due from subsidiaries are unsecured, interest-free and has no specific terms of repayment.

9. Inventories

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Finished goods	29,043	30,369	-	-

10. Cash and cash equivalents

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deposits placed with licensed banks	2,214,469	2,731,309	-	-
Cash and bank balances	273,985	147,515	6,314	35,302
	2,488,454	2,878,824	6,314	35,302

Deposits placed with licensed banks pledged for a bank facility

Included in the Groups deposits placed with licensed banks is RM1,130,388 (2008 - RM2,731,309) pledged for banking facilities granted to a subsidiary.

11. Capital and reserves

Share capital

	Group and Company		Number of shares	
	Amount 2009 RM	Number of shares 2009	Amount 2008 RM	Number of shares 2008
Authorised:				
Ordinary shares of RM0.50 each	250,000,000	500,000,000	250,000,000	500,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each	68,241,838	136,483,676	68,241,838	136,483,676
On issue at 31 December	68,241,838	136,483,676	68,241,838	136,483,676

Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit to frank all of its distributable reserves at 31 December 2009 if paid out as dividends.

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

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12. Loans and borrowings

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-current				
Finance lease liabilities	-	57,898	-	13,693
Current				
Banker acceptance	2,250,000	1,910,000	-	-
Finance lease liabilities	57,898	189,785	13,693	17,514
Bank overdraft	4,421,505	5,535,418	-	-
	6,729,403	7,635,203	13,693	17,514

Security

The first bank overdraft amounting to RM2,403,988 (2008 - RM1,991,946) bears interest at 1.75% to 2.00% (2008 - 1.75% to 2.00%) per annum above the bank's Base Lending Rate and is secured by the followings:

- third party first legal charge of RM2,500,000 over properties owned by a director;
- corporate guarantee for RM2,500,000 by the Company; and
- registered charge over fixed deposit of RM1,130,388.

The second bank overdraft amounting to RM1,482,848 (2008 - RM1,572,308) bears interest at 2.00% (2008 - 2.00%) per annum above the bank's Base Lending Rate and is secured by the followings:

- third party first legal charge of RM2,000,000 over properties owned by a director; and
- personal guarantee for RM2,000,000 by a director.

The third bank overdraft amounting to RM534,669 (2008 - RM1,971,164) bears interest at 2.00% (2008 - 2.00%) per annum above the bank's Base Lending Rate and is secured by the followings:

- registered charge of RM2,000,000 over properties owned by the Group with a carrying amount of RM555,000 (2008 - RM570,000) (see note 5); and
- corporate guarantee for RM 2,000,000 by the Company.

The first bankers acceptance amounting to RM1,950,000 (2008 - RM1,910,000) bears interest at 2.00% (2008 - 2.00%) per annum above cost of fund from the date of claim until the date of repayment thereof. It is secured and guaranteed by the followings:

- registered charge of RM2,000,000 over properties owned by the Group with a carrying amount of RM555,000 (2008 - RM570,000) (see note 5); and
- corporate guarantee for RM 2,000,000 by the Company.



notes to the financial statements

12. Loans and borrowings (cont'd)

Security (cont'd)

The second bankers acceptance amounting to RM300,000 (2008 - RM Nil) bears interest at 1.50% (2008 - Nil) per annum above cost of fund from the date of claim until the date of repayment thereof. It is secured and guaranteed by the followings:

- third party first legal charge of RM2,500,000 over properties owned by a director;
- corporate guarantee for RM2,500,000 by the Company; and
- registered charge over fixed deposit of RM1,130,388.

Terms and debt repayment schedule for loans and borrowings

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM
Group					
2009					
Banker acceptance	2010	2,250,000	2,250,000	-	-
Bank overdraft	2010	4,421,505	4,421,505	-	-
		6,671,505	6,671,505	-	-
2008					
Banker acceptance	2009	1,910,000	1,910,000	-	-
Bank overdraft	2009	5,535,418	5,535,418	-	-
		7,445,418	7,445,418	-	-

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Minimum Lease payments 2009 RM	Interest 2009 RM	Principal 2009 RM	Minimum lease payments 2008 RM	Interest 2008 RM	Principal 2008 RM
Less than one year	58,486	588	57,898	196,836	7,051	189,785
Between one and five years	-	-	-	58,486	588	57,898
	58,486	588	57,898	255,322	7,639	247,683
Company						
Less than one year	13,970	277	13,693	18,660	1,146	17,514
Between one and five years	-	-	-	13,970	277	13,693
	13,970	277	13,693	32,630	1,423	31,207

Interest rate on finance leases for the financial year range from 2.30% to 2.75% (2008 - 2.30% to 2.75%).

notes to the financial statements



13. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

Group	Liabilities	
	2009 RM	2008 RM
Property, plant and equipment	391,829	254,479
Movement in temporary differences during the year		

Group	At 1.1.2008 RM	Recognised in income statement (note 18) RM	At 31.12.2008 RM	Recognised in income statement (note 18) RM	At 31.12.2009 RM
Property, plant and equipment	(274,697)	20,218	(254,479)	(137,350)	(391,829)

14. Deferred income

	Note	Group 2009 RM	2008 RM
Current			
Customer advances for construction work-in-progress	8	2,634,942	5,155,776

15. Payables and accruals

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Trade					
Trade payables	a	63,567,554	53,156,874	-	-
Non-trade					
Advances from related companies	b	-	287,815	-	-
Other payables		215,095	210,491	2	2
Accrued expenses		241,418	237,924	164,925	164,924
Amount due to related companies		92,628	-	-	-
		549,141	736,230	164,927	164,926
		64,116,695	53,893,104	164,927	164,926

Note a

i) The normal trade terms granted to the Group range from 30 days to 90 days.

ii) Included in the trade payable are:-

- a) Amount totaling RM2,748,760 (2008 - RM 2,742,004) owing to a company in which certain directors have interest.
- b) Amount totaling RM14,248,033 (2008 - RM11,047,548) are retention sums.

Note b

Advance from related companies are unsecured, interest free and has no specific terms of repayment.

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16. Profit before tax

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax is arrived at after charging:					
Depreciation of investment properties	5	15,000	15,000	-	-
Auditors' remuneration:					
- Audit services		91,000	88,000	15,000	15,000
- Other services		7,000	7,000	7,000	7,000
Depreciation on property, plant and equipment		355,668	380,385	20,603	20,604
Interest expense on:					
- Bank overdraft		354,041	343,271	-	-
- Borrowings		101,938	121,400	-	-
- Finance lease		7,051	15,398	1,146	2,033
Write down of investment in quoted shares		-	3,611,691	-	-
Other debtors written off		-	50,000	-	50,000
Personal expenses (including key management personnel):					
- Contribution to Employees Provident Fund		276,454	288,691	-	-
- Wages, salaries and others		2,498,189	2,634,187	150,000	150,000
and after crediting:					
Dividend income		533,809	712,250	-	-
Write back of investment in quoted shares		2,257,439	-	-	-
Gain on disposal of investment in quoted shares		-	156,874	-	-
Rental income from building		159,600	158,600	-	-
Rental income from equipments		42,000	41,400	-	-

17. Key management personnel compensation

The key management personnel compensations are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Director				
- Remuneration	354,000	499,200	150,000	150,000
Other short term employee benefits	24,480	41,904	-	-

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18. Tax expense

Recognised in the income statement

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Total tax expense	1,041,170	1,030,217	-	-

Major components of tax expense include:

Current tax expense				
Malaysian - current year	903,820	1,050,435	-	-
- prior year	-	-	-	-
Total current tax	903,820	1,050,435	-	-
Deferred tax expense				
Origination and reversal of temporary differences	137,350	(20,218)	-	-
Total deferred tax	137,350	(20,218)	-	-
Total tax expense	1,041,170	1,030,217	-	-

Recognised in the income statement

(Loss)/Profit for the year	1,454,234	(796,909)	(441,041)	(343,348)
Total tax expense	1,041,170	1,030,217	-	-
Profit/(Loss) excluding tax	2,495,404	233,308	(441,041)	(343,348)
Tax at Malaysian tax rate of 25% (2008 - 26%)	623,851	60,660	(87,530)	(89,270)
Non-deductible expenses	978,669	1,091,955	87,530	89,270
Non-taxable income	(564,359)	(102,180)	-	-
Deferred tax under recognised in previous year	(134,341)	-	-	-
Deferred tax expense	903,820	1,050,435	-	-
	137,350	(20,218)	-	-
	1,041,170	1,030,217	-	-

The corporate tax rates is 26% for year of assessment 2009 and 25% for the subsequent years of assessment. Consequently deferred tax assets and liabilities are measured using these tax rates.

notes to the financial statements



19. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2009 was based on the (loss)/profit attributable to ordinary shareholders of RM1,454,234 (2008 - RM(796,909)) and 136,483,676 (2008 - 136,483,676) ordinary shares outstanding during the year.

20. Segment reporting

No segmental information is disclosed as the Group only engages in the construction and trading of products in Malaysia.

21. Financial instruments

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Group's business. The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transaction.

The main areas of financial risks faced by the Group and the Company in respect of the major areas of treasury activity are set out as follows:

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The Group's and the Company's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from cash deposits and receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group and the Company manage its exposure to credit risks by investing its cash assets safely and profitably, and by monitoring procedures on an ongoing basis.

At the balance sheet date, there is significant concentration of credit risk with related companies amounting to RM137,503,671 (2008 - RM135,385,993) of which in the opinion of the directors that no doubtful debts shall be provided. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Market risk

Market risk is the risk of loss arising from the adverse movement in the level of market prices or rates. The market risk components are interest rate risk and liquidity risk.

i) *Interest rate risk*

The Group's investment in fixed-rate debt securities and its fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's investments in variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company obtain financing through bank borrowings and hire purchase. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with reputable financial institutions at the most favourable interest rates.

ii) *Liquidity risk*

The Group monitors and maintains a level of cash and cash equivalents and bank credit lines deemed adequate by the management to finance the Group's operations and to mitigate the effect of fluctuation in cash flows.

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21. Financial instruments (cont'd)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their average effective interest rates at the balance sheet date and the periods in which they mature, or if earlier, reprice.

Group 2009	Note	Average effective interest rate %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM
Fixed rate instruments							
Deposits	10	2.13	2,214,469	2,214,469	-	-	-
Finance lease liabilities	12	2.53	(57,898)	(57,898)	-	-	-
			2,156,571	2,156,571	-	-	-
Floating rate instruments							
Banker acceptance	12	5.13	2,250,000	2,250,000	-	-	-
Bank overdraft	12	8.30	4,421,505	4,421,505	-	-	-
			6,671,505	6,671,505	-	-	-
Company 2009							
Fixed rate instruments							
Finance lease liabilities	12	2.75	13,693	13,693	-	-	-
Group 2008							
Fixed rate instruments							
Deposits	10	3.44	2,731,309	2,731,309	-	-	-
Finance lease liabilities	12	4.90	(247,683)	(189,785)	(57,898)	-	-
			2,483,626	2,541,524	(57,898)	-	-
Floating rate instruments							
Banker acceptance	12	5.95	(1,910,000)	(1,910,000)	-	-	-
Bank overdraft	12	8.75	(5,535,418)	(5,535,418)	-	-	-
			(7,445,418)	(7,445,418)	-	-	-
Company 2008							
Fixed rate instruments							
Finance lease liabilities	12	5.32	(31,207)	(17,514)	(13,693)	-	-

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21. Financial instruments (cont'd)

Fair values

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the balance sheets, are as follows:

Group	Note	2009		2008	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Finance lease liabilities	12	(57,898)	(57,898)	247,683	247,683

Company	Note	2009		2008	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Finance lease liabilities	12	13,693	13,693	31,207	31,207

22. Operating leases

Leases as lessor

The Group leases out its property, plant and equipment under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	Group	
	2009 RM	2008 RM
Less than one year	33,600	201,600
Between one and five years	-	33,600
	33,600	235,200

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23. Contingencies

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Contingent liabilities				
Corporate guarantee given to supplier for facilities granted to a subsidiary company	-	-	9,000,000	12,700,000
Corporate guarantee given to financial institutions for facilities granted to a subsidiary company	-	-	7,900,000	7,900,000
Performance guarantees issued in the form of bank guarantee given to customer by a subsidiary company for contracts	2,911,262	2,911,262	-	-
Payment guarantees issued in the form of bank guarantee given to suppliers by a subsidiary company	200,000	200,000	-	-
Performance guarantee given to government agency which is secured by fixed deposits	20,300	-	-	-
	<u>3,131,562</u>	<u>3,111,262</u>	<u>16,900,000</u>	<u>20,600,000</u>

24. Related parties

Identity of related parties

For the purposes 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.

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

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24. Related parties (cont'd)

Identity of related parties (cont'd)

The significant related party transactions of the Company, other than key management personnel compensation (see note 17), are as follows:

Group	Transaction value year ended 31 December		Balance outstanding as at 31 December	
	2009 RM	2008 RM	2009 RM	2008 RM
Revenue receivable				
Basco Sdn. Bhd.	53,187,306	15,809,807	56,962,369	34,251,280
Lebar Daun Development Sdn. Bhd.	11,702,228	29,186,600	80,718,338	101,119,866
Rental income received				
Lebar Daun Development Sdn. Bhd.	201,000	200,000	-	-
Construction payable				
Basco Sdn. Bhd.	7,164	-	2,748,760	2,741,596
Advance receivable				
Lebar Daun Development Sdn. Bhd.	-	36,004	-	189,816

All outstanding balances with these related parties are priced on an arm's length basis are to be settled in cash. None of the balances is secured.

25. Subsequent event

On 9 March 2010, the results of the arbitration procedure between third party trade payables, Baktian Sdn. Bhd. and O-Stable Panels Sdn. Bhd. ("Claimants") and the Group ("Respondents") was made known. The judgement was unfavourable to the Group.

As a result, the Group had to incur further liabilities as settlement to the Claimants amounting to RM3.121 million which consist of the principal amount, interest and legal costs.

Statement by Directors



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

In the opinion of the Directors, the financial statements set out on pages 27 to 56 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

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



.....
Norazmi bin Mohamed Nurdin



.....
Dato' Nik Ismail bin Dato' Nik Yusoff

Shah Alam,

Date: 22 April 2010

Statutory Declaration



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

I, Shahril Najmiddin Muda, the officer primarily responsible for the financial management of Lebar Daun Berhad, do solemnly and sincerely declare that the financial statements set out on pages 27 to 56 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Shah Alam on 22 April 2010.

Shahril Najmiddin Muda

Before me:





Independent Auditors' Report

to the members of Lebar Daun Berhad

Report on the Financial Statements

We have audited the financial statements of Lebar Daun Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 56.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 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 accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

KPMG
Firm Number: AF 0758
Chartered Accountants

Petaling Jaya, Selangor

Date: 22 April 2010

Hasman Yusri Yusoff
Approval Number: 2583/08/10(J)
Chartered Accountant



Analysis of Shareholdings

as at 30 April 2010

Authorised Share Capital	: RM250,000,000.00
Issued and Paid Up Capital	: RM68,241,837.50
Class of Shares	: Ordinary Shares of RM0.50 each
Voting Rights	: One (1) vote per Ordinary Share
No. of Shareholders	: 2,519

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	1,454	57.72	30,426	0.02
100 - 1,000	918	36.44	159,986	0.12
1,001 - 10,000	78	3.10	361,980	0.27
10,001 - 100,000	37	1.47	1,290,779	0.95
100,001 - less than 5% of issued shares	28	1.11	61,889,504	45.35
5% and above of issued shares	4	0.16	72,751,000	53.30
Total	2,519	100.00	136,483,675	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Norazmi Bin Mohamed Nurdin	8,082,000	5.93	78,076,800	57.20 ⁽¹⁾
2. Tan Sri Datuk Adzmi Bin Abdul Wahab	-	-	-	-
3. Datuk Mohd Hashim Bin Hassan	-	-	-	-
4. Dato' Nik Ismail Bin Dato' Nik Yusoff	-	-	-	-
5. Dato' Noor Azman @ Noor Hizam Bin Mohd Nurdin	59,751,000	43.78	26,407,800	19.35 ⁽²⁾
6. Hazli Bin Ibrahim	554,400	0.41	157,000	0.11 ⁽³⁾

Notes:-

⁽¹⁾ Deemed interest by virtue of his brothers, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's, Norazlan bin Mohamad Nordin's and Noorazhar bin Mohamed Nurdin's and his sister-in-laws, Datin Nor Hayati bt Abd Malik's and Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad

⁽²⁾ Deemed interest by virtue of his spouse, Datin Nor Hayati bt Abd Malik's and his brothers, Norazmi bin Mohamed Nurdin's, Norazlan bin Mohamad Nordin's and Noorazhar bin Mohamed Nurdin's and his sister-in-law, Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad

⁽³⁾ Deemed interest by virtue of Section 6A(4) of the Companies Act, 1965 through his shareholdings in Cherry Vista Sdn Bhd

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Dato' Noor Azman @ Noor Hizam Bin Mohd Nurdin	59,751,000	43.78	26,407,800	19.35 ⁽¹⁾
2. Norazlan Bin Mohamad Nordin	9,048,000	6.63	77,110,800	56.50 ⁽²⁾
3. Datin Nor Hayati Bt Abd Malik	9,000,000	6.59	77,158,800	56.53 ⁽³⁾
4. Norazmi Bin Mohamed Nurdin	8,082,000	5.93	78,076,800	57.20 ⁽⁴⁾

Notes:-

⁽¹⁾ Deemed interest by virtue of his spouse, Datin Nor Hayati bt Abd Malik's and his brothers, Norazmi bin Mohamed Nurdin's, Norazlan bin Mohamad Nordin's and Noorazhar bin Mohamed Nurdin's and his sister-in-law, Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad

⁽²⁾ Deemed interest by virtue of his spouse, Fatmawati bt Kasbin's and his brothers, Norazmi bin Mohamed Nurdin's, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's and Noorazhar bin Mohamed Nurdin's and his sister-in-law, Datin Nor Hayati bt Abd Malik's direct shareholdings in Lebar Daun Berhad

⁽³⁾ Deemed interest by virtue of her spouse, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's and her brother-in-laws, Norazmi bin Mohamed Nurdin's, Norazlan bin Mohamad Nordin's and Noorazhar bin Mohamed Nurdin's and her sister-in-law, Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad

⁽⁴⁾ Deemed interest by virtue of his brothers, Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin's, Norazlan bin Mohamad Nordin's and Noorazhar bin Mohamed Nurdin's and his sister-in-laws, Datin Nor Hayati bt Abd Malik's and Fatmawati bt Kasbin's direct shareholdings in Lebar Daun Berhad



analysis of shareholdings

as at 30 April 2010

LIST OF THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1. Noor Azman @ Noor Hizam Bin Mohd Nurdin	36,177,000	26.51
2. RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Noor Azman @ Noor Hizam Bin Mohd Nurdin)	18,574,000	13.61
3. RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Nor Hayati Binti Abd Malik)	9,000,000	6.59
4. RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Norazlan Bin Mohamad Nordin)	9,000,000	6.59
5. Shah Rudin Bin Mohammed Miskun	6,500,004	4.76
6. HSBC Nominees (Asing) Sdn. Bhd. (Exempt An for credit SUISSE)	6,053,600	4.44
7. Mohd Nasir Bin Mohd Miskun	5,800,000	4.25
8. Mustafa Bin Mohammed Miskun	5,800,000	4.25
9. Nor Lia Binti Johan	5,300,000	3.88
10. AllianceGroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Noor Azman @ Noor Hizam Bin Mohd Nurdin)	5,000,000	3.66
11. AllianceGroup Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Norazmi Bin Mohamed Nurdin)	4,866,000	3.57
12. Anuar Bin Abd Malik	4,500,000	3.30
13. Mustapah Bin Mohamed	3,168,600	2.32
14. RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Norazmi Bin Mohamed Nurdin)	3,000,000	2.20
15. Perbadanan Setiausaha Kerajaan Selangor	2,819,800	2.07
16. CIMSEC Nominees (Asing) Sdn. Bhd. (Bank of Singapore Limited for Stardom East Holdings Limited)	1,943,600	1.42
17. Abu Sajak Bin Mahmud	1,174,600	0.86
18. Mohd Don Bin Mastol @ Mastor	1,024,300	0.75
19. Perbadanan Kemajuan Negeri Selangor	1,000,000	0.73
20. Mhd Omar Bin Abdul Hamid	873,500	0.64
21. Faizal Bin Abdullah	652,000	0.48
22. Hazli Bin Ibrahim	499,400	0.37
23. Jamil Bin Saimon	406,400	0.30
24. RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Noorazhar Bin Mohamed Nurdin)	254,800	0.19
25. Ikmal Bin Ibrahim	228,500	0.17
26. AMBank (M) Berhad (Pledged securities account for Norazmi Bin Mohamed Nurdin)	216,000	0.16
27. Mohd Johar Bin Ismail	193,800	0.14
28. Cherry Vista Sdn. Bhd.	157,000	0.12
29. CIMB Group Nominees (Tempatan) Sdn. Bhd. (Pledged securities account for Anuar Bin Abd Malik)	140,000	0.10
30. Norgayah Binti Md Razi	106,300	0.08
TOTAL	134,429,204	98.49

List of Properties



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as at 31 December 2009

Location	Tenure	Description/ Existing Use	Approximate Age of Buildings (Years)	Land Area/ Built –up Area (Sq. m.)	Net Book Value at 31.12.2009 (RM'000)	Date of Acquisition
No. 2, Jalan Tengku Ampuan Zabedah J9/J Section 9 40000 Shah Alam Selangor Darul Ehsan	Leasehold 99 years Expiring on 20/12/2100	3 ¹ / ₂ Storey Corner Shop/Office Building	8	254/935	1,796	14/10/2002
No. 4, Jalan Tengku Ampuan Zabedah J9/J Section 9 40000 Shah Alam Selangor Darul Ehsan	Leasehold 99 years Expiring on 20/12/2100	3 ¹ / ₂ Storey Intermediate Shop/Office Building	8	153/599	1,342	14/10/2002
Lot 9024 Jalan Mahang Satu Taman Meru Utama 41050 Klang Selangor Darul Ehsan	Freehold	4 Storey (end lot) Shop Office	17	156/603	185	09/12/1996
Lot 9026 Jalan Mahang Satu Taman Meru Utama 41050 Klang Selangor Darul Ehsan	Freehold	4 Storey Intermediate Shop Office	17	156/603	185	09/12/1996
Lot 9028 Jalan Mahang Satu Taman Meru Utama 41050 Klang Selangor Darul Ehsan	Freehold	4 Storey Intermediate Shop Office	17	156/603	185	09/12/1996

Note:- The above properties were registered under the name of Lebar Daun Construction Sdn Bhd, a wholly-owned subsidiary of the Company.

Notice of Annual General Meeting



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NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of Lebar Daun Berhad will be held at Bilik Gasing 1 & 2, Level 2, Convention Centre, Grand Blue Wave Hotel, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 17 June 2010 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. *(Resolution 1)*
2. To approve the Directors' fees for the financial year ended 31 December 2009. *(Resolution 2)*
3. To re-elect Encik Norazmi Bin Mohamed Nurdin, who retires by rotation in accordance with Article 84 of the Company's Articles of Association. *(Resolution 3)*
4. To re-elect Tan Sri Datuk Adzmi Bin Abdul Wahab, who retires by rotation in accordance with Article 84 of the Company's Articles of Association. *(Resolution 4)*
5. To re-elect Encik Hazli Bin Ibrahim, who retires in accordance with Article 91 of the Company's Articles of Association. *(Resolution 5)*
6. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 6)*
7. As special business, to consider and if thought fit, to pass the following Ordinary Resolution:-

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.3 of the Circular to Shareholders dated 26 May 2010, subject further to the following:-

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:-
 - (a) the type of Recurrent Related Party Transactions made; and
 - (b) the names of the related parties involved in each type of Recurrent Related Party Transactions made and their relationship with the Company;



notice of annual general meeting

- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:-
- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;
- whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised 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 Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution."

(Resolution 7)

8. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

SHAH RIL NAJMIDDIN BIN MUDA
MIA 15311
Company Secretary

Shah Alam
26 May 2010

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid this form duly completed must be deposited at the registered office of the Company at Wisma Lebar Daun, No. 2, Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

Explanatory Note on Special Business

7. The proposed Resolution No. 7, if passed, will allow the Company and/or its subsidiary to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the related parties than those generally available to the public. This would avoid any delay and cost involved in convening separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company or will subsist until the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Statement Accompanying Notice of Annual General Meeting

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the Eighth Annual General Meeting of the Company.



LEBAR DAUN BERHAD

(Company No. 590945-H)
(Incorporated in Malaysia)

Form of Proxy

I/We _____ NRIC No./Company No. _____
of _____
being a member/members of LEBAR DAUN BERHAD, hereby appoint _____
_____ NRIC No. _____
of _____
or failing whom, _____ NRIC No. _____
of _____

as my/our proxy to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Bilik Gasing 1 & 2, Level 2, Convention Centre, Grand Blue Wave Hotel, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan on Thursday, 17 June 2010 at 11.00 a.m. and at every adjournment thereof for/against the resolution(s) to be proposed thereat.

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he thinks fit.

Resolution	For	Against
No. 1 Receipt of Audited Financial Statements and Directors' and Auditors' Reports		
No. 2 Approval of Directors' fees		
No. 3 Re-election of Encik Norazmi Bin Mohamed Nurdin as Director		
No. 4 Re-election of Tan Sri Datuk Adzmi Bin Abdul Wahab as Director		
No. 5 Re-election of Encik Hazli Bin Ibrahim as Director		
No. 6 Re-appointment of Messrs KPMG as Auditors		
Special Business:		
No. 7 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

As witness my/our hand this _____ day of _____ 2010

No. of shares held :	
----------------------	--

Signature/Common Seal

Notes:-

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid this form duly completed must be deposited at the registered office of the Company at Wisma Lebar Daun, No. 2, Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

Fold this flap for sealing

Then fold here

Affix
Stamp
here

The Company Secretary

LEBAR DAUN BERHAD (590945-H)
Wisma Lebar Daun
No. 2, Jalan Tengku Ampuan Zabedah J9/J
Seksyen 9, 40000 Shah Alam
Selangor Darul Ehsan
Malaysia

1st fold here

Lebar Daun Berhad 15094541

Wisma Lebar Daun
No. 2, Jalan Tengku Ampuan Zabedah J8/J
Seksyen 9, 40000 Shah Alam
Selangor Darul Ehsan

Tel : 603 5511 1333
Fax : 603 5511 1888
web : www.lebardaunberhad.com.my