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DIALOG GROUP BERHAD (178694-V)

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DIALOG

DIALOG GROUP BERHAD
(178694-V)

Annual Report 2009
Financial Statements

DIALOG GROUP BERHAD (178694-V)

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Annual Report

Continuous
Growth



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Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company incorporated to manage various subsidiaries which serve a wide spectrum of the oil, gas and petrochemical industry. The principal activities of the subsidiaries, as listed in Note 10 to the financial statements, are provision of specialist technical services and products, provision of engineering, construction and maintenance services, catalyst handling services, fabrication, provision of centralised tankage facilities and petroleum retailing. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	101,485,285	60,473,230
Attributable to:		
Equity holders of the Company	91,936,553	60,473,230
Minority shareholders	9,548,732	—
	<u>101,485,285</u>	<u>60,473,230</u>

DIVIDENDS

The dividends paid or proposed by the Company since the end of the previous financial year are as follows:

- (a) Final dividend of 20% per ordinary share of RM0.10 each, less tax of 26%, amounting to RM20,697,363 in respect of the previous financial year was paid on 23 December 2008;
- (b) Interim dividend of 12% per ordinary share of RM0.10 each, less tax of 25%, amounting to RM12,586,053 in respect of the current financial year was paid on 26 June 2009; and
- (c) Proposed special share dividend and final dividend in respect of the current financial year have been recommended by the Directors after the balance sheet date for the shareholders' approval at the forthcoming Annual General Meeting of the Company:
 - (i) Special single tier exempt share dividend of one (1) treasury share for every fifty (50) existing ordinary shares of RM0.10 each held, totaling approximately 27,710,000 number of ordinary shares.
 - (ii) Final dividend of 24% per ordinary share of RM0.10 each, less tax of 25%, amounting to approximately RM25,158,158.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

OPTIONS OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

The Company implements an ESOS scheme which is in force for a period of ten (10) years until 29 July 2017 ("the option period"). The main features of the ESOS are as follows:

- (a) The ESOS is made available to eligible employees and full-time Executive Directors who are confirmed employees of the Company and its subsidiaries;
- (b) The total number of shares offered under the ESOS shall not, in aggregate, exceed 10% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS;
- (c) The option price of a new ordinary share under the ESOS shall be the five-day weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate, or at the par value of the shares, whichever is higher;
- (d) The actual number of shares which may be offered to any eligible employee shall be at the discretion of the ESOS Committee provided that the number of shares offered are not less than one hundred (100) shares and in multiples of one hundred (100) shares and are subject to the following:
 - (i) not more than 50% of the shares available under the ESOS shall be allocated in aggregate to Executive Directors and senior management of the Company and its subsidiaries; and
 - (ii) not more than 10% of the shares available under the ESOS shall be allocated to any individual Executive Director or eligible employee who, either singly or collectively through persons connected with that Executive Director or eligible employee, holds 20% or more of the issued and paid-up share capital of the Company;
- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESOS Committee and is subject to the allotment of shares between 10%-50% in 3 to 5 years;
- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company; and
- (g) No eligible employee shall participate at any time in any other employees' share option scheme within the Company and its subsidiaries unless otherwise approved by the ESOS Committee.

OPTIONS OVER UNISSUED SHARES (continued)

The number of unissued ordinary shares of RM0.10 each under options at the respective option prices were as follows:

----- **Number of options over ordinary shares of RM0.10 each** -----

	Balance as at 1.7.2008	Granted	Retracted*	Balance as at 30.6.2009	Exercisable as at 30.6.2009
Option price:					
– RM1.42	9,520,000	—	(700,000)	8,820,000	1,764,000
– RM1.57	19,410,000	—	(1,158,000)	18,252,000	—
– RM1.23	8,807,000	—	(857,000)	7,950,000	—
– RM0.59	—	6,756,000	(207,000)	6,549,000	—
– RM0.71	—	5,000,000	—	5,000,000	—
	37,737,000	11,756,000	(2,922,000)	46,571,000	1,764,000

* due to resignation or rejection of the options granted.

None of the exercisable options were exercised as at 30 June 2009.

The Company has been granted exemption by the Companies Commission of Malaysia vide its letter dated 20 July 2009 from having to disclose the list of option holders and the number of options granted to them pursuant to Section 169 (11) of the Companies Act, 1965 except for information on employees who are granted 450,000 options and above.

Other than those disclosed in the Directors' interests, the following employees are granted 450,000 options and above:

----- **Number of options over ordinary shares
of RM0.10 each** -----

	Balance as at 1.7.2008	Granted	Balance as at 30.6.2009
Ho Kam Yong	878,000	78,000	956,000
Mustaffa Kamal Bin Abu Bakar	629,000	122,000	751,000
Chong Chong Wooi	606,000	105,000	711,000
Jamal Bin Kamaludin	514,000	91,000	605,000
Tan Lek Lek	500,000	105,000	605,000
Chan Fok Kyong	500,000	—	500,000

REPURCHASE OF OWN SHARES

At the Annual General Meeting held on 19 November 2008, the shareholders of the Company by an ordinary resolution renewed the mandate given to the Company to repurchase its own shares based, amongst others, on the following terms:

- (i) The number of shares to be repurchased and/or held as treasury shares shall not exceed 10% of its existing issued and paid-up share capital of the Company;
- (ii) The amount to be utilised for the repurchase of own shares by the Company shall not exceed the total retained profits and share premium of the Company at the time of purchase; and
- (iii) The Directors may retain the shares so repurchased as treasury shares and may resell the treasury shares and/or distribute them as share dividend and/or cancel them in a manner they deem fit in accordance with the provisions of the Companies Act, 1965 and listing requirements and applicable guidelines of Bursa Malaysia Securities Berhad.

During the financial year, the Company repurchased 875,000 of its own ordinary shares of RM0.10 each from the open market for a total consideration of RM912,723 at an average price of RM1.04 per ordinary share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 and none of the treasury shares held were re-sold or cancelled during the financial year.

The Company has the right to retain, cancel, resell these shares and/or distribute these shares as dividends. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended. Of the total 1,413,210,040 (2008: 1,413,210,040) issued and fully paid ordinary shares of RM0.10 each as at 30 June 2009, 15,534,593 (2008: 14,659,593) ordinary shares of RM0.10 each amounting to RM9,488,880 (2008: RM8,576,157) are held as treasury shares by the company. The number of outstanding ordinary shares of RM0.10 each in issue after deducting the treasury shares is 1,397,675,447 (2008: 1,398,550,447).

DIRECTORS OF THE COMPANY

The Directors who held office since the date of the last report are as follows:

Ngau Boon Keat

Chan Yew Kai

Dato' Mohamed Zakri Bin Abdul Rashid

Dr. Junid Bin Abu Saham

Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Haji Megat Khas

Datuk Oh Chong Peng (Appointed on 9 January 2009)

Chew Eng Kar

Siti Khairon Bt Shariff

Zainab Binti Mohd Salleh

Ho Kam Yong (Resigned on 9 January 2009)

DIRECTORS OF THE COMPANY (continued)

In accordance with Article 96 of the Company's Articles of Association, Ngau Boon Keat, Dr. Junid Bin Abu Saham and Chew Eng Kar retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 101 of the Company's Articles of Association, Datuk Oh Chong Peng who was appointed since the last Annual General Meeting, retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2009 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

----- Number of ordinary shares of RM0.10 each -----

	Balance as at 1.7.2008	Bought	Sold	Balance as at 30.6.2009
Shares in the Company				
Direct interests:				
Ngau Boon Keat	12,657,524	6,000,000	—	18,657,524
Chan Yew Kai	2,156,243	625,000	—	2,781,243
Dato' Mohamed Zakri Bin Abdul Rashid	888,467	20,000	—	908,467
Dr. Junid Bin Abu Saham	2,199,273	—	—	2,199,273
Chew Eng Kar	100,000	625,000	(525,000)	200,000
Zainab Binti Mohd Salleh	661,120	150,000	(50,000)	761,120
Indirect interests:				
Ngau Boon Keat	366,203,176	38,816,529	(63,542,944)	341,476,761
Dato' Mohamed Zakri Bin Abdul Rashid	185,068	—	—	185,068
Dr. Junid Bin Abu Saham	55,000	—	—	55,000
Chew Eng Kar	2,528,722	—	—	2,528,722

DIRECTORS' INTERESTS (continued)

	Number of options over ordinary shares of RM0.10 each		
	Balance as at 1.7.2008	Granted	Balance as at 30.6.2009
Share options in the Company			
Direct interests:			
Ngau Boon Keat	3,150,000	3,500,000	6,650,000
Chan Yew Kai	1,572,000	2,105,000	3,677,000
Chew Eng Kar	1,222,000	105,000	1,327,000
Zainab Binti Mohd Salleh	905,000	105,000	1,010,000
Indirect interests:			
Ngau Boon Keat	61,000	78,000	139,000

By virtue of Ngau Boon Keat's substantial interest in the shares of the Company, he is deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares, options over ordinary shares and debentures of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who may be deemed to derive benefits from the significant related party transactions in the ordinary course of business as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS as disclosed in Note 36 to the financial statements.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 41 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events subsequent to the balance sheet date are disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

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



Ngau Boon Keat
Director

Petaling Jaya
7 October 2009



Dato' Mohamed Zakri Bin Abdul Rashid
Director

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 13 to 101 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,



Ngau Boon Keat
Director



Dato' Mohamed Zakri Bin Abdul Rashid
Director

Petaling Jaya
7 October 2009

Statutory Declaration

I, Zainab Binti Mohd Salleh, being the Director primarily responsible for the financial management of Dialog Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 101 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 abovenamed at
Petaling Jaya this
7 October 2009



Before me:



No 42C (3rd Floor)
Jalan SS22/21, Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

Independent Auditors' Report

to the Members of Dialog Group Berhad

Report on the Financial Statements

We have audited the financial statements of Dialog Group Berhad, which comprise the balance sheets as at 30 June 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 financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 13 to 101.

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 applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. 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 applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and the cash flows of the Group and of the Company for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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 and for no other purpose. We do not assume responsibility to any other person for the content of this report.



BDO Binder
AF: 0206
Chartered Accountants

Kuala Lumpur
7 October 2009



Chan Wai Leng
2893/08/11 (J)
Partner

Balance Sheets

as at 30 June 2009

	Note	Group		Company	
		2009 RM	2008 RM (as restated)	2009 RM	2008 RM (as restated)
ASSETS					
Non-current assets					
Property, plant and equipment	7	144,692,476	129,821,900	—	—
Prepaid lease payments for land	8	10,666,100	10,803,372	—	—
Intangible assets	9	8,650,396	6,264,805	—	—
Investment in subsidiaries	10	—	—	109,613,977	106,973,675
Investment in associates	11	82,812,838	113,023,223	4,000	634,000
Interest in jointly controlled entities	12	23,041,591	5,847,776	31,297,812	9,381,906
Other investments	13	2,433,641	2,075,444	—	—
Deferred tax assets	14	7,878,262	4,760,179	—	—
		280,175,304	272,596,699	140,915,789	116,989,581
Current assets					
Inventories	15	21,132,350	22,646,199	—	—
Trade and other receivables	16	232,780,022	204,004,069	5,000	5,000
Amounts owing by subsidiaries	18	—	—	179,574,131	164,353,128
Amounts owing by associates	19	1,120,277	1,447,631	—	—
Amounts owing by jointly controlled entities	20	38,815,320	10,131,646	—	—
Current tax assets		3,945,769	3,440,266	79,901	131,201
Cash and cash equivalents	21	178,713,780	79,052,986	60,038	52,187
		476,507,518	320,722,797	179,719,070	164,541,516
TOTAL ASSETS		756,682,822	593,319,496	320,634,859	281,531,097

	Note	Group		Company	
		2009 RM	2008 RM (as restated)	2009 RM	2008 RM (as restated)
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	22	141,321,004	141,321,004	141,321,004	141,321,004
Reserves	23	308,764,471	246,503,666	127,260,589	97,422,531
Treasury shares		(9,488,880)	(8,576,157)	(9,488,880)	(8,576,157)
		440,596,595	379,248,513	259,092,713	230,167,378
Minority interests		30,815,999	22,149,058	—	—
TOTAL EQUITY		471,412,594	401,397,571	259,092,713	230,167,378
LIABILITIES					
Non-current liabilities					
Borrowings	24	44,811,547	16,187,548	20,000,000	—
Deferred tax liabilities	14	4,318,631	2,032,233	—	—
		49,130,178	18,219,781	20,000,000	—
Current liabilities					
Trade and other payables	27	217,649,543	159,322,595	317,500	236,252
Amounts owing to subsidiaries	18	—	—	41,224,646	51,127,467
Amounts owing to associates	19	670,588	675,789	—	—
Amounts owing to jointly controlled entities	20	54,637	1,749,521	—	—
Borrowings	24	7,207,257	3,253,820	—	—
Current tax payable		10,558,025	8,700,419	—	—
		236,140,050	173,702,144	41,542,146	51,363,719
TOTAL LIABILITIES		285,270,228	191,921,925	61,542,146	51,363,719
TOTAL EQUITY AND LIABILITIES		756,682,822	593,319,496	320,634,859	281,531,097

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

Income Statements

for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Revenue	29	1,104,520,611	790,507,463	60,000,000	36,862,500
Cost of sales and services		(990,771,660)	(707,899,285)	—	—
Gross profit		113,748,951	82,608,178	60,000,000	36,862,500
Other operating income		4,283,596	3,883,895	1,506,174	—
Marketing and distribution costs		(1,742,353)	(1,595,075)	—	—
Administration expenses		(18,273,259)	(15,785,333)	(763,922)	(601,884)
Other operating expenses		(1,096,855)	(1,861,157)	(29,260)	(466,545)
Finance costs		(1,047,573)	(535,842)	(264,282)	—
Share of results of jointly controlled entities		(1,325,648)	(968,145)	—	—
Share of results of associates		28,909,050	31,439,342	—	—
Profit before tax	30	123,455,909	97,185,863	60,448,710	35,794,071
Tax (expense)/income	32	(21,970,624)	(15,626,835)	24,520	(9,443,901)
Net profit for the financial year		101,485,285	81,559,028	60,473,230	26,350,170
Attributable to:					
Equity holders of the Company		91,936,553	75,577,308	60,473,230	26,350,170
Minority interests		9,548,732	5,981,720	—	—
		101,485,285	81,559,028	60,473,230	26,350,170

Earnings per ordinary share attributable to equity holders of the Company:

Basic earnings per ordinary share of RMO.10 each (sen)	33	6.57	5.40		
Diluted earnings per ordinary share of RMO.10 each (sen)	33	6.57	5.40		
Gross dividend per ordinary share of RMO.10 each	34				
– sen		5.76	3.10	5.76	3.10
– %		57.6	31.0	57.6	31.0

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

Statements of Changes in Equity

for the financial year ended 30 June 2009

-----> Attributable to equity holders of the Company <----->

GROUP	Note	Share capital RM	Share premium RM	Share options reserve RM	Exchange reserve RM	Treasury shares RM	Retained profits RM	Total RM	Minority interests RM	Total equity RM
Balance as at 30 June 2007 (as restated)		141,321,004	25,146,822	—	956,359	(8,129,128)	165,254,421	324,549,478	15,931,461	340,480,939
Foreign currency translations		—	—	—	1,881,123	—	—	1,881,123	—	1,881,123
Income recognised directly in equity		—	—	—	1,881,123	—	—	1,881,123	—	1,881,123
Net profit for the financial year		—	—	—	—	—	75,577,308	75,577,308	5,981,720	81,559,028
Total recognised income for the financial year		—	—	—	1,881,123	—	75,577,308	77,458,431	5,981,720	83,440,151
Final dividend for previous financial year		—	—	—	—	—	(12,252,356)	(12,252,356)	—	(12,252,356)
Interim dividend for current financial year	34	—	—	—	—	—	(11,384,202)	(11,384,202)	—	(11,384,202)
Share issue expenses		—	(103,624)	—	—	—	—	(103,624)	—	(103,624)
Effect of internal reorganisation		—	—	—	—	—	—	—	154,472	154,472
Share options granted under ESOS	23	—	—	1,427,815	—	—	—	1,427,815	—	1,427,815
Issuance of shares to minority shareholders		—	—	—	—	—	—	—	96,186	96,186
Shares purchased from minority shareholders		—	—	—	—	—	—	—	(14,781)	(14,781)
Shares repurchased		—	—	—	—	(447,029)	—	(447,029)	—	(447,029)
Balance as at 30 June 2008		141,321,004	25,043,198	1,427,815	2,837,482	(8,576,157)	217,195,171	379,248,513	22,149,058	401,397,571

←----- Attributable to equity holders of the Company ----->

GROUP	Note	Share capital RM	Share premium RM	Share options reserve RM	Exchange reserve RM	Treasury shares RM	Retained profits RM	Total RM	Minority interests RM	Total equity RM
Balance as at 30 June 2008 (as restated)		141,321,004	25,043,198	1,427,815	2,837,482	(8,576,157)	217,195,171	379,248,513	22,149,058	401,397,571
Foreign currency translations		—	—	—	1,364,378	—	—	1,364,378	1,344,758	2,709,136
Income recognised directly in equity		—	—	—	1,364,378	—	—	1,364,378	1,344,758	2,709,136
Net profit for the financial year		—	—	—	—	—	91,936,553	91,936,553	9,548,732	101,485,285
Total recognised income for the financial year		—	—	—	1,364,378	—	91,936,553	93,300,931	10,893,490	104,194,421
Final dividend for previous financial year	34	—	—	—	—	—	(20,697,363)	(20,697,363)	—	(20,697,363)
Interim dividend for current financial year	34	—	—	—	—	—	(12,586,053)	(12,586,053)	—	(12,586,053)
Share options granted under ESOS		—	—	2,243,290	—	—	—	2,243,290	345,012	2,588,302
Issuance of shares to minority shareholders		—	—	—	—	—	—	—	40,000	40,000
Shares repurchased		—	—	—	—	(912,723)	—	(912,723)	—	(912,723)
Acquisition of a subsidiary	10	—	—	—	—	—	—	—	1,537,714	1,537,714
Dividend paid to minority shareholders		—	—	—	—	—	—	—	(4,149,275)	(4,149,275)
Balance as at 30 June 2009		141,321,004	25,043,198	3,671,105	4,201,860	(9,488,880)	275,848,308	440,596,595	30,815,999	471,412,594

statements of changes in equity
for the financial year ended 30 June 2009

COMPANY	Note	Share capital RM	Share premium RM	Share options reserve RM	Revaluation reserve RM	Treasury shares RM	Retained profits RM	Total equity RM
Balance as at 30 June 2007		141,321,004	25,146,822	—	34,396,684	(8,129,128)	33,841,222	226,576,604
Net profit for the financial year		—	—	—	—	—	26,350,170	26,350,170
Total recognised income for the financial year		—	—	—	—	—	26,350,170	26,350,170
Final dividend for previous financial year		—	—	—	—	—	(12,252,356)	(12,252,356)
Interim dividend for current financial year	34	—	—	—	—	—	(11,384,202)	(11,384,202)
Share issue expenses		—	(103,624)	—	—	—	—	(103,624)
Share options granted under ESOS	23	—	—	1,427,815	—	—	—	1,427,815
Shares repurchased		—	—	—	—	(447,029)	—	(447,029)
Balance as at 30 June 2008		141,321,004	25,043,198	1,427,815	34,396,684	(8,576,157)	36,554,834	230,167,378
Net profit for the financial year		—	—	—	—	—	60,473,230	60,473,230
Total recognised income for the financial year		—	—	—	—	—	60,473,230	60,473,230
Final dividend for previous financial year	34	—	—	—	—	—	(20,697,363)	(20,697,363)
Interim dividend for current financial year	34	—	—	—	—	—	(12,586,053)	(12,586,053)
Share options granted under ESOS		—	—	2,648,244	—	—	—	2,648,244
Shares repurchased		—	—	—	—	(912,723)	—	(912,723)
Balance as at 30 June 2009		141,321,004	25,043,198	4,076,059	34,396,684	(9,488,880)	63,744,648	259,092,713

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

Cash Flow Statements

for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM	2008 RM (as restated)	2009 RM	2008 RM (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax and minority interests		123,455,909	97,185,863	60,448,710	35,794,071
Adjustments for:					
Allowance for diminution in value of other investments no longer required		—	(9,630)	—	—
Allowance for doubtful debts		213,139	—	—	—
Allowance for doubtful debts no longer required		(57,866)	(117,994)	—	—
Amortisation of prepaid lease payments for land	8	165,594	156,163	—	—
Bad debt written off		55,433	—	—	—
Depreciation of property, plant and equipment	7	15,975,802	12,086,074	—	—
Dividend income from subsidiaries		—	—	(60,000,000)	(36,862,500)
Loss / (Gain) on disposal of an associate		231,496	—	(770,000)	—
Gain on disposal of property, plant and equipment		(408,639)	(823,324)	—	—
Interest expenses		885,183	495,293	264,282	—
Inventory written off		25,147	—	—	—
Impairment loss of other investment		1,460,076	—	—	—
Interest income		(1,366,369)	(920,939)	(735,965)	—
Loss on disposal of other investments		—	30,708	—	—
Loss on disposal of investment in a subsidiary		—	—	—	456,095
Property, plant and equipment written off	7	314,685	4,241	—	—
Share of results of associates		(28,909,050)	(31,439,342)	—	—
Share of results of jointly controlled entities		1,325,648	968,145	—	—
Share options granted under ESOS		2,588,302	1,427,815	—	—
Unrealised loss on foreign exchange		373,760	200,194	29,260	10,450
Operating profit/(loss) before working capital changes		116,328,250	79,243,267	(763,713)	(601,884)

	Note	Group		Company	
		2009 RM	2008 RM (as restated)	2009 RM	2008 RM (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit/(loss) before working capital changes (continued)		116,328,250	79,243,267	(763,713)	(601,884)
Increase in intangible assets		(2,357,505)	—	—	—
Decrease in inventories		1,648,056	348,066	—	—
Increase in trade and other receivables		(28,312,790)	(52,914,979)	—	—
Net decrease/(increase) in amounts owing by associates		322,153	(1,194,908)	—	—
Net increase in amounts owing by jointly controlled entities		(30,378,558)	(4,887,081)	—	—
Increase in trade and other payables		56,283,254	37,073,740	81,248	7,152
Cash generated from/(used in) operations		113,532,860	57,668,105	(682,465)	(594,732)
Interest received		1,035,185	920,939	—	—
Interest paid		—	—	(264,282)	—
Dividend received		57,520,733	27,000,000	60,000,000	27,372,241
Tax paid		(21,287,444)	(13,814,942)	—	—
Tax refund		519,681	1,385,850	75,820	—
Net cash from operating activities		151,321,015	73,159,952	59,129,073	26,777,509
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in a jointly controlled entity		(18,188,280)	(4,074,243)	(21,119,999)	(9,381,906)
Acquisition of subsidiaries, net of cash acquired	10	1,828,981	(4,003)	(52,000)	(103,900)
Purchase of other investments		(1,792,419)	(60,033)	—	—
Withdrawal of deposits		—	1,490,020	—	—
Placement of deposits		(1,692,083)	—	—	—
Proceed from disposal of an associate	11	1,400,000	—	1,400,000	—
Purchase of property, plant and equipment	7	(24,825,589)	(28,265,715)	—	—
Proceeds from disposal of property, plant and equipment		837,840	1,966,296	—	—
Proceeds from disposal of other investments		—	369,829	—	—
(Advance to)/net of repayment from subsidiaries		—	—	(25,153,084)	6,906,882
Net cash used in investing activities		(42,431,550)	(28,577,849)	(44,925,083)	(2,578,924)

	Note	Group		Company	
		2009 RM	2008 RM (as restated)	2009 RM	2008 RM (as restated)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(885,183)	(495,293)	—	—
Dividend paid to minority shareholders		(4,149,275)	—	—	—
Dividend paid		(33,283,416)	(23,636,558)	(33,283,416)	(23,636,558)
Proceeds from shares issued to minority shareholders		40,000	96,186	—	—
Repayment of hire purchase creditors		(2,588,607)	(848,549)	—	—
Drawdown of loan, net		29,297,204	530,300	20,000,000	—
Share issue expenses paid		—	(103,624)	—	(103,624)
Shares repurchased		(912,723)	(447,029)	(912,723)	(447,029)
Net cash used in financing activities		(12,482,000)	(24,904,567)	(14,196,139)	(24,187,211)
Net increase in cash and cash equivalents		96,407,465	19,677,536	7,851	11,374
Cash and cash equivalents at beginning of financial year					
As previously reported		76,599,690	54,510,972	52,187	40,813
Effects of exchange rate changes on cash and cash equivalents		1,561,246	2,411,182	—	—
As restated		78,160,936	56,922,154	52,187	40,813
Cash and cash equivalents at end of financial year	21	174,568,401	76,599,690	60,038	52,187

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

Notes to the Financial Statements

30 June 2009

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at 109, Block G, Phileo Damansara 1, No. 9, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 7 October 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company incorporated to manage various subsidiaries which serve a wide spectrum of the oil, gas and petrochemical industry.

The principal activities of the subsidiaries, as listed in Note 10 to the financial statements, are provision of specialist technical services and products, provision of engineering, construction and maintenance services, catalyst handling services, fabrication, provision of centralised tankage facilities and petroleum retailing.

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

3. BASIS OF PREPARATION

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Group are also required to exercise their judgment in the process of applying the accounting policies. The areas involving such judgments, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Group's best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of a business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of a business combination is allocated to the identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.7(a) to the financial statements on goodwill). If the cost of the business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in the income statement any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, direct or indirectly through subsidiaries by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

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

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

Transactions with minority interest are treated as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interest result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the cost will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation periods and rates are as follows:

Buildings	15 – 50 years
Furniture, fittings and office equipment	15% – 50%
Machinery, equipment and cabin	15% – 20%
Motor vehicles	20%
Renovation and electrical installation	15%

Freehold land is not depreciated as it has an infinite life. Property, plant and equipment under construction represents building and plant and equipment under construction. Property, plant and equipment under construction are not depreciated until such time when the assets are available for use.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in the income statement.

4.4 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Leases and hire purchase (continued)

(a) Finance leases and hire purchase (continued)

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in the income statement over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risks and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term ranging from 11 to 99 years on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with Note 4.4(a) or Note 4.4(b) to the financial statements. If the lease payment cannot be allocated reliably between leasehold land and building, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and building in which the amount that would initially be recognised for the land element is immaterial, the land and building is treated as a single unit for the purpose of lease classification and is accordingly classified as finance or operating lease. In such a case, the economic life of the building is regarded as the economic life of the entire leased asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

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

4.6 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company has power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost or valuation less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in the income statement.

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses, if any.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investment.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the Group's net interest in the associate.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investments (continued)

(b) Associates (continued)

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's income statements. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. The Group's share of results of associated companies is based on the audited financial statements made up to 30 June 2009 except for Kertih Terminals Sdn. Bhd., which is based on the latest audited financial statements made up to 31 March 2009, and LMK Resources (Malaysia) Sdn. Bhd., which is based on unaudited financial statements made up to 30 June 2009. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in the income statement.

(c) Jointly controlled entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entities over which there is contractually agreed sharing of joint control over the economic activity of the entity. Joint control exists when strategic financial and operational decisions relating to the activity require the unanimous consent of all the parties sharing control.

In the Company's separate financial statements, an investment in jointly controlled entities is stated at cost less impairment losses, if any.

In previous years, the investment in jointly controlled entities was accounted for in the consolidated financial statements using the proportionate consolidation method of accounting. Under this method, the interest in jointly controlled entities was accounted for by combining its share of each assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line, in its financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investments (continued)

(c) Jointly controlled entities (continued)

During the current financial year, the investment in jointly controlled entities is accounted for in the consolidated financial statements using the equity method of accounting. The investment in jointly controlled entities in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investment. The effect of this change in accounting policy on the consolidated financial statements for current and prior years are disclosed in Note 43 to the financial statements.

The interest in jointly controlled entities is the carrying amount of the investment in the jointly controlled entities under the equity method together with any long-term interest that, in substance, form part of the Group's net interest in the jointly controlled entities.

The Group's share of the profit or loss of the jointly controlled entities during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the jointly controlled entities reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the jointly controlled entities arising from changes in the jointly controlled entities equity that have not been recognised in the jointly controlled entities income statements. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

When the Group's share of losses in the jointly controlled entities equals or exceeds its interest in the jointly controlled entities, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the jointly controlled entities are used by the Group in applying the equity method. The Group's share of results of jointly controlled entities is based on the audited financial statements made up to 30 June 2009 except for Tracerco Asia Sdn. Bhd. and WD International Limited, which are based on unaudited financial statements made up to 30 June 2009. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

Upon disposal of an investment in jointly controlled entities, the difference between the net disposal proceeds and its carrying amount is included in the income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investments (continued)

(d) Other investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost and an allowance for diminution in value is made where, in the opinion of the Group, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

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

4.7 Intangible assets

(a) Goodwill

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of the cost of investment over the Group's share of the net fair value of net assets of the associate's identifiable assets, liabilities and contingent liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of investment is included as income in the determination of the Group's share of the associate profit or loss in the period in which the investment is acquired.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Intangible assets (continued)

(b) Development costs

Expenditure on development activities of internally developed products is recognised as an intangible asset when it relates to the production of new or substantively improved products and processes and when the Group can demonstrate that it is technically feasible to develop the product or processes, adequate resources are available to complete the development and that there is an intention to complete and sell the product or processes to generate future economic benefits.

Capitalised development costs are amortised on a straight line basis over a period of fifteen (15) years commencing from the date they are available for use. Development expenditure not satisfying the criteria mentioned and expenditure arising from research or from the research phase of internal projects are recognised in the income statement as incurred.

Development assets are tested for impairment annually.

4.8 Impairment of assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associates and jointly controlled entities), construction contract assets, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in the income statement when the carrying amount of the asset or the CGU, including the allocated goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in the income statement immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Impairment of assets (continued)

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

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. Such reversals are recognised as income immediately in the income statement.

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in-first-out and weighted average formula. The cost of trading inventories and construction materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets for financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

4.10.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in the income statement. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

4.10.1 Financial instruments recognised on the balance sheets (continued)

(a) Receivables

Trade receivables and other receivables, including amounts owing by associates, jointly controlled entities and related parties, are classified as loans and receivables under FRS 132 *Financial Instruments: Disclosure and Presentation*.

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of pledged deposits.

(c) Payables

Liabilities for trade and other amounts payable, including amounts owing to associates, jointly controlled entities and related parties, are recognised at the fair value of the consideration to be paid in the future for goods and services received.

(d) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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

(e) Equity instruments

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. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

4.10.2 Financial instruments not recognised on the balance sheets

The Group is a party to financial instruments that comprise foreign currency forward contracts which are not recognised in the financial statements on inception. The Group does not hold or issue such instruments for trading purposes.

Foreign currency forward contracts are used to hedge foreign exposure as a result of receipts and payments in foreign currency and are not revalued to fair value at balance sheet date. Any gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the dates of such transactions at which time they are included in the measurement of such transactions.

All other gains or losses relating to hedged instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items.

4.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are completed, after which such expenses are charged to the income statement. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during the extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowings during the period less any investment income on the temporary investment of the borrowings.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

4.12 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries, associates or jointly controlled entities on distributions to the Group and the Company, and real property gains tax payable on disposal of properties, prior to 1 April 2007, if any.

Taxes in the income statement comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

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

Deferred tax will be recognised as income or expense and included in the income statement for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

4.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise this contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4.15 Employee benefits

4.15.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees rendered services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

4.15.2 Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Employee benefits (continued)

4.15.3 Share-based payments

The Company operates an equity-settled share-based compensation plan, allowing the employees of the Group to acquire ordinary shares of the Company at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will be vested.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share options reserve until the options are exercised, upon which it will be transferred to share premium, or until the options expire, upon which it will be transferred directly to retained profits.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

4.16 Foreign currencies

4.16.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

4.16.2 Foreign currency transactions and balances

Transactions in foreign currencies are converted into the functional currency of each company in the Group at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into the respective functional currency at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement in the period. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Foreign currencies (continued)

4.16.3 Foreign operations denominated in functional currencies other than Ringgit Malaysia ("RM")

Financial statements of foreign operations are translated at financial year end exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised as a separate component of equity.

Foreign currency differences are recognised in exchange reserve. On disposal, the accumulated exchange reserve is recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the balance sheet date.

4.16.4 Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are recognised in the consolidated income statement upon disposal of the investment.

4.17 Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods has been transferred to the customer and where the Group retains no continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

(b) Services

Revenue from rendering of services is recognised in the income statement upon performance of services.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Revenue and income recognition (continued)

(c) Construction contracts

Profits from contracts works are recognised on a percentage of completion method. Percentage of completion is determined based on completion of physical proportion of the contract work.

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

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contracts costs are recognised as an expense in the period in which they are incurred.

(d) Dividend income

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

(e) Interest income

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

(f) Rental income

Rental income is recognised on a straight-line basis over the term of an ongoing lease.

4.18 Earnings per share

The Group presents basic and dilutive 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 in issue during the period. For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

4.19 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

5.1 New FRSs and Amendments to FRSs adopted

The Group early adopted the following FRSs and IC Interpretations that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

FRSs/Interpretations		Effective date
Amendment to FRS 2	Share-based Payment : Vesting Conditions and Cancellations	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 : Group and Treasury Share Transactions	1 January 2010

The early adoption of the above FRSs and IC Interpretations did not have any impact on the Group's financial statements.

5.2 FRSs, Amendments to FRSs and IC Interpretations Issued but Not Yet Effective

The following FRSs and their consequential amendments, Amendments to FRSs and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective, have not been applied by the Group:

FRSs/Interpretations		Effective date
Amendments to FRS 1 and FRS 127	First-time adoption of Financial Reporting Standards; and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate	1 January 2010
FRS 4	Insurance Contracts (#)	1 January 2010
FRS 7	Financial Instruments : Disclosures (##)	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and Measurement (###)	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes (*)	1 January 2010
IC Interpretation 14	FRS 119 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement; and Financial Instrument: Disclosures; and Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Improvements to FRSs (2009)	Amendment to FRS 5,8,107,108,110,116,117,118,119,120, 123,127,128,129,131,134,136,138 & 140	1 January 2010

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

5.2 FRSs, Amendments to FRSs and IC Interpretations Issued but Not Yet Effective (continued)

The adoption of these FRSs and their consequential amendments, Amendments to FRSs and IC Interpretations is not expected to have any significant impact on the consolidated financial statements of the Group.

(*) This IC Interpretation is not relevant to the Group.

(#) By virtue of the exemption provided under paragraph 41AA of FRS 4, the impact of applying FRS 4 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Change in Accounting Estimates and Errors* is not disclosed.

(##) By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

(###) By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the financial statements are continually evaluated by the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Critical judgments made in applying accounting policies

There are no critical judgments made by the Group in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

6.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and the other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

6.2 Key sources of estimation uncertainty (continued)

6.2.1 Impairment of goodwill on consolidation

The Group tests goodwill for impairment annually in accordance with its accounting policy. See accounting policy Note 4.8 to the financial statements on impairment of goodwill.

For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgment is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involve uncertainties and are significantly affected by assumptions used and judgment made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

6.2.2 Deferred tax assets

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

6.2.3 Allowance for doubtful debts

The Group makes allowance for doubtful debts on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for doubtful debts. Where the expectations differ from the original estimates, the differences will impact the carrying value of receivables.

6.2.4 Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. The estimated useful lives applied by the Group as disclosed in Note 4.3 to the financial statements reflects the Group's estimate of the period that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. These are common life expectancies applied in the various business segments of the Group. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

6.2 Key sources of estimation uncertainty (continued)

6.2.5 Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgment has been used to determine the discount rate for the cash flows and the future growth of the business.

6.2.6 Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

6.2.7 Impairment of intangible assets

The Group reviews the carrying amounts of the intangible assets as at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value-in-use is estimated. Determining the value-in-use of intangible assets requires the determination of future cash flows expected to be generated from the continued use, and ultimate disposition of such assets. Any resulting impairment loss could have a material adverse impact on the Group's financial position and results of operations.

Significant judgment is required in the estimation of the present value of future cash flows generated by the intangible assets, which involve uncertainties and are significantly affected by assumptions used and judgment made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's assessment for impairment of intangible assets.

6.2.8 Employee's share option scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee's share options at the date at which they are granted. Judgment is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. The Group is also required to use judgment in determining the most appropriate inputs to the valuation model including volatility and dividend yield. The assumptions and model used are disclosed in Note 36 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2008 RM	Additions RM	Acquisition of a subsidiary RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Exchange differences RM	Reclassifications RM	Balance as at 30.6.2009 RM
Carrying amount									
Freehold land	45,119,663	6,296,426	—	—	—	—	—	717,661	52,133,750
Buildings	35,730,992	2,172,617	—	—	—	(1,479,996)	419,309	1,944,069	38,786,991
Furniture, fittings and office equipment	5,539,008	2,636,862	134,305	(182,710)	—	(2,538,529)	53,202	720,992	6,363,130
Machinery, equipment and cabin	28,143,294	12,072,158	—	(166,210)	(13,189)	(8,853,498)	390,979	3,953,098	35,526,632
Motor vehicles	6,668,320	4,189,281	—	(80,281)	—	(2,449,348)	51,162	118	8,379,252
Renovation and electrical installation	3,217,999	219,899	—	—	(15,750)	(654,431)	18,420	578,901	3,365,038
Building under construction	3,491,741	2,636,907	—	—	(179,982)	—	14,006	(5,962,672)	—
Plant and equipment under construction	1,910,883	285,224	—	—	(105,764)	—	(493)	(1,952,167)	137,683
	129,821,900	30,509,374	134,305	(429,201)	(314,685)	(15,975,802)	946,585	—	144,692,476

[----- At 30.6.2009 -----]

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	52,133,750	—	52,133,750
Buildings	46,846,115	(8,059,124)	38,786,991
Furniture, fittings and office equipment	20,639,011	(14,275,881)	6,363,130
Machinery, equipment and cabin	85,123,916	(49,597,284)	35,526,632
Motor vehicles	23,397,151	(15,017,899)	8,379,252
Renovation and electrical installation	6,143,705	(2,778,667)	3,365,038
Plant and equipment under construction	137,683	—	137,683
	234,421,331	(89,728,855)	144,692,476

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance as at 1.7.2007 (as restated) RM	Additions (as restated) RM	Disposals (as restated) RM	Written off (as restated) RM	Depreciation charge for the financial year (as restated) RM	Exchange differences (as restated) RM	Reclassi- fications (as restated) RM	Balance as at 30.6.2008 (as restated) RM
Carrying amount								
Freehold land	42,724,506	2,395,157	—	—	—	—	—	45,119,663
Buildings	26,125,940	10,496,017	—	—	(1,065,184)	521,695	(347,476)	35,730,992
Furniture, fittings and office equipment	3,401,010	3,856,935	(316,164)	—	(1,544,026)	281,775	(140,522)	5,539,008
Machinery, equipment and cabin	17,525,400	9,939,627	(357,917)	(4,240)	(7,173,416)	214,860	7,998,980	28,143,294
Motor vehicles	4,843,695	3,515,775	(92,252)	(1)	(1,830,499)	231,602	—	6,668,320
Renovation and electrical installation	1,309,101	1,801,576	—	—	(472,949)	66,201	514,070	3,217,999
Building under construction	2,699,058	774,728	—	—	—	17,955	—	3,491,741
Plant and equipment under construction	9,079,457	1,240,817	(376,639)	—	—	(7,700)	(8,025,052)	1,910,883
	107,708,167	34,020,632	(1,142,972)	(4,241)	(12,086,074)	1,326,388	—	129,821,900

	[----- At 30.6.2008 -----]		
	Cost RM (as restated)	Accumulated depreciation RM (as restated)	Carrying amount RM (as restated)
Freehold land	45,119,663	—	45,119,663
Buildings	42,293,297	(6,562,305)	35,730,992
Furniture, fittings and office equipment	17,624,484	(12,085,476)	5,539,008
Machinery, equipment and cabin	70,054,498	(41,911,204)	28,143,294
Motor vehicles	20,084,613	(13,416,293)	6,668,320
Renovation and electrical installation	5,314,694	(2,096,695)	3,217,999
Building under construction	3,491,741	—	3,491,741
Plant and equipment under construction	1,910,883	—	1,910,883
	205,893,873	(76,071,973)	129,821,900

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The strata titles of certain buildings with a carrying amount of RM5,661,466 (2008: RM5,805,833) have yet to be issued by the relevant authority.

(b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2009 RM	2008 RM (as restated)
Purchase of property, plant and equipment	30,509,374	34,020,632
Financed by hire purchase arrangements	(5,683,785)	(2,867,417)
Financed by bank loans	—	(2,887,500)
	24,825,589	28,265,715

(c) Included in property, plant and equipment of the Group are assets acquired under hire purchase arrangements with a carrying amount of RM5,139,515 (2008: RM3,953,671). Freehold land and buildings with a carrying amount of RM29,590,866 (2008: RM21,110,785) are subject to fixed and floating charges created to secure banking facilities granted to certain subsidiaries as disclosed in Note 25 to the financial statements.

(d) Additions during the financial year include:

	Group	
	2009 RM	2008 RM (as restated)
Interest expense	521,705	593,583

Interest is capitalised at rates ranging from 3.35% to 4.57% (2008: 4.05% to 4.45%) per annum.

8. PREPAID LEASE PAYMENTS FOR LAND

Group	Balance as at 1.7.2008 RM	Addition RM	Amortisation charge for the financial year RM	Exchange differences RM	Balance as at 30.6.2009 RM
Carrying amount					
Leasehold land	10,803,372	—	(165,594)	28,322	10,666,100

----- At 30.6.2009 -----

	Cost RM	Accumulated amortisation RM	Carrying amount RM
Leasehold land	12,633,110	(1,967,010)	10,666,100

Group	Balance as at 1.7.2007 RM (as restated)	Addition RM (as restated)	Amortisation charge for the financial year RM (as restated)	Exchange differences RM (as restated)	Balance as at 30.6.2008 RM (as restated)
Carrying amount					
Leasehold land	10,800,245	—	(156,163)	159,290	10,803,372

----- At 30.6.2008 -----

	Cost RM (as restated)	Accumulated amortisation RM (as restated)	Carrying amount RM (as restated)
Leasehold land	12,588,274	(1,784,902)	10,803,372

8. PREPAID LEASE PAYMENTS FOR LAND (continued)

	Group	
	2009 RM	2008 RM (as restated)
Analysed as:		
Short term (unexpired period less than 50 years)	2,335,549	2,368,233
Long term (unexpired period more than 50 years)	8,330,551	8,435,139
	10,666,100	10,803,372

9. INTANGIBLE ASSETS

Group	Balance as at 1.7.2008 RM	Additions RM	Exchange differences RM	Balance as at 30.6.2009 RM
Carrying amount				
Goodwill	6,264,805	395,724	(367,638)	6,292,891
Development costs	—	2,357,505	—	2,357,505
Total	6,264,805	2,753,229	(367,638)	8,650,396

	Balance as at 1.7.2007 RM (as restated)	Addition RM (as restated)	Exchange differences RM (as restated)	Balance as at 30.6.2008 RM (as restated)
Carrying amount				
Goodwill	6,206,031	165,434	(106,660)	6,264,805

9. INTANGIBLE ASSETS (continued)

- (a) Goodwill has been allocated to the Group's Cash Generating Unit ("CGU") identified according to geographical segments as follows:

	Group	
	2009 RM	2008 RM (as restated)
Malaysia	729,816	334,092
Asia Pacific countries	1,963,635	1,939,492
Other countries	3,599,440	3,991,221
	6,292,891	6,264,805

For the purpose of impairment testing, the recoverable amount of a CGU is determined based on its value in use. The value in use is determined by discounting the pre-tax cash flows based on financial budgets prepared by the Group covering a five-year period based on the following key assumptions:

	%
Growth rate:	
Malaysia	12.5
Asia Pacific countries	14.0
Other countries	30.0
Pre-tax weighted average cost of capital	9.0

The management believe that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount which would cause the CGU's carrying amount to materially exceed its recoverable amount.

Based on these calculations, the Group are of the view that no impairment loss is required as the recoverable amount determined is higher than the carrying amount of the CGUs.

- (b) Development costs relate to the development of prototypes of centralised switching infrastructure undertaken by a subsidiary. No amortisation is provided during the financial year as the assets have yet to be ready for its intended commercial use.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2009 RM	2008 RM
Unquoted equity shares:		
– At cost	27,654,816	27,602,816
– At directors' valuation	77,943,044	77,943,044
	105,597,860	105,545,860
Equity contributions in subsidiaries	4,016,117	1,427,815
	109,613,977	106,973,675

The unquoted equity shares in certain subsidiaries were revalued by the Group in the financial year ended 30 June 2006 based on net tangible assets value of these subsidiaries.

The subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Dialog E & C Sdn. Bhd.	Malaysia	100%	100%	Provision of engineering, procurement, construction and commissioning services.
Dialog Plant Services Sdn. Bhd.	Malaysia	100%	100%	Plant turnaround and specialist maintenance work, provision of bolting and on site flange face machining services and tensioning equipment.
Saga Dialog Sdn. Bhd.	Malaysia	100%	100%	Mechanical works, construction of tankage pipings and pipelines, installation of equipment, hookup and commissioning, plant revamp and debottlenecking.
Dialog Systems Sdn. Bhd.	Malaysia	100%	100%	Marketing of specialty chemicals, catalysts and absorbents, petroleum additives, drilling base oil and specialty equipment, and provision of specialist technical services.

10. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Dialog E & I Sdn. Bhd.	Malaysia	100%	100%	Specialised electrical and instrumentation, construction, commissioning and calibration services.
Dialog Fabricators Sdn. Bhd.	Malaysia	100%	100%	Fabrication of steel structures, process skids, pressure vessels, pipe spools, platform and ladder for process plants.
Pacific Advance Composites Sdn. Bhd.	Malaysia	100%	100%	Manufacturing, engineering and installation of composite pipe system.
Dialog Petroleum Sdn. Bhd.	Malaysia	100%	100%	Investment holding and petroleum retailing.
Dialog Corporate Sdn. Bhd.	Malaysia	100%	100%	Provision of management consultancy and administration services.
Dialog Equity Sdn. Bhd.	Malaysia	100%	100%	Investment holding and investment dealing.
*Dialog Systems (Asia) Pte. Ltd.	Singapore	100%	100%	Investment holding.
Dialog Services Sdn. Bhd.	Malaysia	60%	100%	Provision of consultancy and technical support services.
Dialog Energy Sdn. Bhd.	Malaysia	100%	100%	Inactive.
Infodasia Sdn. Bhd.	Malaysia	100%	100%	Project management services and provision of information technology support and services.
Dialog Properties Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Subsidiary of Saga Dialog Sdn. Bhd.				
Dialog Construction Sdn. Bhd.	Malaysia	100%	100%	Construction of plant and civil engineering works.
Subsidiary of Dialog Fabricators Sdn. Bhd.				
Dialog OTEC Sdn. Bhd.	Malaysia	78%	78%	Fabrication of steel structures, process skids, pressure vessels, pipe spools, platform and ladder for process plants.

10. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Subsidiaries of Dialog Systems (Asia) Pte. Ltd.				
*Dialog Systems Pte. Ltd.	Singapore	100%	100%	Marketing of specialty chemicals and equipment and provider of technical services.
*Dialog Engineering Pte. Ltd.	Singapore	77%	77%	Investment holding and contracting of oil, gas and petrochemical related works.
*Dialog Services Pte. Ltd.	Singapore	100%	100%	Provision of catalyst and process material handling services.
*PT. Dialog Sistemindo	Indonesia	95%	95%	Provision of management consultancy and technical support services.
Dialog International (I) Ltd.	Malaysia	51%	51%	Supply of specialty chemicals.
*Dialog Systems (Thailand) Ltd.	Thailand	49%	49%	Contracting of oil, gas and petrochemical related works and trading in specialty chemicals and equipment.
Dialog (Labuan) Ltd.	Malaysia	100%	100%	Investment holding.
@Dialog Services (Hong Kong) Limited	Hong Kong	100%	100%	Provision of consultancy and technical support services.
Subsidiaries of Dialog Engineering Pte. Ltd.				
*Toh Teck Seng Engineering & Construction Pte. Ltd.	Singapore	69%	69%	Provision of plant maintenance services and general civil and mechanical engineering works.
*OTEC Holdings Pte. Ltd.	Singapore	57%	57%	Investment holding.
Subsidiaries of Dialog (Labuan) Ltd.				
@GNT International Limited	Hong Kong	57%	57%	Dormant.
*Dialog Services Saudi Arabia Company Limited	Kingdom of Saudi Arabia	60%	60%	Contracting of oil, gas and petrochemical related works and trading in specialty chemicals and equipment.

10. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Subsidiary of OTEC Holdings Pte. Ltd.				
*Overseas Technical Engineering and Construction Pte. Ltd.	Singapore	57%	57%	General stainless steel fabrication and supply of fabricated construction material, engineering equipments and related spares.
Subsidiary of Overseas Technical Engineering and Construction Pte. Ltd.				
Overseas Manufacturing (Johor) Sdn. Bhd.	Malaysia	57%	57%	Fabrication of steel storage tanks.
Subsidiary of Dialog Plant Services Sdn. Bhd.				
Dialog Catalyst Services Sdn. Bhd.	Malaysia	71%	71%	Provision of catalyst and process material handling services.
Subsidiaries of Dialog Petroleum Sdn. Bhd.				
Corak Dahlia Sdn. Bhd.	Malaysia	100%	100%	Inactive.
Oriental Valley Sdn. Bhd.	Malaysia	100%	100%	Petroleum retailing.
Senyum Bestari Sdn. Bhd.	Malaysia	100%	100%	Petroleum retailing.
Cendana Sutura Sdn. Bhd.	Malaysia	100%	100%	Petroleum retailing.
Idaman Tropikal Sdn. Bhd.	Malaysia	100%	100%	Petroleum retailing.
Emas Merdu Sdn. Bhd.	Malaysia	100%	100%	Petroleum retailing.
Dialog Mall Sdn. Bhd.	Malaysia	100%	100%	Inactive.
Corak Merah Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Tempo Setara Sdn. Bhd.	Malaysia	100%	100%	Dormant.

10. INVESTMENT IN SUBSIDIARIES (continued)

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Subsidiaries of Dialog Services Pte. Ltd.				
+Dialog Services Pty. Ltd.	Australia	71%	71%	Provision of catalyst and process material handling services.
*Dialog Services Europe Limited	United Kingdom	71%	71%	Investment holding.
+Dialog Services, Inc.	United States of America	71%	71%	Provision of catalyst and process material handling services.
Subsidiary of Dialog Services Europe Limited				
*Dialog Technivac Limited	United Kingdom	71%	71%	Provision of catalyst and process material handling services.
Subsidiary of Dialog E & C Sdn. Bhd.				
Multi-Cad Engineering Sdn. Bhd.	Malaysia	60%	60%	Provision of engineering services and computer aided drafting works.
Subsidiary of Infodasia Sdn. Bhd.				
ePetrol Services Sdn. Bhd.	Malaysia	60%		- Development and deployment of front end payment solutions, terminals, infrastructure and systems for petrol stations.

+ Subsidiaries not required to be audited by local authority and consolidated using management financial statements.

@ Subsidiaries audited by member firms of BDO International.

* Subsidiaries not audited by BDO Binder Malaysia or member firms of BDO International.

Acquisition of a subsidiary during the financial year ended 30 June 2009

In September 2008, Infodasia Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed for 25,500,000 new ordinary shares of RM0.10 each at par in ePetrol Services Sdn. Bhd. ("ePetrol Services") for RM2,550,000 representing a 51% equity interest in the enlarged share capital of ePetrol Services.

The acquisition has no material effect on the Group's financial statements for the financial year ended 30 June 2009.

10. INVESTMENT IN SUBSIDIARIES (continued)

Details of the net assets acquired and cash flow arising from the acquisition are as follows:

	Group 2009 RM
Property, plant and equipment	134,305
Other deposits	150
Cash and bank balances	4,378,981
Trade and other payables	(821,446)
Minority interests	(1,537,714)
Net assets acquired	2,154,276
Goodwill on consolidation	395,724
Total purchase consideration	2,550,000
Cash and bank balances on the subsidiary acquired	(4,378,981)
Cash flow on acquisition, net of cash and bank balances acquired	(1,828,981)

If the acquisition had occurred on 1 July 2008, the Group's revenue and net profit after tax for the financial year ended 30 June 2009 would have been RM1,104,520,611 and RM100,283,499 respectively.

Acquisitions of subsidiaries during the financial year ended 30 June 2008

- (i) In August 2007, Dialog Systems (Asia) Pte. Ltd., a wholly-owned subsidiary of the Company, acquired the entire issued and paid-up share capital of Dialog Services (Hong Kong) Limited ("DSHK") comprising of one (1) ordinary share of USD1.00 each at par from a third party for a total consideration of USD1 which is equivalent to RM3;
- (ii) In November 2007, the Company acquired the remaining 40% of the issued and paid-up share capital of Dialog Energy Sdn. Bhd. ("DESB") from a minority shareholder for a total consideration of RM4,000. After the acquisition, DESB is now 100% owned by the Company; and
- (iii) In January 2008, Dialog Services Pte. Ltd., a wholly-owned subsidiary of the Company, subscribed for 51,000 shares of common stock in Dialog Services, Inc. ("Dialog USA"), a company incorporated in USA, representing 51% of the equity interest for a total consideration of USD51,000 which is equivalent to RM168,810. EC-Dialog Pte. Ltd., an associate of the Group holds the remaining 49,000 shares, representing 49% of Dialog USA's common stock.

The above acquisitions had no material effect on the Group's financial statements for the financial year ended 30 June 2008.

11. INVESTMENT IN ASSOCIATES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted equity shares, at cost	14,739,996	15,369,996	4,000	634,000
Share of post acquisition reserves, net of dividends received	68,072,842	97,653,227	—	—
	82,812,838	113,023,223	4,000	634,000

The associates are as follows:

Name of Company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Direct:-				
Helix RDS Sdn. Bhd.	Malaysia	—	30%	Provision of consultancy services to the oil and gas industry.
+LMK Resources (Malaysia) Sdn. Bhd.	Malaysia	40%	40%	Dormant.
Indirect:-				
+Kertih Terminals Sdn. Bhd.	Malaysia	30%	30%	Providing bulk chemical storage and handling services.
Overseas Technical Engineering & Construction Sdn. Bhd.	Malaysia	28%	28%	Inactive.
*EC-Dialog Pte. Ltd.	Singapore	40%	40%	Investment holding.

+ Not audited by BDO Binder Malaysia.

* Not audited by member firms of BDO International.

11. INVESTMENT IN ASSOCIATES (continued)

In April 2009, the Company disposed off its entire equity interest of 30% in Helix RDS Sdn. Bhd. comprising 630,000 ordinary shares of RM1.00 each to Tekad Ekuiti Sdn. Bhd. for a total cash consideration of RM1,400,000.

The financial statements used for equity accounting of the above associates are co-terminous with those of the Group, which is 30 June, except for Kertih Terminals Sdn. Bhd. where its annual audited financial statements ended 31 March have been applied.

The summarised financial information of the associates is as follows:

	Group	
	2009 RM	2008 RM
Assets and liabilities		
Current assets	94,845,324	106,618,399
Non-current assets	351,512,677	378,821,852
Total assets	446,358,001	485,440,251
Current liabilities	20,263,401	27,787,456
Non-current liabilities	78,094,855	88,393,492
Total liabilities	98,358,256	116,180,948
Results		
Revenue	197,836,349	214,116,568
Profit for the financial year	97,672,727	104,840,641

12. INTEREST IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM (as restated)
Unquoted equity shares, at cost	4,873,497	4,873,497	2,781,906	2,781,906
Advances to jointly controlled entities	28,051,183	6,600,000	28,455,964	6,600,000
Equity contribution in jointly controlled entities	—	—	59,942	—
Share of post acquisition reserves, net of group unrealised profit	(9,883,089)	(5,625,721)	—	—
	23,041,591	5,847,776	31,297,812	9,381,906

Advances to jointly controlled entities are unsecured and bear interest at rates of 4.5% per annum (2008: nil) and not repayable within the next twelve (12) months.

The details of the jointly controlled entities are as follows:

Name of Company	Country of incorporation	Effective interest in equity		Principal activities
		2009	2008	
Direct:-				
Centralised Terminals Sdn. Bhd. ("CTSB")	Malaysia	55%	55%	Investment holding company.
Tracerco Asia Sdn. Bhd.	Malaysia	50%	50%	Provision of patented nucleonic instruments and range of diagnostic services using radioisotope technology.
*WD International Limited	Hong Kong	50%	50%	Dormant.
Subsidiaries of CTSB				
Langsat Terminal (One) Sdn. Bhd.	Malaysia	44%	44%	Provision of tank terminal storage facilities and handling services.
Langsat Terminal (Two) Sdn. Bhd. (formerly known as Langsat CTF Sdn. Bhd.)	Malaysia	44%	44%	Provision of tank terminal storage facilities and handling services.

* Not audited by member firms of BDO International.

12. INTEREST IN JOINTLY CONTROLLED ENTITIES (continued)

The Group's aggregate share of the assets, liabilities, income and expense of the jointly controlled entities are as follows:

	Group	
	2009 RM	2008 RM (as restated)
Assets and liabilities		
Current assets	7,014,894	5,506,540
Non-current assets	156,557,205	73,174,556
Total assets	163,572,099	78,681,096
Current liabilities	31,272,680	63,433,479
Non-current liabilities	126,906,312	8,250,000
Total liabilities	158,178,992	71,683,479

The Group's share of revenue and expenses of the jointly controlled entities are as follows:

Revenue	4,868,229	6,904,142
Expenses including finance costs and tax expense	(6,193,877)	(7,872,287)
Loss for the financial year	(1,325,648)	(968,145)

13. OTHER INVESTMENTS

	Group	
	2009 RM	2008 RM
Unquoted shares in Malaysia, at cost	1,792,419	—
Unquoted shares outside Malaysia, at cost	1,619,006	1,619,006
Club membership, at cost	328,500	328,500
	3,739,925	1,947,506
Impairment loss	(1,460,076)	—
Exchange differences	153,792	127,938
	2,433,641	2,075,444

Included in the unquoted shares is an investment amounting to RM183,883 (2008: RM169,351) representing 20% equity interest in a company incorporated in China. The investment is not considered as the Group's associate as the Group does not have significant influence, managerial involvement and board representation in the investee company.

14. DEFERRED TAX

Recognised deferred tax assets and liabilities

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

The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group	
	2009 RM	2008 RM (as restated)
Deferred tax assets	7,878,262	4,760,179
Deferred tax liabilities	(4,318,631)	(2,032,233)
	3,559,631	2,727,946

14. DEFERRED TAX (continued)

Recognised deferred tax assets and liabilities (continued)

(a) Movements in temporary differences during the financial year are as follows:

	Group	
	2009 RM	2008 RM (as restated)
Balance at 1 July	2,727,946	1,933,576
Recognised in income statement		
– excess of capital allowances over corresponding depreciation	(191,489)	(507,727)
– amounts due from customers for contract works	(2,287,106)	(4,317,210)
– unabsorbed capital allowances	(39,292)	(1,143,160)
– accrued expenses	1,704,213	5,985,285
– unused tax losses	(96,159)	385,927
– other deductible temporary differences	1,741,518	440,356
	831,685	843,471
Exchange differences	–	(49,101)
Balance at 30 June	3,559,631	2,727,946

14. DEFERRED TAX (continued)

(b) The components of deferred tax assets and liabilities at the end of the financial year comprise the tax effects of:

	Group	
	2009 RM	2008 RM (as restated)
Deferred tax assets		
Unused tax losses	1,567,089	1,663,248
Unabsorbed capital allowances	456,543	495,835
Accrued expenses	9,650,330	7,946,117
Other deductible temporary differences	2,181,874	440,356
Deferred tax assets (before offsetting)	13,855,836	10,545,556
Offsetting	(5,977,574)	(5,785,377)
Deferred tax assets (after offsetting)	7,878,262	4,760,179
Deferred tax liabilities		
Excess of capital allowances over corresponding depreciation	2,831,389	2,639,900
Amounts due from customers for contract works	7,464,816	5,177,710
Deferred tax liabilities (before offsetting)	10,296,205	7,817,610
Offsetting	(5,977,574)	(5,785,377)
Deferred tax liabilities (after offsetting)	4,318,631	2,032,233

14. DEFERRED TAX (continued)

Unrecognised deferred tax assets

The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheet is as follows:

	Group	
	2009 RM	2008 RM <i>(as restated)</i>
Unused tax losses	2,467,676	2,511,344
Unabsorbed capital allowances	1,117,836	1,227,524
Accrued expenses	191,248	14,856
	3,776,760	3,753,724

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which the deductible temporary differences can be utilised.

15. INVENTORIES

	Group	
	2009 RM	2008 RM
<u>At cost</u>		
Construction materials	2,362,563	1,781,013
Trading inventories	18,769,787	20,865,186
	21,132,350	22,646,199

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Trade receivables				
Third parties	171,394,649	142,600,410	—	—
Amount due from customers for contract works (Note 17)	51,408,402	51,014,727	—	—
	222,803,051	193,615,137	—	—
Less: Allowance for doubtful debts	(325,394)	(225,320)	—	—
Total trade receivables	222,477,657	193,389,817	—	—
Other receivables				
Other receivables	5,201,093	4,380,113	—	—
Deposits	2,060,015	3,847,998	5,000	5,000
Prepayments	3,095,401	2,416,690	—	—
	10,356,509	10,644,801	5,000	5,000
Less: Allowance for doubtful debts	(54,144)	(30,549)	—	—
Total other receivables	10,302,365	10,614,252	5,000	5,000
	232,780,022	204,004,069	5,000	5,000

(a) The normal credit terms of trade receivables granted by the Group range from 7 to 60 days (2008: 7 to 60 days).

16. TRADE AND OTHER RECEIVABLES (continued)

(b) The allowance for doubtful debts is net of bad debts written off as follows:

	Group	
	2009 RM	2008 RM
Bad debts written off		
– trade receivables	31,604	42,147
– other receivables	–	28,807

(c) The foreign currency exposure of trade and other receivables of the Group is as follows:

	Group	
	2009 RM	2008 RM (as restated)
Euro	869,840	898,597
Indonesia Rupiah	–	271,398
New Zealand Dollar	128,222	110,683
Ringgit Malaysia	–	1,409,319
Singapore Dollar	86,256	1,290
Sterling Pound	4,734,345	668,306
Thai Baht	–	263,611
United States Dollar	30,780,420	31,842,788

(d) Included in trade receivables is total retention sum for contract works of RM4,903,319 (2008: RM5,333,674).

(e) Information on financial risks of trade and other receivables is disclosed in Note 39 to the financial statements.

17. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	Group	
	2009 RM	2008 RM
Aggregate costs incurred to date	599,245,556	359,734,323
Add: Attributable profits less losses	92,781,321	37,909,296
	692,026,877	397,643,619
Less: Progress billings	(668,426,739)	(360,633,917)
	23,600,138	37,009,702
Represented by:		
Amounts due from customers for contract works (Note 16)	51,408,402	51,014,727
Amounts due to customers for contract works (Note 27)	(27,808,264)	(14,005,025)
	23,600,138	37,009,702

Additions to aggregate costs incurred during the financial year include:

	Group	
	2009 RM	2008 RM
Hire of plant and machinery and motor vehicles	8,324,098	9,630,953

18. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing by/(to) subsidiaries are unsecured, interest free and repayable on demand.

The foreign currency exposure of amounts owing by/(to) subsidiaries of the Company are as follows:

	Company	
	2009 RM	2008 RM
United States Dollar	3,357,030	3,024,080
Singapore Dollar	(509,960)	(482,790)

19. AMOUNTS OWING BY/(TO) ASSOCIATES

The amounts owing by/(to) associates represent trade transactions which are subject to normal credit terms.

20. AMOUNTS OWING BY/(TO) JOINTLY CONTROLLED ENTITIES

The amounts owing by/(to) jointly controlled entities represent normal trade transactions and payments made on behalf which are interest-free, unsecured and repayable on demand.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Cash and bank balances	57,333,889	34,974,249	60,038	52,187
Deposits with licensed banks	121,379,891	44,078,737	—	—
As reported in the balance sheets	178,713,780	79,052,986	60,038	52,187
Less: Deposits pledged to licensed banks	(4,145,379)	(2,453,296)	—	—
Cash and cash equivalents included in the cash flow statements	174,568,401	76,599,690	60,038	52,187

(a) Deposits of the Group have an average maturity period of 15 days (2008: 15 days). Bank balances are deposits held at call with banks.

21. CASH AND CASH EQUIVALENTS (continued)

(b) The foreign currency exposure of cash and cash equivalents are as follows:

	Group	
	2009 RM	2008 RM (as restated)
Euro	262,363	316,583
Japanese Yen	79,061	241,424
Singapore Dollar	1,303,200	370,263
Sterling Pound	1,056,642	2,089,268
Thai Baht	18,252	10,196
United States Dollar	22,986,754	4,379,745
Vietnam Dong	54,419	45,924
Australia Dollar	1,234,944	—
Indonesia Rupiah	129	—
Hong Kong Dollar	2,447	—

(c) Information on financial risks of cash and cash equivalents is disclosed in Note 39 to the financial statements.

22. SHARE CAPITAL

	Group and Company			
	2009		2008	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.10 each:				
Authorised	2,500,000,000	250,000,000	2,500,000,000	250,000,000
Issued and fully paid	1,413,210,040	141,321,004	1,413,210,040	141,321,004

22. SHARE CAPITAL (continued)

During the financial year, the Company repurchased a total of 875,000 ordinary shares of RM0.10 each from the open market for a total consideration of RM912,723 at an average price of RM1.04 per ordinary share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

Of the total 1,413,210,040 (2008: 1,413,210,040) issued and fully paid ordinary shares of RM0.10 each as at 30 June 2009, 15,534,593 (2008: 14,659,593) ordinary shares of RM0.10 each amounting to RM9,488,880 (2008: RM8,576,157) are held as treasury shares by the Company.

The number of outstanding ordinary shares of RM0.10 each in issue after deducting the treasury shares is 1,397,675,447 (2008: 1,398,550,447) as at 30 June 2009.

23. RESERVES

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Non-distributable:				
Exchange reserve	4,201,860	2,837,482	—	—
Revaluation reserve	—	—	34,396,684	34,396,684
Share premium	25,043,198	25,043,198	25,043,198	25,043,198
Share options reserve	3,671,105	1,427,815	4,076,059	1,427,815
	32,916,163	29,308,495	63,515,941	60,867,697
Distributable:				
Retained profits	275,848,308	217,195,171	63,744,648	36,554,834
	308,764,471	246,503,666	127,260,589	97,422,531

(a) Exchange reserve

Exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations.

23. RESERVES (continued)

(b) Revaluation reserve

The revaluation reserve arose from the revaluation of investment in subsidiaries by the Group to reflect their respective net tangible assets value.

(c) Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options.

(d) Retained profits

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or to continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest, by 31 December 2013.

The Company has decided not to make this election and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends out of its entire retained profits without incurring additional tax liabilities.

24. BORROWINGS

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Current liabilities:				
Bank loans (Note 25)	5,216,770	2,289,500	—	—
Hire purchase creditors (Note 26)	1,990,487	964,320	—	—
	7,207,257	3,253,820	—	—
Non-current liabilities:				
Bank loans (Note 25)	40,334,994	13,891,760	20,000,000	—
Hire purchase creditors (Note 26)	4,476,553	2,295,788	—	—
	44,811,547	16,187,548	20,000,000	—
Total borrowings	52,018,804	19,441,368	20,000,000	—

24. BORROWINGS (continued)

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Represented by:				
Bank loans (Note 25)	45,551,764	16,181,260	20,000,000	—
Hire purchase creditors (Note 26)	6,467,040	3,260,108	—	—
	52,018,804	19,441,368	20,000,000	—

25. BANK LOANS

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
<u>Secured</u>				
Short term revolving credit	—	1,306,220	—	—
Term loan I	1,307,840	2,275,040	—	—
Term loan II	12,600,000	12,600,000	—	—
Term loan III	973,560	—	—	—
Term loan IV	8,015,364	—	—	—
Term loan V	2,655,000	—	—	—
	25,551,764	16,181,260	—	—
<u>Unsecured</u>				
Revolving credit	20,000,000	—	20,000,000	—
	45,551,764	16,181,260	20,000,000	—

25. BANK LOANS (continued)

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Represented by:				
Current liabilities:				
<u>Secured</u>				
Short term revolving credit	—	1,306,220	—	—
Term loan I	995,520	983,280	—	—
Term loan II	1,575,000	—	—	—
Term loan III	973,560	—	—	—
Term loan IV	1,132,690	—	—	—
Term loan V	540,000	—	—	—
	5,216,770	2,289,500	—	—
Non-current liabilities:				
<u>Secured</u>				
Term loan I	312,320	1,291,760	—	—
Term loan II	11,025,000	12,600,000	—	—
Term loan IV	6,882,674	—	—	—
Term loan V	2,115,000	—	—	—
	20,334,994	13,891,760	—	—
<u>Unsecured</u>				
Revolving credit	20,000,000	—	20,000,000	—
	40,334,994	13,891,760	20,000,000	—

25. BANK LOANS (continued)

- (a) The short-term revolving credit was guaranteed by the Company. The revolving credit was fully repaid during the financial year.
- (b) Term loan I is secured by a property of an indirect subsidiary and guaranteed by its immediate holding company. The loan is repayable by 35 equal monthly principal instalments of S\$34,000 which is equivalent to RM82,960 each and a final instalment of S\$60,000 which is equivalent to RM146,400 commencing October 2007.
- (c) Term loan II is secured by a property of a subsidiary and guaranteed by the Company. The term loan is repayable by 32 equal quarterly principal instalments of RM393,750 commencing September 2009.
- (d) Term loan III is secured by a property of an indirect subsidiary and guaranteed by its immediate holding company. The loan is repayable by 18 monthly principal instalments of S\$39,000 which is equivalent to RM95,160 each and a final instalment of S\$48,000 which is equivalent to RM117,120 commencing September 2008.
- (e) Term loan IV is secured by a property of a subsidiary and guaranteed by the Company. The loan is repayable by 60 monthly instalments commencing December 2008.
- (f) Term loan V is secured by a property of a subsidiary and guaranteed by the Company. The loan is repayable by 60 monthly instalments commencing June 2009.
- (g) The revolving credit is unsecured and repayable by September 2011.
- (h) Information on financial risks of bank loans is disclosed in Note 39 to the financial statements.

26. HIRE PURCHASE CREDITORS

	Group	
	2009 RM	2008 RM
Minimum hire purchase payments:		
– not later than one (1) year	2,235,911	1,122,125
– later than one (1) year and not later than five (5) years	5,061,134	2,591,377
Total minimum hire purchase	7,297,045	3,713,502
Less: Future interest charges	(830,005)	(453,394)
Present value of hire purchase liabilities	6,467,040	3,260,108
Repayable as follows:		
Current:		
– not later than one (1) year	1,990,487	964,320
Non-current:		
– later than one (1) year and not later than five (5) years	4,476,553	2,295,788
	6,467,040	3,260,108

Information on financial risks of hire purchase creditors is disclosed in Note 39 to the financial statements.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Trade payables				
Third parties	153,922,412	119,340,700	—	—
Amount due to customers for contract works (Note 17)	27,808,264	14,005,025	—	—
	181,730,676	133,345,725	—	—

27. TRADE AND OTHER PAYABLES (continued)

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Other payables				
Other payables	3,646,550	2,983,687	—	—
Accruals	32,272,317	22,993,183	317,500	236,252
	35,918,867	25,976,870	317,500	236,252
	217,649,543	159,322,595	317,500	236,252

(a) The credit terms of trade payables range from 7 to 60 days (2008: 7 to 60 days).

(b) The foreign currency exposure of trade and other payables of the Group is as follows:

	Group	
	2009 RM	2008 RM (as restated)
Brunei Dollar	—	3,010
Euro	606,096	411,472
Indonesia Rupiah	—	8,891
Ringgit Malaysia	—	6,892,895
Singapore Dollar	633,397	177,127
Sterling Pound	4,581,498	3,892,987
United States Dollar	20,950,550	24,208,045

28. COMMITMENTS

(a) Operating lease commitments

(i) The Group as lessee

The Group had entered into non-cancellable lease agreements for certain premises, land and equipments for terms between one (1) and ten (10) years and renewable at the end of the lease period subject to an increase clause.

The Group has aggregate future minimum lease commitments as at the balance sheet dates as follows:

	Group	
	2009	2008
	RM	RM
		(as restated)
Not later than one (1) year	9,178,237	8,122,648
Later than one (1) year and not later than five (5) years	2,112,618	6,010,675
Later than five (5) years	176,327	207,578
	11,467,182	14,340,901

(ii) The Group as lessor

The Group has entered into non-cancellable lease arrangements on certain properties for terms of between two (2) and three (3) years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent and a percentage of net product sales exceeding certain amounts.

The Group has aggregate future minimum lease receivable as at the balance sheet dates as follows:

	Group	
	2009	2008
	RM	RM
Not later than one (1) year	312,728	173,988
Later than one (1) year and not later than five (5) years	284,816	11,000
	597,544	184,988

28. COMMITMENTS (continued)

(b) Capital commitments

	Group	
	2009 RM	2008 RM (as restated)
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	4,537,429	14,303,373

29. REVENUE

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Contract revenue	485,999,560	432,659,673	—	—
Sale of products and services rendered	618,521,051	357,847,790	—	—
Gross dividend income from subsidiaries	—	—	60,000,000	36,862,500
	1,104,520,611	790,507,463	60,000,000	36,862,500

30. PROFIT BEFORE TAX

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Profit before tax is arrived at after charging:				
Amortisation of prepaid lease payments for land (Note 8)	165,594	156,163	—	—
Allowance for doubtful debts	213,139	—	—	—
Auditors' remuneration:				
– Statutory:				
– current year	453,567	369,331	54,000	40,050
– under provision in prior years	22,950	37,025	1,450	13,000
– Non-statutory	3,000	3,000	3,000	3,000
Bad debts written off	55,433	—	—	—
Contract expenditure	461,659,906	384,630,227	—	—
Cost of inventories recognised as an expense	317,749,889	163,518,572	—	—
Depreciation of property, plant and equipment (Note 7)	15,975,802	12,086,074	—	—
Directors' remuneration (Note 31)	14,603,664	12,586,761	280,400	190,900
Interest on:				
– hire purchase	252,300	93,667	—	—
– bank overdraft	7,550	40,063	—	—
– bank loans	625,333	361,563	264,282	—
Loss/(Gain) on disposal of associate	231,496	—	(770,000)	—
Loss on disposal of other investments	—	30,708	—	—
Loss on disposal of investment in a subsidiary	—	—	—	456,095
Penalty on under estimation of tax payable	—	1,646	—	—
Property, plant and equipment written off (Note 7)	314,685	4,241	—	—
Impairment loss of other investment	1,460,076	—	—	—
Inventory written off	25,147	—	—	—
Realised loss on foreign exchange	—	598,290	—	—

30. PROFIT BEFORE TAX (continued)

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Profit before tax is arrived at after charging (continued):				
Rental of:				
– equipments	178,066	128,935	—	—
– premises	6,704,925	4,163,213	—	—
– storage tanks	4,704,796	3,718,559	—	—
Unrealised loss on foreign exchange	373,760	200,194	29,260	10,450
And crediting:				
Allowance for diminution in value of other investments no longer required	—	9,630	—	—
Allowance for doubtful debts no longer required	57,866	117,994	—	—
Gross dividend income from subsidiaries (Note 29)	—	—	60,000,000	36,862,500
Gain on disposal of property, plant and equipment	408,639	823,324	—	—
Rental income	1,178,962	1,127,787	—	—
Realised gain on foreign exchange	446,212	—	—	—
Interest income from:				
– deposits with licensed banks	1,035,185	920,939	—	—
– others	331,184	—	735,965	—

31. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors of the Company:				
Executive:				
Other emoluments	4,997,680	5,225,496	—	—
Share options granted under ESOS	549,273	313,320	—	—
Non-Executive:				
Fees	225,000	160,000	225,000	160,000
Other emoluments	55,400	30,900	55,400	30,900
	5,827,353	5,729,716	280,400	190,900
Directors of the subsidiaries:				
Executive:				
Other emoluments	8,121,894	6,421,391	—	—
Share options granted under ESOS	438,417	213,654	—	—
Non-Executive:				
Other emoluments	216,000	222,000	—	—
	8,776,311	6,857,045	—	—
Total	14,603,664	12,586,761	280,400	190,900

The estimated monetary value of benefits-in-kind provided to the Executive Directors of the Company is RM174,230 (2008: RM122,646) and Non-Executive Directors of the Company is RM55,201 (2008: RM75,734).

The estimated monetary value of benefits-in-kind provided to the Executive Directors of the subsidiaries is RM293,979 (2008: RM240,787).

31. DIRECTORS' REMUNERATION (continued)

The remuneration paid and payable to the Directors of the Company for the financial year, analysed into bands of RM50,000 are as follows:

	Number of Directors	
	Executive	Non-Executive
Less than RM50,000	—	2
RM50,001 – RM100,000	—	3
RM650,001 – RM700,000	1	—
RM1,000,001 – RM1,050,000	1	—
RM1,450,001 – RM1,500,000	1	—
RM2,550,001 – RM2,600,000	1	—
	4	5

32. TAX EXPENSE/(INCOME)

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Current tax expense based on profit for the financial year:				
Malaysian income tax	13,177,234	12,617,225	—	9,443,901
Foreign income tax	9,767,393	4,153,751	—	—
	22,944,627	16,770,976	—	9,443,901
Over provision in prior year	(142,318)	(300,670)	(24,520)	—
	22,802,309	16,470,306	(24,520)	9,443,901
Deferred tax (Note 14)				
Current year	(1,119,929)	(1,570,710)	—	—
Under provision in prior years	288,244	727,239	—	—
	(831,685)	(843,471)	—	—
Tax expense/(income) for the financial year	21,970,624	15,626,835	(24,520)	9,443,901

32. TAX EXPENSE/(INCOME) (continued)

	Group		Company	
	2009 RM	2008 RM (as restated)	2009 RM	2008 RM
Tax expense/(income) for the financial year (continued)	21,970,624	15,626,835	(24,520)	9,443,901
Share of tax of the associates	8,760,000	8,036,451	—	—
Share of tax of the jointly controlled entities	4,815	85,937	—	—
Total tax expense	30,735,439	23,749,223	(24,520)	9,443,901

Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous financial year's rate of 26% for the fiscal year of assessment 2008. The computation of deferred tax as at 30 June 2009 reflected these changes.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

The numerical reconciliation between the average effective tax rate and the applicable tax rate are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Net profit for the financial year	101,485,285	81,559,028	60,473,230	26,350,170
Add: Total tax expense/(income)	30,735,439	23,749,223	(24,520)	9,443,901
Profit excluding tax	132,220,724	105,308,251	60,448,710	35,794,071

32. TAX EXPENSE/(INCOME) (continued)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Applicable tax rate	25.0	26.0	25.0	26.0
Tax effect in respect of:				
Utilisation of previously unrecognised deferred tax assets	—	(0.8)	—	—
Non allowable expenses	1.5	1.3	0.1	0.4
Tax exempt income	(0.4)	(0.7)	(25.1)	—
Lower tax rates in foreign jurisdiction	(2.8)	(1.9)	—	—
Reduction in statutory tax rate on chargeable income up to RM500,000 for certain subsidiaries	—	(0.3)	—	—
Deferred tax assets not recognised in loss making subsidiaries	—*	0.6	—	—
Effect of different effective tax rate of the associates and jointly controlled entities	(0.2)	(2.1)	—	—
Effect of change in tax rate on deferred tax	—	0.1	—	—
	23.1	22.2	—	26.4
(Over)/Under provision in prior years				
– current tax	(0.1)	(0.3)	—	—
– deferred tax	0.2	0.7	—	—
Average effective tax rate	23.2	22.6	—	26.4

* Percentage immaterial to disclose.

33. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares after deducting treasury shares.

	Group	
	2009	2008 (as restated)
Net profit for the financial year attributable to ordinary equity holders of the Company (RM)	91,936,553	75,577,308
Weighted average number of ordinary shares in issue	1,398,457,447	1,398,673,917

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the net profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue and issuable. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between share price and exercise price.

	Group	
	2009	2008 (as restated)
Net profit for the financial year attributable to ordinary equity holders of the Company (RM)	91,936,553	75,577,308
Weighted average number of ordinary shares in issue	1,398,457,447	1,398,673,917
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise	177,826	261,726
Weighted average number of ordinary shares for diluted earnings per share	1,398,635,273	1,398,935,643

34. DIVIDENDS

	Group and Company			
	2009		2008	
	Gross dividend per share Sen	Amount of dividend net of tax RM	Gross dividend per share Sen	Amount of dividend net of tax RM
Interim dividend paid	1.20	12,586,053	1.10	11,384,202
Share dividend proposed	2.16	30,203,900	—	—
Final dividend proposed/paid	2.40	25,158,158	2.00	20,697,363
	5.76	67,948,111	3.10	32,081,565

The gross dividend per share is based on ordinary share of RM0.10 each.

Proposed special share dividend and final dividend in respect of the current financial year ended 30 June 2009 have been recommended by the Directors after the balance sheet date for the shareholders' approval at the forthcoming Annual General Meeting of the Company:

- (i) Special single tier exempt share dividend of one (1) treasury share for every fifty (50) existing ordinary shares of RM0.10 each held, totaling approximately 27,710,000 number of ordinary shares amounting to RM30,203,900 (determined based on market value as at 30 June 2009 of RM1.09).
- (ii) Final dividend of 24% per ordinary share of RM0.10 each, less tax of 25%, amounting to approximately RM25,158,158.

The financial statements for the current financial year ended 30 June 2009 do not reflect this proposed final dividend. The special share dividends, if approved by the shareholders, shall be accounted for as a transfer of reserve. The proposed final dividend, if approved by shareholders, will be accounted for as an appropriation of retained profits, in the financial year ending 30 June 2010.

35. EMPLOYEE BENEFITS

	Group	
	2009 RM	2008 RM (as restated)
Salaries, wages, bonuses and allowances	83,010,024	66,005,661
Directors' emoluments	13,119,574	11,646,887
Defined contribution plan	6,107,850	5,550,775
Share options granted under ESOS		
– Directors	987,690	526,974
– Other employees	1,641,198	900,841
Other employee benefits	6,144,413	4,619,854
	111,010,749	89,250,992

36. EMPLOYEE'S SHARE OPTION SCHEME

The Company implements an ESOS scheme which is in force for a period of ten (10) years until 29 July 2017 ("the option period"). The main features of the ESOS are as follows:

- (a) The ESOS is made available to eligible employees and full-time Executive Directors who are confirmed employees of the Company and its subsidiaries;
- (b) The total number of shares offered under the ESOS shall not, in aggregate, exceed 10% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS;
- (c) The option price for a new share under the ESOS shall be the 5-day weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate, or at the par value of the shares, whichever is higher;
- (d) The actual number of shares which may be offered to any eligible employee shall be at the discretion of the ESOS Committee provided that the number of shares offered are not less than one hundred (100) shares and in multiples of one hundred (100) shares and subject to the following:
 - (i) not more than 50% of the shares available under the ESOS should be allocated in aggregate to Executive Directors and senior management of the Company and its subsidiaries; and
 - (ii) not more than 10% of the shares available under the ESOS should be allocated to any individual Executive Director or eligible employee who, either singly or collectively through persons connected with that Executive Director or eligible employee, holds 20% or more in the issued and paid-up share capital of the Company;

36. EMPLOYEE'S SHARE OPTION SCHEME (continued)

- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESOS Committee and is subject to the allotment of shares between 10%-50% in 3-5 years;
- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company; and
- (g) No eligible employee shall participate at any time in any other employees' share option scheme within the Company and its subsidiaries unless otherwise approved by the ESOS Committee.

The details of the options over ordinary shares of the Company are as follows:

	Number of options over ordinary shares of RM0.10 each				
	Balance as at 1.7.2008	Granted	Retracted*	Balance as at 30.6.2009	Exercisable as at 30.6.2009
Option price:					
– RM1.42	9,520,000	—	(700,000)	8,820,000	1,764,000
– RM1.57	19,410,000	—	(1,158,000)	18,252,000	—
– RM1.23	8,807,000	—	(857,000)	7,950,000	—
– RM0.59	—	6,756,000	(207,000)	6,549,000	—
– RM0.71	—	5,000,000	—	5,000,000	—
	37,737,000	11,756,000	(2,922,000)	46,571,000	1,764,000

* Due to resignation and rejection of the options granted.

None of the exercisable options were exercised as at 30 June 2009.

The fair value of share options granted during the financial year was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

Fair value of share options (RM)	0.272 – 0.712
Average share price at grant date (RM)	0.660 – 1.739
Exercise price (RM)	0.590 – 1.570
Expected volatility (%)	35.300
Expected life (years)	10.000
Risk free rate of interest (%)	3.590
Expected dividend yield (%)	1.549

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 10 to the financial statements;
- (ii) Associates as disclosed in Note 11 to the financial statements;
- (iii) Jointly controlled entities as disclosed in Note 12 to the financial statements; and
- (iv) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Company, and certain members of senior management of the Group.

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

	2009 RM	2008 RM (as restated)
Associates:		
Gross dividends received	57,520,733	36,986,301
Subcontracts works received	2,344,321	1,678,081
Rental of motor vehicles received	20,000	24,000
Jointly controlled entities:		
Commission received	56,878	639,812
Expenses recovered	70,805	1,377,337
Rental of premises received	29,051	74,456
Services rendered	138,712	114,942
Interest receivable	311,184	—
Subcontract works received	95,900,928	35,964,310
Purchases and services	(5,643,220)	(10,179,809)

37. RELATED PARTY DISCLOSURES (continued)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year (continued):

	2009 RM	2008 RM (as restated)
Directors related:		
Rental of premises paid and payable to companies owned by a Director of the Company and his immediate family members	(28,000)	(80,400)
Rental of premises and other expenses recovered from a company in which certain Directors of the Company have interests	—	44,126

The related party transactions described above were carried out on negotiated terms and conditions and in the ordinary course of business.

- (c) Compensation of key management personnel

The key management personnel comprise all Directors and their remuneration during the financial year are disclosed in Note 31 to the financial statements.

Executive Directors of the Group have been granted the following number of options under the ESOS:

	Group	
	2009	2008
Balance as at 1 July	15,021,000	—
As at date of appointment as Director	195,000	—
Granted	7,540,000	15,021,000
Resigned	(427,000)	—
Balance as at 30 June	22,329,000	15,021,000

The terms and conditions of the share options are detailed in Note 36 to the financial statements.

- (d) Material contracts

There were no material contracts which have been entered into by the Company or its subsidiaries which involved Directors' and major shareholders' interest subsisting at the end of the financial year ended 30 June 2009 or entered into since the end of the previous financial year.

38. SEGMENTAL INFORMATION

Geographical segments

The Group operates principally in the oil, gas and petrochemical industry in Malaysia and other areas of the world. Therefore, the segment information is presented in respect of the Group's geographical segments which is based on the geographical location of customers.

2009	Malaysia RM	Asia Pacific countries RM	Other countries RM	Total RM
Revenue				
Total revenue	464,141,374	624,842,609	15,536,628	1,104,520,611
Results				
Segment results	44,914,104	50,386,860	571,543	95,872,507
Share of losses in jointly controlled entities	(1,325,648)	—	—	(1,325,648)
Share of profits in associates	28,909,050	—	—	28,909,050
Profit before tax				123,455,909
Tax expense				(21,970,624)
Net profit for the financial year				101,485,285
Other information				
Segment assets	379,720,754	241,375,630	9,257,582	630,353,966
Goodwill on consolidation	729,815	1,909,471	3,653,605	6,292,891
Other intangible assets	2,357,505	—	—	2,357,505
Investment in associates	80,192,052	2,620,786	—	82,812,838
Interest in jointly controlled entities	23,041,591	—	—	23,041,591
Unallocated assets				11,824,031
Total assets				756,682,822
Segment liabilities	182,194,111	85,936,759	2,262,702	270,393,572
Unallocated liabilities				14,876,656
Total liabilities				285,270,228
Capital expenditure	11,529,881	17,685,412	1,294,081	30,509,374
Depreciation and amortisation	7,254,924	8,180,511	705,961	16,141,396
Non cash expenses	338,465	1,707,565	22,450	2,068,480

38. SEGMENTAL INFORMATION (continued)

Geographical segments (continued)

2008 (as restated)	Malaysia RM	Asia Pacific countries RM	Other countries RM	Total RM (as restated)
Revenue				
Total revenue	413,467,697	368,072,333	8,967,433	790,507,463
Results				
Segment results	46,074,722	21,839,542	(1,199,598)	66,714,666
Share of losses in jointly controlled entities	(968,145)	—	—	(968,145)
Share of profits in associates	31,456,595	(17,253)	—	31,439,342
Profit before tax				97,185,863
Tax expense				(15,626,835)
Net profit for the financial year				81,559,028
Other information				
Segment assets	284,768,065	171,283,694	3,931,488	459,983,247
Goodwill on consolidation	334,092	1,939,492	3,991,221	6,264,805
Investment in associates	110,434,651	2,588,572	—	113,023,223
Interest in jointly controlled entities	5,847,776	—	—	5,847,776
Unallocated assets				8,200,445
Total assets				593,319,496
Segment liabilities	116,638,720	61,936,695	2,613,858	181,189,273
Unallocated liabilities				10,732,652
Total liabilities				191,921,925
Capital expenditure	12,918,644	20,827,523	274,465	34,020,632
Depreciation and amortisation	7,443,776	4,390,629	407,832	12,242,237

Allocation basis and inter-segment pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment prices are determined based on negotiated terms.

39. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's overall financial risk management objective is to optimise its shareholders value and not to engage in speculative transactions.

The Group is exposed mainly to foreign currency risk, interest rate risk, credit risk and liquidity risk. Information on the management of the related exposures are detailed below.

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group's policy is to minimise the exposure in foreign currency risk by matching foreign currency income against foreign currency cost. The Group also attempts to limit its exposure for all committed transactions by entering into foreign currency forward contracts.

The foreign currency forward contracts which have been entered by the Group for its trade receivables and trade payables are as follows:

	Contractual amount in Foreign Currency (FC)	Equivalent amount in Ringgit Malaysia (RM)	Average contractual rate 1 FC/RM	Expiry dates
At 30 June 2009				
United States Dollar	7,277,890	25,695,749	3.5307	15.06.09 – 03.07.10
Singapore Dollar	1,306,890	3,129,864	2.3949	15.07.09 – 14.10.09
Sterling Pound	82,322	449,248	5.4572	20.07.09 – 07.12.09
Euro	64,000	309,760	4.8400	12.08.09
Japanese Yen	28,500,000	1,115,205	0.0391	30.09.09
	Contractual amount in Foreign Currency (FC)	Equivalent amount in Thailand Bath (THB)	Average contractual rate 1 FC/THB	Expiry dates
At 30 June 2009				
Euro	144,822	6,922,485	47.8000	30.10.09

39. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(i) Foreign currency risk (continued)

At 30 June 2008	Contractual amount in Foreign Currency (FC)	Equivalent amount in Ringgit Malaysia (RM)	Average contractual rate 1 FC/RM	Expiry dates
United States Dollar	636,269	2,020,894	3.1762	16.07.08 – 31.12.08
Singapore Dollar	1,813,902	4,267,633	2.3527	09.10.08 – 05.12.08
Sterling Pound	18,111	114,878	6.3430	18.08.08
Euro	522,867	2,544,849	4.8671	14.08.08 – 10.09.08

At 30 June 2008	Contractual amount in Foreign Currency (FC)	Equivalent amount in Thailand Bath (THB)	Average contractual rate 1 FC/THB	Expiry dates
Sterling Pound	621,292	38,582,233	62.1000	19.09.08

At 30 June 2008	Contractual amount in Foreign Currency (FC)	Equivalent amount in Singapore Dollar (SGD)	Average contractual rate 1 FC/SGD	Expiry dates
United States Dollar	2,500,000	3,455,475	1.3822	16.07.08 – 16.10.08

39. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(ii) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank borrowings and fixed deposits placed with licensed banks. The Group does not use derivative financial instruments to hedge its risk.

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 reprice or matured, whichever is earlier:

Group	Note	Average effective interest rate per annum %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	After 5 years RM	Total RM
At 30 June 2009									
Financial assets									
Deposits with licensed banks	21	1.24	121,379,891	—	—	—	—	—	121,379,891
Financial liabilities									
Hire purchase creditors	26	5.16	1,990,487	1,846,168	1,415,647	1,175,010	39,728	—	6,467,040
Bank loans	25	2.64-4.75	25,216,770	4,774,623	4,955,153	3,372,891	2,507,327	4,725,000	45,551,764
At 30 June 2008 (as restated)									
Financial assets									
Deposits with licensed banks	21	1.74	44,078,737	—	—	—	—	—	44,078,737
Financial liabilities									
Hire purchase creditors	26	5.53	964,320	812,343	565,186	562,243	356,016	—	3,260,108
Bank loans	25	4.60-4.75	2,289,500	2,164,530	1,883,480	1,575,000	1,575,000	6,693,750	16,181,260
Company									
At 30 June 2009									
Financial liabilities									
Bank loans	25	2.64	20,000,000	—	—	—	—	—	20,000,000

39. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the Group's policy.

As at 30 June 2009, the Group has a placement of RM121,379,891 (2008: RM44,078,737) in deposits with certain licensed banks in Malaysia and other countries in Asia Pacific. Other than as mentioned, the Group has no significant concentration of credit risk. The maximum exposure to credit risk are represented by the carrying amounts in the balance sheets.

(iv) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

(b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company as at 30 June 2009 approximate their fair values due to the relatively short term maturity of the financial instruments except as set out below:

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
As at 30 June 2009				
Recognised				
Other investments	2,433,641	*	—	—
Advances to jointly controlled entities	28,051,183	**	28,455,964	**
Borrowings – bank loans with fixed interest rate	2,281,400	#	—	—
Borrowings – hire purchase	6,467,040	#	—	—

39. FINANCIAL INSTRUMENTS (continued)

(b) Fair values (continued)

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
As at 30 June 2008				
Recognised				
Other investments	2,075,444	*	—	—
Advances to jointly controlled entities	6,600,000	**	6,600,000	**
Borrowings – bank loans with fixed interest rate	2,275,040	#	—	—
Borrowings – hire purchase	3,260,108	#	—	—

* It is not practical to estimate the fair value of the other investments because of the inability to estimate fair value without incurring excessive costs. The Group believe that the carrying amount represents the recoverable amount.

** In respect of the advances to jointly controlled entities which is accounted for as a long term financial asset, it is not practicable to estimate the fair value of the amount receivable as it is receivable after twelve (12) months but without fixed repayment date. The Group do not anticipate that the carrying amount at the balance sheet date to be significantly different from the value that would eventually be settled.

The carrying amount of the non-current hire purchase creditors and bank loans with fixed interest rate approximate their fair values as the current rates offered to the Group approximate the market rates for the similar borrowing of the same remaining maturities.

The following methods and assumptions are used to determine fair values of the financial instruments:

- (i) In respect of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and short term borrowings, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.
- (ii) The fair values of borrowings which are accounted for as long term financial liabilities are estimated based on future contractual cash flows discounted at current market assessments of the time value of money and the risk specific to the liabilities.

39. FINANCIAL INSTRUMENTS (continued)

(b) Fair values (continued)

Unrecognised financial instrument

Financial derivative instrument is used to hedge foreign exchange risk associated with certain sale and purchase transactions. The contracted principal amount of the derivative and the corresponding fair value adjustment not recognised in the balance sheet is analysed below:

	Group	
	Contracted amount RM	Fair value favourable RM
As at 30 June 2009		
Forward foreign exchange contracts	31,475,144	118,099
As at 30 June 2008		
Forward foreign exchange contracts	21,111,053	210,633

40. CONTINGENT LIABILITIES – UNSECURED

The Company provides corporate guarantees up to a total amount of RM352,612,000 (2008: RM379,883,000) to licensed banks for banking facilities granted to certain subsidiaries. Consequently, the Company is contingently liable for the amounts of banking facilities utilised by these subsidiaries totaling RM98,397,266 as at 30 June 2009 (2008: RM113,939,449).

The Company has also given corporate guarantees amounting to RM43,460,000 (2008: RM40,340,000) to third parties for supply of goods and warehouse licenses to certain subsidiaries. Consequently, the Company is contingently liable for the amounts owing by these subsidiaries to the third parties totaling RM15,244,725 as at 30 June 2009 (2008: RM17,526,483).

In 2008, the Company provided a corporate guarantee amounting to RM110,000,000 to a joint venture partner for facilities extended by the joint venture partner to a jointly controlled entity. During the current financial year, the facility was fully settled and the corporate guarantee was cancelled.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) In September 2008, Infodasia Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed the following:
 - (a) 12,000,000 new ordinary shares of RM0.10 each at par in ePetrol Holding Sdn. Bhd. ("ePetrol Holding") for RM1,200,000, representing 15% equity interest in the enlarged share capital of ePetrol Holding; and
 - (b) 25,500,000 new ordinary shares of RM0.10 each at par in ePetrol Services Sdn. Bhd. ("ePetrol Services") for RM2,550,000, representing 51% equity interest in the enlarged share capital of ePetrol Services.
- (ii) In March 2009, the Company subscribed for 52,000 new ordinary shares of RM1.00 each at par in Dialog Services Sdn Bhd ("DSVSB"), for RM52,000. After the subscription, the Company's equity interest in DSVSB changed from 100% to 60%.
- (iii) In April 2009, the Company disposed its entire 30% equity interest in Helix RDS Sdn. Bhd. comprising 630,000 ordinary shares of RM1.00 each to Tekad Ekuiti Sdn. Bhd. for a total cash consideration of RM1,400,000.

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

- (i) In August 2009, Dialog Services Saudi Arabia Company Limited, a subsidiary of the Group entered into a lease agreement with Saudi Ports Authority, Jubail Commercial Port to lease 34,500 square meters of land located within the Jubail Commercial Port for a period of twenty five years for a lease rental of SAR672,750 (equivalent to approximately RM634,066) per annum.
- (ii) In August 2009, the authorised share capital of a jointly controlled entity, Centralised Terminals Sdn. Bhd. ("CTSB") was increased from RM5,000,000 to RM25,000,000 by way of the creation of:
 - (a) 15,000,000 ordinary shares of RM1.00 each; and
 - (b) 5,000,000 redeemable preference shares of RM1.00 each.

The issued and paid-up share capital of CTSB was also increased from RM5,000,000 to RM10,019,000 by way of issuance of:

- (a) 5,000,000 new ordinary shares of RM1.00 each at par; and
 - (b) 19,000 redeemable preference shares of RM1.00 each at a premium of RM999.00 each.
- (iii) In September 2009, the authorised share capital of a jointly controlled entity, Langsat Terminal (Two) Sdn. Bhd. (formerly known as Langsat CTF Sdn. Bhd.) was increased from RM5,000,000 to RM10,000,000 by way of creation of 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital was also increased from RM2,000,000 to RM8,000,000 by way of issuance of 6,000,000 new ordinary shares of RM1.00 each at par.
 - (iv) In September 2009, ePetrol Services Sdn. Bhd., a subsidiary of the Company, subscribed for 102,000 new ordinary shares of RM1.00 each at par in ePetrol Systems Sdn. Bhd. for RM102,000, representing 51% equity interest in the enlarged share capital of ePetrol Systems Sdn. Bhd.

43. COMPARATIVE FIGURES

In prior years, investment in jointly controlled entities was accounted for in the consolidated financial statements using the proportionate consolidation method of accounting. With effect from the current financial year, the investment in jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting. This change better reflects the contractual rights and obligations agreed by the joint venture parties in these jointly controlled entities as ultimately each party only has a right to share the outcome of the activities and not share of their assets and liabilities.

The change in accounting policy has no effect on the earnings and net assets of the Group and of the Company for the financial year ended 30 June 2009 and has been applied retrospectively with the restatement of comparative figures to conform with current year's presentation.

The following comparative figures are restated as below:

Group	As previously reported RM	Effects RM	As restated RM
Balance Sheet			
Property, plant and equipment	166,070,357	(36,248,457)	129,821,900
Prepaid lease payments for land	27,513,807	(16,710,435)	10,803,372
Intangible assets	6,474,186	(209,381)	6,264,805
Interest in jointly controlled entities	—	5,847,776	5,847,776
Deferred tax assets	4,809,628	(49,449)	4,760,179
Trade and other receivables	205,731,698	(1,727,629)	204,004,069
Amounts owing by jointly controlled entities	18,062,814	(7,931,168)	10,131,646
Cash and cash equivalents	81,820,558	(2,767,572)	79,052,986
Reserves	246,525,665	(21,999)	246,503,666
Trade and other payables	212,279,408	(52,956,813)	159,322,595
Amounts owing to jointly controlled entities	821,858	927,663	1,749,521
Borrowings (current)	10,953,820	(7,700,000)	3,253,820
Current tax payables	8,745,585	(45,166)	8,700,419
Income Statement			
Revenue	797,271,631	(6,764,168)	790,507,463
Cost of sales and services	(714,924,435)	7,025,150	(707,899,285)
Other operating income	3,807,983	75,912	3,883,895
Marketing and distribution costs	(1,629,530)	34,455	(1,595,075)
Administration expenses	(15,981,153)	195,820	(15,785,333)
Other operating expenses	(1,981,313)	120,156	(1,861,157)
Finance costs	(730,726)	194,884	(535,842)
Share of results of jointly controlled entities	—	(968,145)	(968,145)
Tax expense	(15,712,771)	85,936	(15,626,835)

43. COMPARATIVE FIGURES (continued)

The following comparative figures are restated as below (continued):

Group	As previously reported RM	Effects RM	As restated RM
Cash Flow Statement			
Cash flows from operating activities			
Profit before tax and minority interest	97,271,799	(85,936)	97,185,863
Amortisation of intangible assets	59,166	(59,166)	—
Depreciation of property, plant and equipment	12,169,816	(83,742)	12,086,074
Interest expenses	690,177	(194,884)	495,293
Interest income	(963,288)	42,349	(920,939)
Share of results of jointly controlled entities	—	968,145	968,145
Operating profit before working capital changes	78,656,501	586,766	79,243,267
Increase in trade and other receivables	(53,575,712)	660,733	(52,914,979)
Increase in amounts owing by associates	(1,316,839)	1,316,839	—
Increase in amounts owing by jointly controlled entities	(8,536,863)	8,536,863	—
Net increase in amounts owing by associates	—	(1,194,908)	(1,194,908)
Net increase in amounts owing by jointly controlled entities	—	(4,887,081)	(4,887,081)
Increase in trade and other payables	38,288,732	(1,214,992)	37,073,740
Increase in amounts owing to associates	121,930	(121,930)	—
Increase in amounts owing to jointly controlled entities	64,544	(64,544)	—
Cash generated from operations	54,050,359	3,617,746	57,668,105
Interest received	963,288	(42,349)	920,939
Tax paid	(14,006,165)	191,223	(13,814,942)
Net cash from operating activities	69,393,332	3,766,620	73,159,952
Cash flows from investing activities			
Interest in a jointly controlled entity	(31,905)	(4,042,338)	(4,074,243)
Payment of prepaid lease for land	(12,281,984)	12,281,984	—
Purchase of property, plant and equipment	(63,668,859)	35,403,144	(28,265,715)
Net cash used in investing activities	(72,220,639)	43,642,790	(28,577,849)
Cash flows from financing activities			
Interest paid	(690,177)	194,884	(495,293)
Advances to jointly controlled entities	(9,536,733)	9,536,733	—
Advances from a shareholder of a jointly controlled entities	50,668,094	(50,668,094)	—
Drawdown of loan, net	8,230,300	(7,700,000)	530,300
Net cash from/(used in) financing activities	23,731,910	(48,636,477)	(24,904,567)

43. COMPARATIVE FIGURES (continued)

The following comparative figures are restated as below (continued):

Company	As previously reported RM	Effects RM	As restated RM
Balance Sheet			
Interest in jointly controlled entities	2,781,906	6,600,000	9,381,906
Amounts owing to jointly controlled entities	6,600,000	(6,600,000)	—
Cash Flow Statement			
<i>Cash flows from investing activities</i>			
Interest in a jointly controlled entity	(2,781,906)	(6,600,000)	(9,381,906)
Net cash used in investing activities	4,021,076	(6,600,000)	(2,578,924)
<i>Cash flows from financing activities</i>			
Advances to jointly controlled entities	(6,600,000)	6,600,000	—
Net cash used in financing activities	(30,787,211)	6,600,000	(24,187,211)

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