

GULA PERAK BERHAD (8104-X)

## Annual Report 2003

**GULA PERAK BERHAD**  
(Company No. 8104-X)  
(Incorporated in Malaysia)

Annual Report 2003

**GULA PERAK BERHAD** (8104-X)  
(Incorporated in Malaysia)  
Level 7, Dynasty Hotel  
218, Jalan Ipoh  
51200 Kuala Lumpur  
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Fax: 03-4044 6688

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# Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (“AGM”) of the Company will be held at Function Room 2 & 3, Level 4, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Wednesday, 24 September 2003 at 10.00 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 March 2003 together with the Reports of the Directors and Auditors thereto and if approved to adopt them. **Resolution (1)**
2. To approve the payment of Directors’ Fees for the financial year ended 31 March 2003. **Resolution (2)**
3. To re-elect the following Directors who retire pursuant to Article 89 of the Company’s Articles of Association and being eligible, offer themselves for re-election:
- (i) Lim Bee Ling **Resolution (3)**
- (ii) Lim Soo Kok **Resolution (4)**
- (iii) Dato’ Mustapha bin Buang **Resolution (5)**
4. To approve a resolution that pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato’ Ahmad Sabki Bin Jahidin be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next AGM. **Resolution (6)**
5. To appoint Auditors and to authorise the Directors to fix the Auditor’s remuneration. **Resolution (7)**

Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed and marked “Annexure A” as in this Annual Report) has been received by the Company of the intention to propose the following ordinary resolution:

“THAT Messrs Deloitte KassimChan having consented to act, be appointed as the Company’s Auditors in place of the retiring Auditors, Messrs PricewaterhouseCoopers, for the period until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

# Notice Of Annual General Meeting (cont'd)

## SPECIAL BUSINESS

6. To consider and if thought fit, pass with or without any modifications, the following ordinary resolution pursuant to Section 132D and Section 132E of the Companies Act, 1965:

a) "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and to issue shares in the Company from time to time at such price, upon such terms and conditions for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and such authority shall continue in force until the conclusion of the next AGM of the Company".

**Resolution (8)**

b) "THAT pursuant to Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company and/or its subsidiary companies to enter into arrangements or transactions from time to time with the Directors of the Company or any persons connected with such Directors (within the meaning of Section 122A of the Companies Act, 1965) whereby the Company and/or its subsidiary companies may acquire from or dispose to such Directors or persons connected with such Directors products, services or any non-cash assets of the Company or its subsidiary companies provided that such acquisitions or disposals are on normal commercial terms and in the ordinary course of business of the Company, such authority will continue to be in force until the conclusion of the next AGM AND THAT for the avoidance of doubt, any such transactions entered into by the Company with the Directors or connected persons prior to the date of this resolution be and are hereby approved and ratified."

**Resolution (9)**

7. Proposed Renewal and Proposed New Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature Involving Gula Perak Berhad and subsidiaries ("the Group")

**Resolution (10)**

THAT approval be and is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of Kuala Lumpur Stock Exchange, for the Group to enter into any transactions falling within the types of Recurrent Related Party Transactions with the related parties, particulars of which are set out in Section 2.3 of the Circular to Shareholders dated 2 September 2003 ("the Circular"), provided that such transactions are:

- (a) Recurrent Transactions of revenue or trading nature;
- (b) Necessary for its day-to-day operations, made on an arm's length basis;
- (c) Carried out on normal commercial terms which are no more favourable to the Interested Parties than those extended to the public and are not detrimental to the minority shareholders of the Company; and
- (d) Disclosure is made of the aggregate value of Recurrent Transactions conducted pursuant to Shareholders' Mandate in the Company's annual report providing a breakdown of the aggregate value of the Recurrent Transactions made during the financial year, amongst others, based on the following:
  - (i) The type of the Recurrent Transactions made; and
  - (ii) The names of the related parties involved in each type of the Recurrent Transactions made and their relationship with the Company.

# Notice Of Annual General Meeting (cont'd)

THAT the approval given in the paragraph above shall only continue to be in force until;

- (a) The conclusion of the next AGM of the listed issuer following the general meeting at which such Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) The expiration of the period within which the next AGM after the date it is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) Revoked or varied by resolution passed by shareholders in general meeting, whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate described in the Circular and/or this resolution.

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

## BY ORDER OF THE BOARD

**Lim Bee Khim**

Company Secretary (MIA 16196)

Kuala Lumpur

2 September 2003

### Note:

1. *A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote in his stead. A proxy need not be a member of the Company. The instruments appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney duly authorised.*
2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
3. *The instrument appointing a proxy and the power of attorney or other authority under which it is signed, shall be deposited at the registered office of the Company at Level 7, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment at which the persons named in such instrument proposed to vote.*

### Explanatory Notes to Special Business

#### 1 Resolution Pursuant to Section 132D of the Companies Act, 1965 (Resolution 8)

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares pertaining to the conversion of warrants, and any expansion and diversification proposals, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company. This authority will expire at the next Annual General Meeting of the Company.

#### 2 Resolution Pursuant to Section 132E of the Companies Act, 1965 (Resolution 9)

Section 132E of the Companies Act, 1965 ("the Act"), prohibits a company from entering into any arrangements or transactions with its directors or persons connected with such directors in respects of the acquisition from or disposal to such persons any non-cash assets of the "requisite value" without prior approval of the Company in General Meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if, at the time of the arrangement or transaction, its value is greater than Ringgit Malaysia two hundred and fifty thousand or 10% of the Company's net asset, subject to minimum of Ringgit Malaysia ten thousand.

The proposed Resolution 9, if passed, will authorised the Company and each of its subsidiaries to acquire from or dispose to its directors or connected persons products, services or any other non-cash assets of the Company or its subsidiaries which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on normal commercial terms.

#### 3 Proposed Renewal and Proposed New Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature (Resolution 10)

The proposed Ordinary Resolutions 10, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of the Kuala Lumpur Stock Exchange Listing Requirements. The details of this proposal are set out in the Circular to Shareholders dated 2 September 2003.

# Statement Accompanying Notice Of Annual General Meeting

## 1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION:

Lim Bee Ling  
Lim Soo Kok  
Dato' Mustapha bin Buang  
Tan Sri Dato' Ahmad Sabki bin Jahidin

## 2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETING:

The details of attendance of each Director at board meetings are set out on page 15 of the Annual Report.

## 3. THE PLACE, DATE AND TIME OF THE MEETING:

The Annual General Meeting of the Company will be held at Function Room 2 & 3, Level 4, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Wednesday, 24 September 2003 at 10.00 a.m.

## 4. FURTHER DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT AGM

| NAME  | LIM BEE LING  | LIM SOO KOK   |
|---|---|---|
| Age   | 36  | 35  |
| Nationality   | Malaysian   | Malaysian   |
| Designation   | Executive Director  | Executive Director  |
| Qualification, Working Experience and Occupation                                      | Refer to Profile of Directors on page 10 of this annual report  | Refer to Profile of Directors on page 11 of this annual report              |
| Directorship of other public companies  | Kemajuan Amoy Berhad and Port Klang Golf Resort Management Berhad   | None  |
| Family relation with any Director and/or major shareholder of the Company             | Daughter of Tan Sri Dato' Lim Cheng Pow and sibling to Lim Sue Beng and Lim Soo Kok                                 | Son of Tan Sri Dato' Lim Cheng Pow and sibling to Lim Sue Beng Lim Bee Ling |
| Securities holdings in the Company and its subsidiaries (As at 6 August 2003)         | 21,152,000 GPB ordinary shares of RM1.00 each (direct);<br>62,239,000 GPB ordinary shares of RM1.00 each (indirect) | 83,391,000 GPB ordinary shares of RM1.00 each (Indirect)                    |
| Conflict of interest with the Company   | None  | None  |
| List of Convictions for offences within the past 10 years other than traffic offences | None  | None  |

# Statement Accompanying Notice Of Annual General Meeting (cont'd)

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## 4. FURTHER DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION (cont'd):

| NAME   | DATO' MUSTAPHA<br>BIN BUANG                                       | TAN SRI DATO' AHMAD<br>SABKI BIN JAHIDIN  |
|--|---|---|
| Age  | 55  | 71  |
| Nationality  | Malaysian   | Malaysian   |
| Designation  | Independent<br>Non-Executive Director                             | Independent<br>Non-Executive Director   |
| Qualification,<br>Working Experience<br>and Occupation   | Refer to Profile of Directors on<br>page 11 of this annual report | Refer to Profile of Directors on<br>page 11 of this annual report   |
| Directorship of other<br>public companies  | Asia Pac Holdings Berhad  | Cygal Berhad,<br>Hwang-DBS (Malaysia) Berhad,<br>Paramount Corporation Berhad,<br>Zaitun Berhad,<br>Appollo Food Holdings Berhad,<br>Nanyang Press Berhad,<br>Hwang-DBS Unit Trust Berhad<br>and Kemajuan Amoy Berhad |
| Family relation with<br>any Director and/<br>or major shareholder<br>of the Company            | None  | None  |
| Securities holdings<br>in the Company<br>and its subsidiaries<br>(As at 6 August 2003)         | 2,389,595 GPB ordinary shares<br>of RM1.00 each (Direct)          | 1,000,000 GPB ordinary shares<br>of RM1.00 each (Direct)  |
| Conflict of interest<br>with the Company   | None  | None  |
| List of Convictions for<br>offences within the past<br>10 years other than<br>traffic offences | None  | None  |



# Annexure A

Chai Kim Fah  
7-2-9, Medan Intan Apartment  
Jalan 1/21C  
Batu 4½ Jalan Gombak  
53000 Kuala Lumpur

7

5 August 2003

The Board of Directors  
**GULA PERAK BERHAD**  
Level 7, Dynasty Hotel  
218 Jalan Ipoh  
51200 Kuala Lumpur

Dear Sirs

I, being a registered shareholder of your Company, hereby give notice of my nomination of Messrs. Deloitte KassimChan for appointment as auditors of the Company at the forthcoming Annual General Meeting.

I, therefore, propose the following resolutions to be considered and passed:-

- a. THAT subject to their consent to act, Messrs. Deloitte KassimChan be appointed Auditors of the company for the financial year ending 31 March 2004 and that their remuneration be fixed by the directors.

Thank you.

Yours faithfully



**CHAI KIM FAH**  
(I/C No: 570202-06-5393)



## BOARD OF DIRECTORS

- **Datuk Rahim bin Baba**  
- Executive Chairman
- **Leow Thang Fong**  
- Executive Director
- **Lim Bee Ling**  
- Executive Director
- **Tan Sri Dato' Ahmad Sabki bin Jahidin**  
PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK  
- Non-Executive Director
- **Dato' Mustapha bin Buang**  
- Non-Executive Director
- **Tan Sri Dato' Lim Cheng Pow**  
- Managing Director
- **Lim Sue Beng**  
- Executive Director
- **Lim Soo Kok**  
- Executive Director
- **Tan Sri Dato' (Dr) Elyas bin Omar**  
PSM, SIMP, DSAP, DSSA, DMPN, JSM, KMN,  
COPA (France), LLD (HON. USM), PhD (USSA)  
- Non-Executive Director

## COMPANY SECRETARY

Lim Bee Khim (MIA 16196)

## AUDIT COMMITTEE

- **Tan Sri Dato' Ahmad Sabki bin Jahidin**  
PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK  
- Independent Non-Executive Director  
{Chairman}
- **Tan Sri Dato' (Dr) Elyas bin Omar**  
PSM, SIMP, DSAP, DSSA, DMPN, JSM, KMN,  
COPA (France), LLD (HON. USM), PhD (USSA)  
- Independent Non-Executive Director  
{Member}
- **Dato' Mustapha bin Buang**  
- Independent Non-Executive Director  
{Member}
- **Leow Thang Fong**  
- Executive Director  
{Member}

## NOMINATION COMMITTEE

- **Tan Sri Dato' Ahmad Sabki bin Jahidin**  
PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK  
- Independent Non-Executive Director  
{Chairman}
- **Dato' Mustapha bin Buang**  
- Independent Non-Executive Director  
{Member}
- **Tan Sri Dato' (Dr) Elyas bin Omar**  
PSM, SIMP, DSAP, DSSA, DMPN, JSM, KMN,  
COPA (France), LLD (HON. USM), PhD (USSA)  
- Independent Non-Executive Director  
(Appointed on 27 August 2003)  
{Member}
- **Lim Soo Kok**  
- Executive Director  
(Resigned on 24 December 2002)

## REMUNERATION COMMITTEE

- **Tan Sri Dato' Ahmad Sabki bin Jahidin**  
PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK  
- Independent Non-Executive Director  
{Chairman}
- **Dato' Mustapha bin Buang**  
- Independent Non-Executive Director  
{Member}
- **Leow Thang Fong**  
- Executive Director  
{Member}

# Corporate Information (cont'd)

## AUDITORS

### **PricewaterhouseCoopers**

11th Floor, Wisma Sime Darby  
Jalan Raja Laut, P.O. Box 10192  
50706 Kuala Lumpur

## REGISTRAR

### **Signet Shares Registration Services Sdn Bhd**

10th & 11th Floor  
Tower Block, Kompleks Antarabangsa  
Jalan Sultan Ismail, P.O. Box 12547  
50782 Kuala Lumpur  
Tel: 03-2145 4337, Fax: 03-2142 1353

## SOLICITORS

- **M/s Onn Hussein & Yee**  
2nd Floor, Wisma Transcomm  
301 & 302, 2¼ Miles  
Jalan Ipoh, 51200 Kuala Lumpur
- **M/s Faizah Lim & Associates**  
LG-001, Dynasty Hotel  
Dynasty Shoppers Alley  
218, Jalan Ipoh  
51200 Kuala Lumpur

## REGISTERED OFFICE

Level 7, Dynasty Hotel  
218, Jalan Ipoh  
51200 Kuala Lumpur  
Tel: 03-4044 2828  
Fax: 03-4044 6688, 03-4045 2933

## PRINCIPAL BANKERS

- Aseambankers Malaysia Berhad
- Maybank Berhad
- Affin Bank Berhad
- Alliance Bank Malaysia Berhad

## STOCK EXCHANGE LISTING

The Kuala Lumpur Stock Exchange  
Main Board

# Profile Of Board Of Directors

## **YBHG DATUK RAHIM BIN BABA** Executive Chairman

Datuk Rahim bin Baba, Malaysian, aged 53, was appointed to the Board of Gula Perak Berhad ("GPB" or "the Company") on 31 January 1989. He graduated from University of Malaya in 1973 from the faculty of Economics and Administration majoring in Statistics. He was a Member of Parliament Upper House from 1991 - 1997. He is a director of My-Infotech (M) Berhad and sits on the board of a few private companies whose business activities include construction, property development and advertising. He was the Chairman of MARA Holdings Sdn Bhd from 1990 to 1993. He was the senior Private Secretary for the then Deputy Prime Minister (Honourable Tun Ghafar Baba) from 1986 to 1988.

## **YBHG TAN SRI DATO' LIM CHENG POW** Managing Director

Tan Sri Dato' Lim Cheng Pow, Malaysian, aged 61, was appointed to the Board of GPB on 4 March 1996. Tan Sri Dato' Lim migrated to Malaysia in late 1950 and joined his uncle in the construction business. As of to date, he has been involved in the construction industry for more than 30 years. In 1965, he set up his own construction company, Amoy Construction Co ("Amoy"). Amoy undertook contracting works under the Government contracts. His turning point in his business career came through when his company was awarded the Government turnkey contracts to construct reservoirs and other infrastructure projects, all of which were successfully completed on schedule and within budget. His company has successfully completed the Durian Tunggal Water Supply Scheme in Malacca in the 1970s and the Semenyih Water Supply Scheme in Selangor in early 1980. He is a director of Kemajuan Amoy Berhad and Taylor's Education Berhad and sits on the board of several private companies.

## **MR. LIM SUE BENG** Executive Director

Lim Sue Beng, Malaysian, aged 38, was appointed to the Board of GPB on 4 March 1996. He holds a Bachelor Degree in Civil Engineering (King's College, University of London) and a Master Degree in Business Administration from Cranfield School of Management, England. After graduation in 1986, he joined the family business and manages the banking and corporate affairs of all the companies under the Group. He is a director of Kemajuan Amoy Berhad, Port Klang Golf Resort Management Berhad and Taylor's Education Berhad. He also sits on the board of several private companies.

## **MDM. LIM BEE LING** Executive Director

Lim Bee Ling, Malaysian, aged 36, was appointed to the Board of GPB on 4 March 1996. She obtained a Bachelor of Science Degree (Hons) in Computer Science and Management Science (UK) in 1987 and a Master Degree in Management Science in 1988 from Keele University, England and Imperial College, London respectively. Upon completion of her tertiary education, she joined the family business and is in charge of the daily operations of the Group. Her biggest challenge was drawing up and finalising the concept and design of Dynasty Hotel plus the eventual operation of the hotel in December 1994. She is a director of Kemajuan Amoy Berhad and Port Klang Golf Resort Management Berhad. She also sits on the board of several private companies.

## **MR. LEOW THANG FONG** Executive Director

Leow Thang Fong, Malaysian, aged 52, was appointed to the Board of the GPB on 15 May 1989. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He was in the auditing profession for eight years finishing with Hanafiah Raslan & Mohamad in 1979. He then joined Permata Chartered Merchant Bank Berhad for a period of 5 years specialising in Corporate Finance. Thereafter he has been in the corporate sector. He also sits on the board of South Malaysia Industries Berhad and several private companies. Before joining the Company, he was the Company Secretary for Asian Pac Holdings Berhad (formerly known as Pegi Malaysia Berhad) from 1984 to 1988.

## Profile Of Board Of Directors (cont'd)

### **MR. LIM SOO KOK** *Executive Director*

Lim Soo Kok, Malaysia, aged 35, was appointed to the Board of GPB on 4 March 1996. He obtained a Bachelor of Arts with Honours degree in Law from University of Kent at Canterbury, England in 1989. In 1990, he obtained the degree of Utter Barrister Gray's Inn, England. He was called to the Bar in Malaysia in 1991. He then joined Soo Thien Meng & Shahrizat as a legal assistant. In 1993, he set up a sole proprietor legal firm under the name Lim Soo Kok & Associates till 1999. He was appointed as a legal committee member of Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor in 1997 and was also appointed as a Commissioner for Oaths by the Chief Justice of Malaysia in 1999 till present.

### **YBHG TAN SRI DATO' AHMAD SABKI BIN JAHIDIN** *Independent, Non-Executive Director*

Tan Sri Dato' Ahmad Sabki, Malaysian, aged 71 was appointed to the Board of GPB on 27 June 1994. Tan Sri graduated from University of Malaya with a Bachelor of Arts (Honours) Degree in 1958. He also obtained a Diploma in International Relations from the Institute of Social Studies, The Hague in 1967. He commenced his career in 1958 as an Administrative Officer in Malayan Civil Services. He was the Assistant State Secretary of Malacca from 1960 to 1962, District Officer of Jasin from 1962 to 1963 before his transfer to the Ministry of Defence as Principal Assistant Secretary from 1964 to 1967. He then served as Under Secretary in the Prime Minister Department from 1967 to 1972 before joining the Ministry of Culture, Youth & Sports. In 1974, he was appointed Secretary General of the said Ministry. Thereafter, he was seconded to the Malaysian Rubber Exchange and Licensing Board from 1977 to 1993 and served as Chairman of the Board from 1980 to 1993. He also held the position of Chairman of the International Rubber Association from 1984 to 1993 and also as Chairman of the Buffer Stock Committee of the International Natural Rubber Organisation from 1984 to 1986. He was the Vice Chairman of the Malaysian National Shippers Council from 1980 to 1993.

Tan Sri also sits on the board of Nanyang Press Holdings Berhad, Cygal Berhad, Hwang-DBS (Malaysia) Berhad, Apollo Food Holdings Berhad, Paramount Corporation Berhad, Zaitun Berhad, Hwang-DBS Unit Trust Berhad and Kemajuan Amoy Berhad. He also sits on the board of several private companies.

### **YBHG TAN SRI DATO' (DR) ELYAS BIN OMAR** *Independent, Non-Executive Director*

Tan Sri Dato' (Dr) Elyas Bin Omar, Malaysian, aged 66, was appointed to the Board of GPB on 28 December 2001. He graduated with a Bachelor of Arts (Hons) from University of Malaya in Singapore and MPA from University of Pittsburgh USA. Tan Sri Elyas was also awarded an Honorary LLD from University of Science of Malaysia and Honorary PhD from United States Sports Academy. Tan Sri Elyas held various official positions in the Government of Malaysia from 1960 to 1992. He was the Mayor of Kuala Lumpur from 1981 to 1992. He also held several positions from 1975 to date in the United Nations and other international bodies, NGOS' and Sport Organisations. He is currently the Chairman and director of Mepro Holdings Berhad and Executive Chairman and director of Sri Hartamas Berhad. He also sits on the Board of several private companies.

### **YBHG DATO' MUSTAPHA BIN BUANG** *Independent, Non-Executive Director*

Dato' Mustapha Bin Buang, Malaysian, aged 55, was appointed to the Board of GPB on 10 September 1990. He graduated in Economics from University of Malaya in 1972. Immediately after graduation, he joined the Economic Division of the Johor State Government as a planner and was entrusted to manage a few subsidiaries. In 1974, he left the Johor Economic Division and joined MBf Finance Berhad as a Credit Manager for two (2) years. He then moved on to Amanah International Finance Berhad as Assistant General Manager for a period of three (3) years. Subsequently he was appointed as General Manager of Kewangan Usaha Bersatu Berhad in June 1979 and served them for 11 years before taking up his position in GPB. He also sits on the Board of Asian Pac Holdings Berhad and several private companies.

Except for Lim Sue Beng, Lim Bee Ling, Lim Soo Kok and Lim Bee Khim who are the children of YBhg Tan Sri Dato' Lim Cheng Pow, none of the other Directors and senior management staff are related to one another.

None of the Directors has any conflict of interest with the Company and has no convictions of any offences within the past 10 years.

On behalf of the Board of Directors, I would like to present to you the Annual Report and Financial Statements of the Group and Company for the financial year ended 31 March 2003.

## OVERVIEW

It was indeed another tough and challenging year for the Group, especially for the operating environment of the hotel business and investment properties as a result of continuing slowdown of world economies and reduced level of international air travel. The negative impact of the Iraq war and the outbreak of the Severe Acute Respiratory Syndrome ("SARS") have exacerbated the downturn in air travel. These circumstances had a material adverse impact on the hotel industry and property division and inevitably affected the overall performance of the Group.

A welcome development was the improvement in the price of Crude Palm Oil (CPO) which helped cushion the losses suffered in the other business division.

## FINANCIAL PERFORMANCE

The Group incurred a pre-tax loss of RM96.53 million for the financial year ended 31st March 2003 compared to pre-tax loss of RM33.86 million last period. The pre-tax loss was a result of provisions in doubtful debts and management's prudence in the assessment of the carrying value and impairment of its development expenditure and hotel properties respectively.

The Group's turnover improved by 40% to RM34.29 million from RM24.53 million previously. The higher revenue mainly attributable to the higher CPO prices from the plantation division and a marginal improvement in the revenue of the hotel division and property development sector.

## OPERATIONS OVERVIEW

### Hotel Division

Although the operating environment remains challenging, aggressive marketing activities undertaken by the management and efforts to reduce cost and overhead, resulted in positive contributions to the operating results of the hotel. The consequent erosion of the profit margins was largely due to the impairment losses of the hotel properties.

The global concern over the spread of SARS and negative travel advisories to Asian destinations as well as reduced traveling has inevitably affected the occupancy and room rates of the hotel industry. To address the reduction in business volume, the hotel have reacted swiftly by streamlining cost structures and focused its marketing activities to capture market share of the leisure and government business at both the local and regional levels.

### Plantation Division

The Group's plantation division generated significant improvements in revenue to RM6.05 million from RM1.92 million in the preceding financial year. This is mainly due to the high crude palm oil prices and improved production of fresh fruit bunches (FFB) as compared to the previous financial year.

The Malaysian oil palm industry assisted by prudent government policies recorded a significant recovery in 2002 despite a weak global economy. Price of CPO had risen by 52% over the previous year to RM1,364 per tonne. The Government policy of competitive pricing of palm oil, liberalisation of export duties and the encouragement of counter trades contributed to higher exports.

The outlook for the plantation division is largely dependent on the CPO prices. FFB production is expected to continue to improve as more planted areas reach maturity.



# Chairman's Statement (cont'd)

## OPERATIONS OVERVIEW (cont'd)

### Property Division

There was not much progress in the property division of the Group during the year, since the property market is still burdened with high inventory overhang of commercial and industrial properties. The Group has been cautious in further expansionary projects in Batang Berjuntai. During the year, approximately 7 acres of Cheras land was compulsorily acquired by the Government to build the SILK highway. Due to the acquisition, development plans have changed and the project has been further deferred.

## CORPORATE DEVELOPMENT

As you all are aware, the Company had undertaken a Debt Restructuring Scheme involving the settlement of RM154.5 million bank guarantee, RM25 million revolving credit facility and RM21 million syndicated term loan via an issuance of RM288.821 million of Redeemable Secured Loan Stocks 2003/2008 (RCSN).

The Company is pleased to inform that on 23 April 2003 the RCSN were issued to the Lenders and the RCSN were listed on the KLSE on 15 July 2003.

## PROSPECT

2003/2004 will be another challenging year, as there remain significant uncertainties in the hotel industry and property market, and the impact of global economic and political fronts arising from the war in Iraq. As mentioned, the Group had just completed its debt restructuring and the next financial year results will bear the effects of the write off of financial expenses and restructuring cost related to the debt restructuring exercise. However, the Group is expected to be in a better financial footing in the current financial year with the completion of its restructuring exercise.

It is envisaged that the growth in the Malaysian economy be mainly domestic driven. Hence the hotel division will concentrate its marketing efforts on capturing more business from the regional and domestic market and at the same time the hotel must contain cost at each level of operations to maximise its operations.

Bolstered by projects implemented under the Governments fiscal stimulus programme, the construction sector recorded a growth of 3.8% in year 2002. The Government's efforts to reduce the property overhangs by implementing positive measures such as relaxation of the FIC regulations, temporary waiver of stamp duty and low finance cost is expected to boost the property market. The Group's property division may not see an immediate recovery in view of the current development projects which are mainly commercial and industrial development projects. However, with the continuous existing demand for residential houses, greater emphasis would be placed on launching its residential development such as the Setapak Condominium.

The performance of the Malaysian oil palm industry is expected to sustain and improve further in year 2003, with better export performance and the strengthening of the CPO prices. We foresee that the plantation sector will contribute to the Group modest profits in the current financial year.

### DIVIDENDS

In view of the current business environment and the overall Group performance, the Board does not recommend any payment of dividend for the year ended 31 March 2003.

### ACKNOWLEDGEMENT

On behalf of the Board, I would like to convey our appreciation to our lenders and creditors for their patience and support of the Group restructuring exercise, our bankers, customers, suppliers, business associates, shareholders, warrant, bond, loan stock and RCSN holders for their confidence in the Group. It is greatly appreciated by us, particularly in difficult times and we look forward to your continued support and encouragement

To the employees of the Group and my fellow Board members, I would like to extend my sincere appreciation of their unwavering loyalty, continued cooperation, dedication, hard work and contribution throughout the financial year.

### DATUK RAHIM BIN BABA

Executive Chairman

12 August 2003



# Statement On Corporate Governance

The Board of Directors ("the Board") of GULA PERAK BERHAD ("GPB" or "the Company") is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of GPB.

The Board recognises the importance of good corporate governance and is currently moving towards applying the Principles and Best Practices to the Group.

## THE BOARD OF DIRECTORS

The composition of the Board reflects the prescribed requirement of one-third (1/3) of the Board are independent directors. No one individual or small group of individual director dominates the Board of Directors' decision process.

All the Directors have wide ranging experiences in the industry and therefore are able to provide effective leadership to the Group. The Board is well informed on the various areas of risk management.

There is also clear division of responsibilities between the Chairman and the Managing Director. The Chairman heads the Board and is responsible for ensuring Board effectiveness and conducts and leads the planning discussion at the Board level, while the Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of the policies, decisions and the day-to-day running of the business.

The presence of independent non-executive Directors fulfills a pivotal role in corporate accountability. Although all the Directors have an equal responsibility for the Group's operations, the role of these independent non-executive Directors is particularly important as they provide unbiased and independent views, advice and judgement, taking into account, not only for the Group, but also of the shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

All the Directors have attended the Mandatory Accreditation Programme conducted by Research Institute of Investment Analysis Malaysia.

## BOARD MEETINGS

The Board meets at least four (4) times a year, with additional meetings convened as and when necessary. During the financial year ended 31 March 2003, a total of five (5) Board meetings were held. The attendance record of the Directors during the financial year is as follows:

| Directors                                       | Number of Board Meetings held during the financial year | Number of Meetings attended by Directors |
|---|---|--|
| <b>Executive Directors</b>                      |   |  |
| Datuk Rahim bin Baba - Executive Chairman       | 5   | 5  |
| Tan Sri Dato' Lim Cheng Pow - Managing Director | 5   | 5  |
| Lim Sue Beng                                    | 5   | 5  |
| Lim Bee Ling                                    | 5   | 5  |
| Leow Thang Fong                                 | 5   | 5  |
| Lim Soo Kok                                     | 5   | 5  |
| <b>Independent Non-Executive Directors</b>      |   |  |
| Tan Sri Dato' Ahmad Sabki bin Jahidin           | 5   | 5  |
| Tan Sri Dato' (Dr) Elyas Bin Omar               | 5   | 4  |
| Dato' Mustapha Bin Buang                        | 5   | 3  |

## SUPPLY OF INFORMATION

The Board meetings are structured with pre-set agenda. Board papers providing updated operational, financial and corporate developments and are circulated prior to the meeting. Further, outside the Board meetings, all Directors have direct access to the Senior Management and the services of the Company Secretary.

## RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all Directors who are appointed to the Board are subject to re-election by the shareholders at the next Annual General Meeting after their first appointment.

The Articles also requires that one-third (1/3) of the remaining Directors including the Managing Director, to retire and to submit themselves for re-election by rotation at each Annual General Meeting; and each Director is required to submit himself for re-election at least once every three years.

Directors over seventy (70) years of age are required to submit themselves for re-election annually in accordance with Section 129(6) of the Companies Act, 1965.

## BOARD COMMITTEES

The Board operates through three committees with delegated authority and defined terms of reference. The compositions and function of these committees are describe as follows:

### 1. Audit Committee

The Audit Committee, comprising of a majority of Independent Directors, is responsible for reviewing and monitoring the work of the Group's internal audit function as well as ensuring that an objective professional relationship is maintained with external auditors. Further details of the Audit Committee are contained in the Audit Committee's Report on pages 20 to 22 of this Annual Report.

### 2. Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors. The Nomination Committee is entrusted with the duty of proposing new nominees for the Board and for assessing existing Directors on an on-going basis. The actual decision as to who shall be nominated is the responsibility of the Board.

The Committee meets at least once a year and as and when required. During the financial year ended 31 March 2003, two (2) meetings were held. The members of the Nomination Committee during the financial year and their attendance at the meetings are:

| Nomination Committee Members   | Number of Meetings held during the financial year | Number of Meetings attended by Directors |
|--|---|--|
| Tan Sri Dato' Ahmad Sabki bin Jahidin (Chairman)                         | 2   | 2  |
| Dato' Mustapha Bin Buang   | 2   | 1  |
| Lim Soo Kok ( <i>Resigned on 24 December 2002</i> )                      | 2   | 2  |
| Tan Sri Dato' (Dr) Elyas Bin Omar ( <i>Appointed on 27 August 2003</i> ) | 2   | 0  |

### 3. Remuneration Committee

The Remuneration Committee, comprising mainly of Non-Executive Directors is responsible for recommending to the Board the remuneration of the Executive Directors.

The Committee meets at least once a year and as and when required. During the financial year ended 31 March 2003, one (1) meeting was held. The members of the Remuneration Committee during the financial year and their attendance at the meetings are:

| Remuneration Committee Members                   | Number of Meetings held during the financial year | Number of Meetings attended by Directors |
|--|---|--|
| Tan Sri Dato' Ahmad Sabki bin Jahidin (Chairman) | 1   | 1  |
| Dato' Mustapha Bin Buang                         | 1   | 1  |
| Leow Thang Fong                                  | 1   | 1  |

# Statement On Corporate Governance (cont'd)

## DIRECTORS' REMUNERATION

The remuneration of the Directors is determined based on the responsibility, contribution and performance of each Director. No Director is involved in deciding his or her own remuneration. The aggregate remuneration of the Directors of the Company categorized into the appropriate components are disclosed below. The analysis of the remuneration in bands of RM50,000 for the financial year ended 31 March 2003 is set out in Note 6 to Financial Statements in this Annual Report.

|               | Salaries<br>RM | Fees<br>RM | Total<br>RM |
|---------------|----------------|------------|-------------|
| Executive     | 986,000        | 0          | 986,000     |
| Non-Executive | 0              | 296,000    | 296,000     |

## SHAREHOLDERS

The shareholders and investors are kept informed of major developments of the Company through Quarterly Financial Results, Annual Reports, Circulars and Press Releases that are made to the Kuala Lumpur Stock Exchange.

The Company's Annual General Meeting provides an opportunity for the Board to communicate directly with the shareholders and vice versa. Press conference is normally held after the Annual General Meeting to brief members of the Press on the performance of the Group for the benefit of potential investors as well as for shareholders who are unable to attend the Annual General Meeting.

## ACCOUNTABILITY AND AUDIT

The Audit Committee oversees the financial reporting and internal control system of the Group. The Audit Committee comprising of three Independent Non-Executive Directors and one Executive Director. The primary responsibilities of the Audit Committee are set out in the Audit Committee Report on pages 20 to 22.

## FINANCIAL REPORTING

The Board is mindful of its responsibility in ensuring the proper maintenance of accounting records of the Group to present a balanced and understandable assessment of the Group's financial position and prospects to both investors and the regulatory bodies. The Board receives the recommendation to adopt the financial statements of the Group and the Company from the Audit Committee.

## INTERNAL CONTROL

The information on the Group's internal control is presented in the Statement on Internal Control.

## RELATIONSHIP WITH AUDITORS

The Company has always maintained a close and transparent relationship with its external auditors in seeking their professional advice and ensuring compliance with the accounting standards in Malaysia.

## DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENT

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

The Directors, in preparing the financial statements, have selected and applied consistently suitable accounting policies and made responsible and prudent judgements and estimates. The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## Introduction

Paragraph 15.27(b) of the Listing Requirements of the Kuala Lumpur Stock Exchange requires the Board of Directors of a listed company to include in its annual report a Statement of Internal Control which outlines the nature and scope of internal control of the Group during the financial year.

The Board of Gula Perak Berhad is committed to maintain a sound system of internal control within the Group through the processes of the internal audit functions and review and control by the audit committee.

## Board Responsibility

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. Due to the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control, inter alia, includes risk management, financial, operational and compliance controls.

## Key Processes

The key elements of the Group's internal controls are as follows:

- The Group has in place an organisation structure that clearly define delegation of responsibilities of the Board, the Committees of the Board and the Management of Group Head office and operating units, including authorisation levels for all aspects of the business. Each operating unit has clear accountabilities for ensuring that the appropriate risk management and control procedures are in place.
- A detailed budgeting process where operating units prepare budgets for the coming financial year which are approved at both the operating units level and subsequently by the Board
- The Board of Directors monitors the quarterly results of the Group against budget through participation in the Quarterly Exco Meeting.
- The Audit Committee, entrusted with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control, reviews the quarterly and annual financial statements and results.
- The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with management on the actions taken on internal control issues identified in reports prepared by the internal auditors, external auditors and the management.
- The Group's internal audit department, reporting to the Audit Committee performs regular reviews of business process to assess the effectiveness of internal control.
- The Audit Committee reviews the internal audit report on a quarterly basis. In the event of major internal control inefficiency, the Board will be notified and appropriate action will be taken.
- Policies and procedures to ensure compliance with internal control and the relevant laws and regulations are set out in the operation manuals, guidelines and directives issued by the Group which are updated from time to time.

# Statement Of Internal Control (cont'd)

## Key Processes (cont'd)

Some internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board is satisfied that, during the financial year under review, there is an ongoing process of identifying, evaluating and managing significant risk faced by the Group. The process is regularly reviewed by the Board and is in accordance with the guidance as contained in the Statement of Internal Control - Guidance for Directors of Public Listed Companies. The Board is of the view that the existing system of internal control is adequate to safeguard the Group's assets at the existing level of operations of the Group. In striving for continuous improvement, the Board will put in place appropriate action plans, as and when necessary, to further enhance the Group's system of internal control.

Statement made in accordance with the resolution approved by the Board of Directors on 28 July 2003

## MEMBERS OF THE COMMITTEE

| Name of Directors  | Designation |
|--|-------------|
| <ul style="list-style-type: none"> <li>• <b>YBhg Tan Sri Dato' Ahmad Sabki Bin Jahidin</b><br/>Independent Non-Executive Director</li> </ul> | Chairman    |
| <ul style="list-style-type: none"> <li>• <b>YBhg Tan Sri Dato' (Dr) Elyas Bin Omar</b><br/>Independent Non-Executive Director</li> </ul>     | Member      |
| <ul style="list-style-type: none"> <li>• <b>YBhg Dato' Mustapha Bin Buang</b><br/>Independent Non-Executive Director</li> </ul>              | Member      |
| <ul style="list-style-type: none"> <li>• <b>Mr. Leow Thang Fong</b><br/>Executive Director</li> </ul>  | Member      |
| <ul style="list-style-type: none"> <li>• <b>Ms. Lim Bee Khim</b></li> </ul>  | Secretary   |

## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

### Composition

The member of the Audit Committee ("the Committee") and the Chairman shall be appointed by the Board of Directors and shall consist of at least three (3) Non-Executive Directors, a majority of whom are Independent. The Chairman of the Committee shall be an Independent Non-Executive Director.

### Meetings

The Committee shall meet not less than four (4) times a year and report to the Board of Directors. The Committee meetings shall be planned to coincide with the audit cycle and the timing of publication of financial statements. The quorum of the Committee meetings shall consist of at least three (3) members, majority of whom are Independent.

### Authority

The Committee shall have the authority to request any information it seeks as relevant to its activities from any employee of the Company and the Group. All employees are directed to cooperate with any request made by the Committee.

The Committee shall have direct access to the Company's Auditors and provide a link between the Auditors and the Board. It is also authorised to take such independent professional advice it considers necessary to investigate any activity within its terms of reference.



# Audit Committee Report (cont'd)

## Terms Of Reference

Responsible to the Board of Directors for the following in its role to ensure proper management of the business operations in compliance with statutory obligations, policies, procedures, regulations and prudent business practices:

1. To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal.
2. To review with external auditors before the audit commences the nature and scope of the audit and their audit plan.
3. To review the quarterly and year-end financial statements of the Company, focusing on:
  - Any changes in accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Compliance with accounting standards and other legal requirements.
4. To discuss problems and reservations arising from the interim and final audits and any matter the external auditors may wish to discuss (in the absence of the management wherever necessary).
5. To review the external auditors' management letter and management's response.
6. To do the following:
  - review the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and where necessary to ensure that the appropriate action is taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
7. To review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, rules, directives and guidelines.
8. To propose best practices on disclosure in financial results and annual reports of the Company in line with the principles set out in the Malaysian Code of Corporate Governance, other applicable laws, rules, directives and guidelines.
9. To propose that the management has in place an adequate system of risk management to safeguard the Company's assets.
10. To consider any related party transactions that may arise within the Company or Group;
11. To consider the major findings of internal investigations and management's response;
12. To consider and examine any other matters as defined by the Board.



## Attendance Of Audit Committee Meeting

The number of Audit Committee Meeting held during the financial year ended 31 March 2003 and the number of meetings attended by each Audit Committee Member are as follows:

| Audit Committee Members               | Number of Meetings held during the financial year | Number of Meetings attended by the Audit Committee Members |
|---------------------------------------|---|--|
| Tan Sri Dato' Ahmad Sabki Bin Jahidin | 5   | 5  |
| Tan Sri Dato' (Dr) Elyas Bin Omar     | 5   | 3  |
| Dato' Mustapha Bin Buang              | 5   | 4  |
| Mr. Leow Thang Fong                   | 5   | 5  |

## Internal Audit Plan

Regular audits of the Company and each of its subsidiaries are compulsory at least once a year under the Annual Audit Plan. The priorities of the audits are determined via a risk assessment exercise in which subsidiaries of high-risk categories are given greater priority in the planned audit, although considerable emphasis is also given to subsidiaries in the Hotel Division. At least two regular audits a year are scheduled for Hotel subsidiaries. The Board and the Audit Committee can also request special audits to be conducted where deemed fit and necessary.

The Audit Committee will review all internal audit reports with an emphasis on significant issues and critical risk areas affecting the overall performance of the Group. In order to ensure greater transparency and good corporate governance within the Group, the Audit Committee will discuss in detail the adequacy of each company's internal control systems in addition to organisational and operational controls. The Audit Committee will further emphasize actions to be taken to rectify and improve the effectiveness and efficiency of operations of the subsidiary concerned.

## 2003 Review

During the year, five (5) Audit Committee Meetings were held. The Audit Committee reviewed a total of five (5) internal audit reports. Summary of activities of the Group Internal Audit function during the year ended 31 March 2003 were as follows:

- Regularly examining the controls over all significant Group's operations and systems to ascertain whether the system established provides reasonable assurance that the Group's objectives and goals were met efficiently and economically;
- Prepare the annual audit plan for deliberation by the Audit Committee;
- Act on suggestions made by external examiners and/or senior management on concerns over operations or controls;
- Issue audit reports which identify weakness and problems and make recommendations for improvements;
- Determine whether corrective action was taken in achieving the desired results.

## Other Information

### 1. Material Contracts

Save as disclosed below, neither the Company ("GPB") nor its subsidiary companies entered into any material contracts which involved Directors' and major shareholders' interests:

| Date        | Parties   | General nature                                   | Consideration                             | Mode of satisfaction | Relationship     |
|-------------|---|--|---|----------------------|------------------|
| 15/1 / 1993 | Dynawell Corporation (M) Sdn Bhd and Leisure Group Hotels And Resorts Sdn Bhd | Basic Management Fees                            | 2% of adjusted gross revenue              | Cash settlement      | Common Directors |
| 19/5/1995   | Dynawell Corporation (M) Sdn Bhd and Leisure Group Hotels And Resorts Sdn Bhd | Tenancy Agreement                                | Monthly rental of RM38,340.00             | Cash settlement      | Common Directors |
| 15/8/1994   | GPB and Interdev Corporation Sdn Bhd ("Interdev")                             | Project developments - Project Management Fees & | 3.5% of Projects' Gross Development Value | Cash settlement      | Common Directors |
| 16/9/1994   | GPB and Interdev  | Project developments - Consultant Fees           | 6% on total construction cost             | Cash settlement      | Common Directors |
| 1/11/1995   | KSB Requirements & Rest Sdn Bhd and Leisure Group Hotels And Resorts Sdn Bhd  | Basic Management Fees                            | 2% of adjusted gross revenue              | Cash settlement      | Common Directors |

### 2. Material Contract related to loan

| Lender & Borrower   | Relationship     | Purpose of loan  | Amount<br>RM Million |
|---|------------------|--|----------------------|
| Lender : Gula Perak Berhad<br>Borrower: KSB Requirements and Rest Sdn Bhd | Common directors | To finance the construction and operations of hotel property | 103.107              |

The above contract is unsecured, interest free and is not expected to be repaid within the next twelve (12) months.

## 3. Recurring Related Parties Transactions of a Revenue Nature

Pursuant to Practice Note 12/2001 issued by the Kuala Lumpur Stock Exchange, the aggregate value of recurrent transactions made during the financial year among the following related parties are set below:

a) **Dynawell Corporation Sdn. Bhd ("Dynawell")**

A wholly owned subsidiary of Gula Perak Berhad ("The Company or GPB")

| Related parties involved with Dynawell   | Type of Transactions  | Aggregate value of the Transactions RM'000 |
|--|---|--|
| • Kemajuan Amoy Berhad ("KAB"), a company which has common directors and common substantial shareholders with GPB  | Dynawell provided rooms and food & beverages services to KAB        | 82   |
| • Leisure Group Hotel & Resorts Sdn Bhd ("LGHR SB"), a company which has common directors and common substantial shareholders with GPB                         | i) Management fee (2% on revenue of Dynawell) charged by LGHR SB    | 346  |
|  | ii) Rental & rooms, food and beverages services charged by Dynawell | 460  |
| • KSB Requirements & Rest Sdn Bhd ("KSB"), a subsidiary company of GPB and has common directors with GPB   | The trading of goods such as food and beverages to/from Dynawell    | 17   |
| • Taylor's Education Sdn. Bhd. and its wholly owned subsidiary ("Taylor's"), companies which has common directors and common substantial shareholders with GPB | Dynawell provided rooms and food & beverages services to Taylor's   | 92   |

## Other Information (cont'd)

### 3. Recurring Related Parties Transactions of a Revenue Nature (cont'd)

#### b) KSB Requirements & Rest Sdn Bhd ("KSB")

A 70% owned subsidiary of GPB

| Related parties involved with KSB  | Type of Transactions   | Aggregate value of the Transactions RM'000 |
|--|--|--|
| • GPB  | KSB provided rooms and food & beverages services to GPB      | -  |
| • KAB, a company which is of common directors and common substantial shareholders with GPB   | KSB provided rooms and food & beverages services to KAB      | -  |
| • LGHR SB, a company which has common directors and common substantial shareholders with GPB   | i) Management fee (2% on revenue of KSB) charged by LGHR SB  | 124  |
|  | ii) Rooms, food and beverage services charged by KSB         | -  |
| • Konsortium Sepang Bhd ("Konsortium"), which is a substantial shareholder of KSB Requirements & Rest Sdn. Bhd. and has common directors with Konsortium | KSB provided rooms, food and beverage services to Konsortium | 9  |

#### c) GPB

| Related parties involved with Interdev | Type of Transactions   | Aggregate value of the Transactions RM'000 |
|--|--|--|
| Interdev                               | Management fee of 3.5% on project's Gross Development Value and consultancy fee of 6% on total construction cost charged by Interdev | - #  |

# - There were no transactions incurred during the financial year under review.

### 4. Share Buyback

There were no share buybacks by the Company during the financial year.

### 5. Options, Warrants or Convertible Securities

During the financial year, there were no exercise of Options, Warrants or Convertible Securities.

### 6. American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

### 7. Imposition of Sanctions/Penalties

There were no sanctions or penalties imposed on the Company and its subsidiary, Directors or management by the relevant regulatory bodies.

### 8. Non-audit Fee

The amount of non-audit fees paid by the Company to the external auditors for the financial year amounted to approximately RM33,000.00.

### 9. Profit Estimation, Forecast or Projection

The difference between the audited results for the financial year ended 31 March 2003 and unaudited result announced previously exceeded 10%. The variance of RM26.703 million between the audited loss after tax of RM94.029 million and the unaudited loss after tax of RM67.326 is due to the following:

|   | RM'000 |
|---|--------|
| Additional Allowance for doubtful debts                     | 15,895 |
| Provision for foreseeable losses on Development Expenditure | 4,478  |
| Additional Allowance for impairment loss on hotel property  | 6,330  |
|   | 26,703 |
|   | 26,703 |

### 10. Profit Guarantees

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

### 11. Revaluation of Landed Properties

Except for Hotel Property, the Company does not have a revaluation policy on landed properties.

# Financial Statements

For The Financial Year Ended 31 March 2003

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# Financial Statements

# Directors' Report

For The Financial Year Ended 31 March 2003

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2003.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are cultivation of oil palm, construction works, trading in construction materials and property development. The principal activities of the Group consist of hotel operations and management, service apartment operations and management and property development.

There was no significant change in the nature of these activities of the Group and of the Company during the financial year.

## FINANCIAL RESULTS

|                                       | The<br>Group<br>RM'000 | The<br>Company<br>RM'000 |
|---------------------------------------|------------------------|--------------------------|
| Loss after taxation                   | 94,029                 | 39,144                   |
| Minority interests                    | 0                      | 0                        |
| Loss attributable to the shareholders | 94,029                 | 39,144                   |

## DIVIDEND

No dividend has been paid, declared or proposed since the end of the Company's previous financial year.

The Directors do not recommend payment of dividend for the financial year ended 31 March 2003.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## DIRECTORS

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

YBhg Datuk Rahim bin Baba  
YBhg Tan Sri Dato' Lim Cheng Pow  
Leow Thang Fong  
Lim Sue Beng  
Lim Bee Ling  
Lim Soo Kok  
YBhg Tan Sri Dato' Ahmad Sabki bin Jahidin  
YBhg Dato' Mustapha bin Buang  
YBhg Tan Sri Dato' (Dr) Elyas bin Omar



# Directors' Report (cont'd)

For The Financial Year Ended 31 March 2003

## DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in the shares in the Company are as follows:

|  | No. of ordinary shares of RM1.00 each |            |            |                               |
|--|---------------------------------------|------------|------------|-------------------------------|
|  | Balance<br>as at<br>1.4.2002          | Addition   | Disposal   | Balance<br>as at<br>31.3.2003 |
| <b>Direct interest</b>                     |                                       |            |            |                               |
| YBhg Datuk Rahim bin Baba                  | 1,661,000                             | 0          | 0          | 1,661,000                     |
| YBhg Tan Sri Dato' Lim Cheng Pow           | 36,172,000                            | 400,000    | 2,970,000  | 33,602,000                    |
| Leow Thang Fong                            | 60,000                                | 0          | 0          | 60,000                        |
| Lim Sue Beng                               | 12,984,000                            | 0          | 257,000    | 12,727,000                    |
| Lim Bee Ling                               | 16,200,000                            | 5,477,000  | 525,000    | 21,152,000                    |
| YBhg Tan Sri Dato' Ahmad Sabki bin Jahidin | 1,000,000                             | 0          | 0          | 1,000,000                     |
| YBhg Dato' Mustapha bin Buang              | 2,389,595                             | 0          | 0          | 2,389,595                     |
| YBhg Tan Sri Dato' (Dr) Elyas bin Omar     | 0                                     | 5,727,000  | 0          | 5,727,000                     |
| <b>Indirect interest</b>                   |                                       |            |            |                               |
| YBhg Datuk Rahim bin Baba *                | 31,020,000                            | 2,400,000  | 26,751,000 | 6,669,000                     |
| YBhg Tan Sri Dato' Lim Cheng Pow +         | 31,934,000                            | 23,412,000 | 5,557,000  | 49,789,000                    |
| Lim Sue Beng **                            | 55,122,000                            | 23,812,000 | 8,270,000  | 70,664,000                    |
| Lim Bee Ling **                            | 51,906,000                            | 18,335,000 | 8,002,000  | 62,239,000                    |
| Lim Soo Kok **                             | 68,106,000                            | 23,812,000 | 8,527,000  | 83,391,000                    |

\* Deemed to have interest by virtue of his substantial interest in Kesenta Development Sdn Bhd.

+ Deemed to have interest by virtue of his spouse's and children's direct shareholdings in the Company.

\*\* Deemed to have interest by virtue of his or her parents' and siblings' direct shareholdings in the Company.

According to the Register of Directors' Shareholdings, none of the other Directors in office at the end of the financial year held any interest in the shares or share options of the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than Directors' remuneration disclosed 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 he is a member or with a company in which he has a substantial financial interest.

# Directors' Report (cont'd)

For The Financial Year Ended 31 March 2003

## STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

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

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

- (a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or the Company, which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as highlighted in Note 11 to the financial statements; and
- (b) except as disclosed in Note 33 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any items, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 July 2003.

**YBhg Datuk Rahim bin Baba**  
Director

**Lim Sue Beng**  
Director

# Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, **YBhg Datuk Rahim bin Baba** and **Lim Sue Beng**, two of the Directors of Gula Perak Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 33 to 64 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 March 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 July 2003.

**YBhg Datuk Rahim bin Baba**  
Director

**Lim Sue Beng**  
Director

# Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, **Lim Bee Khim**, being the Officer primarily responsible for the financial management of Gula Perak Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 64 are in my opinion, 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.

**Lim Bee Khim**

Subscribed and solemnly declared at Kuala Lumpur on 28 July 2003.

Before me:

**Haron Hashim** (W 128)  
Commissioner for Oaths

# Report Of The Auditors

To The Members Of Gula Perak Berhad

We have audited the financial statements set out on pages 33 to 64. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
  - (ii) the state of affairs of the Group and the Company as at 31 March 2003 and of the results and cash flows of the Group and the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw your attention to Section A(c) of the financial statements, which explains the circumstances and considerations the Directors have taken into account in preparing the financial statements. The Group and Company incurred a net loss of RM94,029,000 and RM39,144,000 respectively for the financial year ended 31 March 2003. In addition, the Company experienced net cash outflow from operating activities amounting to RM3,319,000 for the same financial year. These factors raise doubt that the Group and Company will continue as going concerns. In view of the completion of the debt restructuring scheme on 15 July 2003 and the Directors' confidence in the continued financial support by the lenders and of the ability of the Group and the Company to generate sufficient funds to sustain their operations, the Directors consider that it is appropriate to prepare the financial statements of the Group and Company on a going concern basis.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 12 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Act.

**PricewaterhouseCoopers**

(AF: 1146)

Chartered Accountants

**Mohd Daruis Zainuddin**

(969/03/05 (J/PH))

Partner of the firm

28 July 2003

# Income Statements

For The Financial Year Ended 31 March 2003

|  | Note | The Group       |                | The Company     |                |
|--|------|-----------------|----------------|-----------------|----------------|
|  |      | 2003<br>RM'000  | 2002<br>RM'000 | 2003<br>RM'000  | 2002<br>RM'000 |
| Revenue  | 4    | <b>34,292</b>   | 24,530         | <b>8,950</b>    | 1,924          |
| Cost of sales<br>(including Group's impairment<br>of hotel properties of RM54,477,000<br>(31.3.2002: RMNil)) |      | <b>(73,633)</b> | (10,597)       | <b>(8,399)</b>  | (1,296)        |
| Gross (loss)/profit  |      | <b>(39,341)</b> | 13,933         | <b>551</b>      | 628            |
| Other operating income   |      | <b>1,381</b>    | 3,818          | <b>692</b>      | 3,253          |
| Administrative expenses  |      | <b>(17,667)</b> | (17,724)       | <b>(5,191)</b>  | (5,523)        |
| Other operating expenses   |      | <b>(15,939)</b> | (12,184)       | <b>(15,011)</b> | (6,528)        |
| Loss from operations   | 5    | <b>(71,566)</b> | (12,157)       | <b>(18,959)</b> | (8,170)        |
| Finance cost   | 7    | <b>(24,963)</b> | (21,704)       | <b>(20,185)</b> | (18,940)       |
| Loss before taxation   |      | <b>(96,529)</b> | (33,861)       | <b>(39,144)</b> | (27,110)       |
| Taxation   | 8    | <b>2,500</b>    | 6              | <b>0</b>        | 6              |
| Loss after taxation  |      | <b>(94,029)</b> | (33,855)       | <b>(39,144)</b> | (27,104)       |
| Minority interests   |      | <b>0</b>        | 0              | <b>0</b>        | 0              |
| Loss attributable to the shareholders  |      | <b>(94,029)</b> | (33,855)       | <b>(39,144)</b> | (27,104)       |
| Loss per share (sen):  |      |                 |                |                 |                |
| - Basic  | 9    | <b>36.7</b>     | 13.2           |                 |                |

No diluted loss per share is presented as conversion of warrants is not dilutive.

# Balance Sheets

As At 31 March 2003

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|  | Note | The Group      |                | The Company    |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2003<br>RM'000 | 2002<br>RM'000 | 2003<br>RM'000 | 2002<br>RM'000 |
| <b>NON-CURRENT ASSETS</b>                              |      |                |                |                |                |
| Real property assets                                   | 10   | 81,736         | 83,018         | 81,736         | 83,018         |
| Property, plant and equipment                          | 11   | 720,488        | 775,615        | 20,722         | 20,605         |
| Subsidiaries   | 12   | 0              | 0              | 554,473        | 557,984        |
| Advances to a subsidiary                               | 13   | 0              | 0              | 95,202         | 103,201        |
|  |      | <b>802,224</b> | 858,633        | <b>752,133</b> | 764,808        |
| <b>CURRENT ASSETS</b>                                  |      |                |                |                |                |
| Development property and expenditure                   | 14   | 54,785         | 71,683         | 54,785         | 71,683         |
| Inventories  | 15   | 16,412         | 554            | 15,892         | 46             |
| Trade receivables                                      | 16   | 16,807         | 24,515         | 4,601          | 8,633          |
| Non-trade receivables, deposits and prepayments        | 17   | 9,580          | 17,905         | 3,453          | 1,319          |
| Deposits with licensed banks and finance company       | 18   | 409            | 650            | 208            | 455            |
| Cash and bank balances                                 | 18   | 985            | 813            | 200            | 49             |
|  |      | <b>98,978</b>  | 116,120        | <b>79,139</b>  | 82,185         |
| <b>LESS: CURRENT LIABILITIES</b>                       |      |                |                |                |                |
| Trade payables   | 19   | 5,321          | 3,906          | 2,297          | 457            |
| Amount due to a Director                               | 20   | 2,110          | 1,142          | 2,110          | 1,142          |
| Amount due to a subsidiary                             | 21   | 0              | 0              | 10,951         | 9,117          |
| Other payables and accruals                            | 22   | 12,907         | 13,723         | 2,442          | 5,935          |
| Borrowing interest payable                             | 23   | 24,565         | 28,214         | 16,171         | 22,630         |
| Hire purchase payables                                 | 24   | 4,237          | 3,138          | 22             | 22             |
| Borrowings (secured and interest bearing)              | 25   | 31,928         | 185,712        | 30,415         | 181,337        |
| Taxation   |      | 625            | 619            | 402            | 396            |
|  |      | <b>81,693</b>  | 236,454        | <b>64,810</b>  | 221,036        |
| <b>NET CURRENT ASSETS/ (LIABILITIES)</b>               |      | <b>17,285</b>  | (120,334)      | <b>14,329</b>  | (138,851)      |
| <b>LESS: NON-CURRENT LIABILITIES</b>                   |      |                |                |                |                |
| Borrowings (secured and interest bearing)              | 25   | 213,501        | 31,150         | 179,673        | 0              |
| 3% Redeemable Secured Bonds 2000/2005                  | 27   | 90,124         | 90,124         | 90,124         | 90,124         |
| Hire purchase payables                                 | 24   | 4,965          | 7,723          | 19             | 43             |
| Deferred taxation                                      | 28   | 5,098          | 7,598          | 0              | 0              |
|  |      | <b>313,688</b> | 136,595        | <b>269,816</b> | 90,167         |
|  |      | <b>505,821</b> | 601,704        | <b>496,646</b> | 535,790        |
| <b>CAPITAL AND RESERVES</b>                            |      |                |                |                |                |
| Share capital  | 29   | 255,888        | 255,888        | 255,888        | 255,888        |
| Share premium  |      | 205,949        | 205,949        | 205,949        | 205,949        |
| Accumulated losses                                     |      | (180,963)      | (86,934)       | (160,605)      | (121,461)      |
| Capital reserve  | 26   | 3,039          | 3,039          | 3,039          | 3,039          |
| Revaluation reserve                                    |      | 0              | 1,854          | 0              | 0              |
| Irredeemable Convertible Secured Loan Stocks 2000/2005 | 30   | 192,375        | 192,375        | 192,375        | 192,375        |
| Reserve on consolidation                               |      | 29,533         | 29,533         | 0              | 0              |
|  |      | <b>505,821</b> | 601,704        | <b>496,646</b> | 535,790        |



# Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 March 2003

| Note  | Issued and fully paid<br>ordinary shares<br>of RM1 each |                            | Non-distributable          |                                       |                                  |                              |                | Irredeemable<br>convertible<br>secured<br>loan stocks<br>2000/2005 |                | Accumulated<br>losses<br>RM'000 | Total<br>RM'000 |
|---|---|----------------------------|----------------------------|---------------------------------------|----------------------------------|------------------------------|----------------|--|----------------|---------------------------------|-----------------|
|   | Number<br>of shares<br>RM'000                           | Nominal<br>value<br>RM'000 | Share<br>premium<br>RM'000 | Reserve on<br>consolidation<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Capital<br>reserve<br>RM'000 |                |  |                |                                 |                 |
| Balance at 1 April 2001                                       | 255,888   | 255,888                    | 205,949                    | 29,533                                | 1,854                            | 0                            | 0              | 0  | (53,079)       | 440,145                         |                 |
| Arising from subscription of<br>Replacement Warrants          | 26  | 0                          | 0                          | 0                                     | 0                                | 3,039                        | 0              | 0  | 0              | 3,039                           |                 |
| Net gain not recognised<br>in income statement                |   | 0                          | 0                          | 0                                     | 0                                | 3,039                        | 0              | 0  | 0              | 3,039                           |                 |
| Loss for the financial year                                   |   | 0                          | 0                          | 0                                     | 0                                | 0                            | 0              | (33,855)   | (33,855)       |                                 |                 |
| Balance at 31 March 2002,<br>as previously stated             | 255,888   | 255,888                    | 205,949                    | 29,533                                | 1,854                            | 3,039                        | 0              | (86,934)   | 409,329        |                                 |                 |
| Reclassification from<br>non-current liability (Section A(a)) |   | 0                          | 0                          | 0                                     | 0                                | 0                            | 192,375        | 0  | 192,375        |                                 |                 |
| Balance at 31 March 2002, as restated                         | 255,888   | 255,888                    | 205,949                    | 29,533                                | 1,854                            | 3,039                        | 192,375        | (86,934)   | 601,704        |                                 |                 |
| Balance at 1 April 2002                                       | 255,888   | 255,888                    | 205,949                    | 29,533                                | 1,854                            | 3,039                        | 192,375        | (86,934)   | 601,704        |                                 |                 |
| Impairment loss on hotel property                             |   | 0                          | 0                          | 0                                     | (1,854)                          | 0                            | 0              | 0  | (1,854)        |                                 |                 |
| Loss for the financial year                                   |   | 0                          | 0                          | 0                                     | 0                                | 0                            | 0              | (94,029)   | (94,029)       |                                 |                 |
| <b>Balance at 31 March 2003</b>                               | <b>255,888</b>  | <b>255,888</b>             | <b>205,949</b>             | <b>29,533</b>                         | <b>0</b>                         | <b>3,039</b>                 | <b>192,375</b> | <b>(180,963)</b>   | <b>505,821</b> |                                 |                 |



# Company Statement Of Changes In Equity

For The Financial Year Ended 31 March 2003

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| Note  | Issued and fully paid<br>ordinary shares<br>of RM1 each |                            |                            | Non-distributable            |  |                                 | Total<br>RM'000 |
|---|---|----------------------------|----------------------------|------------------------------|--|---------------------------------|-----------------|
|   | Number<br>of shares<br>RM'000                           | Nominal<br>value<br>RM'000 | Share<br>premium<br>RM'000 | Capital<br>reserve<br>RM'000 | Irredeemable<br>convertible<br>secured<br>loan stocks<br>2000/2005<br>RM'000 | Accumulated<br>losses<br>RM'000 |                 |
| Balance at 1 April 2001                                       | 255,888   | 255,888                    | 205,949                    | 0                            | 0  | (94,357)                        | 367,480         |
| Arising from subscription of<br>Replacement Warrants          | 26  | 0                          | 0                          | 0                            | 3,039  | 0                               | 3,039           |
| Net gain not recognised in<br>income statement                | 0   | 0                          | 0                          | 3,039                        | 0  | 0                               | 3,039           |
| Loss for the financial year                                   | 0   | 0                          | 0                          | 0                            | 0  | (27,104)                        | (27,104)        |
| Balance as at 31 March 2002,<br>as previously stated          | 255,888   | 255,888                    | 205,949                    | 3,039                        | 0  | (121,461)                       | 343,415         |
| Reclassification from non-current liability<br>(Section A(a)) | 0   | 0                          | 0                          | 0                            | 192,375  | 0                               | 192,375         |
| Balance at 31 March 2002, as restated                         | 255,888   | 255,888                    | 205,949                    | 3,039                        | 192,375  | (121,461)                       | 535,790         |
| Balance at 1 April 2002                                       | 255,888   | 255,888                    | 205,949                    | 3,039                        | 192,375  | (121,461)                       | 535,790         |
| Loss for the financial year                                   | 0   | 0                          | 0                          | 0                            | 0  | (39,144)                        | (39,144)        |
| Balance at 31 March 2002                                      | 255,888   | 255,888                    | 205,949                    | 3,039                        | 192,375  | (160,605)                       | 496,646         |

# Cash Flow Statements

For The Financial Year Ended 31 March 2003

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|   | Note | The Group       |                | The Company    |                |
|---|------|-----------------|----------------|----------------|----------------|
|   |      | 2003<br>RM'000  | 2002<br>RM'000 | 2003<br>RM'000 | 2002<br>RM'000 |
| <b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>               |      |                 |                |                |                |
| Cash receipts from customers  |      | <b>35,734</b>   | 33,766         | <b>9,218</b>   | 7,710          |
| Cash paid to suppliers, employees and for operating expenses        |      | <b>(29,099)</b> | (32,735)       | <b>(8,847)</b> | (11,670)       |
| Cash flow from operations   |      | <b>6,635</b>    | 1,031          | <b>371</b>     | (3,960)        |
| Interest paid   |      | <b>(4,919)</b>  | (2,812)        | <b>(2,951)</b> | (48)           |
| Taxation refund/(paid)  |      | <b>6</b>        | (5)            | <b>6</b>       | (4)            |
|   |      | <b>(4,913)</b>  | (2,817)        | <b>(2,945)</b> | (52)           |
| Net cash from/(used in) operating activities                        |      | <b>1,722</b>    | (1,786)        | <b>(2,574)</b> | (4,012)        |
| <b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>               |      |                 |                |                |                |
| Purchase of property, plant and equipment                           |      | <b>(3,227)</b>  | (3,242)        | <b>(1,400)</b> | (1,544)        |
| Proceeds from disposal of property, plant and equipment             |      | <b>0</b>        | 1,152          | <b>0</b>       | 734            |
| Interest received   |      | <b>33</b>       | 47             | <b>23</b>      | 33             |
| Net cash used in investing activities                               |      | <b>(3,194)</b>  | (2,043)        | <b>(1,377)</b> | (777)          |
| <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>               |      |                 |                |                |                |
| Proceeds from issuance of Replacement Warrants                      | 26   | <b>0</b>        | 3,039          | <b>0</b>       | 3,039          |
| Repayment to hire purchase creditors                                |      | <b>(1,659)</b>  | (389)          | <b>(24)</b>    | (19)           |
| Drawdown from term loan   |      | <b>2,700</b>    | 3,000          | <b>2,700</b>   | 0              |
| Repayment of term loan  |      | <b>(167)</b>    | (1,979)        | <b>0</b>       | (1,896)        |
| Advances from a Director  |      | <b>968</b>      | 396            | <b>968</b>     | 396            |
| Advances from subsidiaries  |      | <b>0</b>        | 0              | <b>633</b>     | 3,317          |
| Net cash from financing activities                                  |      | <b>1,842</b>    | 4,067          | <b>4,277</b>   | 4,837          |
| <b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>                    |      |                 |                |                |                |
|   |      | <b>370</b>      | 238            | <b>326</b>     | 48             |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b> |      |                 |                |                |                |
|   |      | <b>(167)</b>    | (405)          | <b>82</b>      | 34             |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>       |      |                 |                |                |                |
|   | 18   | <b>203</b>      | (167)          | <b>408</b>     | 82             |

# Summary Of Significant Accounting Policies

For The Financial Year Ended 31 March 2003

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements except for the change in accounting policies disclosed in the summary of significant accounting policies.

## A. BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

### (a) Retrospective application of new applicable approved accounting standards

The following new MASB Standards have been applied retrospectively:

- MASB Standard 19 "Events After Balance Sheet Date"
- MASB Standard 20 "Provisions, Contingent Liabilities and Contingent Assets"
- MASB Standard 22 "Segment Reporting"
- MASB Standard 24 "Financial Instruments: Disclosure and Presentation"

The changes in accounting policies as a result of the adoption of the above Standards in these financial statements do not affect the results for the financial year.

Comparative figures have been adjusted or extended to conform to changes in presentation due to the requirements of MASB 22.

The liability and equity classification of non-compound instruments (together with the classification of the associated interest, dividends or other distributions) has been applied in accordance with MASB 24. Accordingly, the Irredeemable Convertible Secured Loan Stocks 2000/2005 of RM192,375,000 has been reclassified to equity and comparative figures have been reclassified accordingly.

Comparatives are not disclosed upon first application of MASB 24, as permitted by the Standard.

### (b) Prospective application of new applicable approved accounting standards from 1 April 2002

|   |  |
|---|--|
| MASB Standard 21<br>"Business Combinations" | The Group has taken advantage of the exemption provided to apply this Standard prospectively. Accordingly, business combinations entered into prior to 1 April 2002 have not been restated to comply with this Standard. |
|---|--|

|  |   |
|--|---|
| MASB Standard 23<br>"Impairment of Assets" | This Standard does not allow retrospective application. |
|--|---|

### (c) Going concern basis

As at 31 March 2003, the Group and the Company incurred a net loss of RM94,029,000 and RM39,144,000 respectively for the financial year ended 31 March 2003. In addition, the Company experienced net cash outflow from operating activities amounting to RM3,319,000 for the same financial year end.

# Summary Of Significant Accounting Policies (cont'd)

For The Financial Year Ended 31 March 2003

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## (c) Going concern basis (cont'd)

As disclosed in the previous financial statements, the Company did not have sufficient funds to secure the redemption of the RM150 million nominal amount of 3% Guaranteed Redeemable Bonds 1995/2000 ('Guaranteed Bonds') and as a consequence, the bank guarantee for the Guaranteed Bonds has been invoked for repayment to the bondholders. The Company has undertaken a Debt Restructuring Scheme referred to in Note 33 to the financial statements to repay the Guarantor banks and also to restructure certain borrowings of the Group and the Company. As disclosed in Note 33, the Company issued Redeemable Convertible Secured Notes to Lenders on 23 April 2003 and the Debt Restructuring Scheme was completed on 15 July 2003.

In view of the completion of the Debt Restructuring Scheme and the Directors' confidence in the continued financial support by the lenders and of the ability of the Group and Company to generate sufficient funds to sustain their operations, the Directors consider that it is appropriate to prepare the financial statements of the Group and Company on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or classification of liabilities that may be necessary if the Group and the Company are unable to continue as going concerns.

## B. BASIS OF CONSOLIDATION

The consolidated income statement and balance sheet include the financial statements of the Company and its subsidiaries made up to the end of the financial year. The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated income statement from the date of acquisition up to the date of disposal. Consolidated financial statements reflect external transactions only. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are incorporated in the Group financial statements.

Goodwill/reserve on consolidation represents the excess/deficit of the fair value of purchase consideration of subsidiary acquired over the Group's share of the fair value of their separate net assets at the date of acquisition. Goodwill arising on consolidation has been set-off against reserve on consolidation.

## C. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are initially stated at cost. Hotel properties are subsequently shown at fair value less subsequent impairments. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairments.

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised in equal instalments over the period of the lease of 46 years. Other property, plant and equipment are depreciated on the straight line basis to write down the cost of the assets, to their residual values over their estimated useful lives, summarised as follows:

|                                | %       |
|--------------------------------|---------|
| Office equipment               | 10 - 25 |
| Plant, machinery and equipment | 10 - 20 |
| Building                       | 10      |
| Renovations                    | 15      |
| Furniture and fittings         | 10 - 15 |
| Motor vehicles                 | 20      |

# Summary Of Significant Accounting Policies (cont'd)

For The Financial Year Ended 31 March 2003

## C. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (cont'd)

Hotel properties are initially stated at cost and are subsequently shown at fair value, based on valuations by external independent valuers. Additions subsequent to the date of valuation are stated at cost. It is the Group's policy to appraise the hotel properties once in every five years, based on their open market value. Surpluses arising on revaluation are credited to Revaluation Reserve. Any deficit arising from revaluation is charged against the Revaluation Reserve to the extent of a previous surplus held in the Revaluation Reserve of the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

No depreciation is provided on hotel properties. It is the Group's policy to maintain the properties in such condition that the residual values are so high that depreciation would be insignificant. The related maintenance expenditure is dealt with in the income statement. The carrying amounts of hotel properties are subjected to impairment review at each balance sheet date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the revaluation surplus of that same asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

## D. REAL PROPERTY ASSETS

Real property assets comprise land held for future development. Land held for future development is stated at cost. When significant development work has been undertaken and are expected to be completed within the normal operating cycle, the assets are then classified at its carrying value to development property and expenditure under current assets.

## E. DEVELOPMENT PROPERTY AND EXPENDITURE

The cost of land held for development, related development costs common to the whole project and direct construction costs are carried forward at cost as development property and expenditure. Costs charged to the income statement are in respect of uncompleted properties sold and comprise proportionate cost of land and related development costs.

## F. REVENUE RECOGNITION

Contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as expenses.

Profit from property development and construction contracts are recognised using the percentage of completion method. The stage of completion is measured by reference to the actual cost incurred to date to estimated total cost for each contract. All foreseeable losses are recognised as soon as they are anticipated.

Revenue from hotel operations and oil palm plantation are recognised upon delivery of products or performance of services, net of sales tax and discounts.

Rental income from shoplots is recognised on an accrual basis unless collectibility is in doubt.

Interest income is recognised as it accrues.

# Summary Of Significant Accounting Policies (cont'd)

For The Financial Year Ended 31 March 2003

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## **G. HIRE PURCHASE PAYABLES**

Property, plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy on property, plant and equipment. The corresponding outstanding obligations due under the hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. Hire purchase payments are allocated between the liability and finance charges so as to achieve a constant rate on the hire purchase balance outstanding.

The interest element of the finance charge is charged to the income statement over the period of the agreements.

## **H. INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

## **I. SUBSIDIARIES**

Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

## **J. INVESTMENTS**

Investments in subsidiaries are stated at cost. These investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments. Permanent diminution in the value of an investment is recognised as an expense in the period in which diminution is identified.

Other long-term investments are stated at cost. These investments are only written down when the Directors consider that there is a permanent diminution in the value of the investments.

Short-term investments are stated at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived on the weighted average basis.

On disposal of an investment, the difference between net proceeds and its carrying amount is charged/credited to the income statements.

## **K. DEFERRED TAXATION**

Provision is made, by the liability method, for taxation deferred in respect of all timing differences.

No future income tax benefit is recognised in respect of unutilised tax losses and timing differences that result in a net debit unless it can be demonstrated that these benefits can be realised in the foreseeable future.

## **L. RECEIVABLES**

Receivables are carried at anticipated realisable values. Bad debts are written off in the financial year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

## **M. PRE-CROPPING EXPENDITURE**

Expenditure incurred on new planting and replanting are capitalised and included in Property, Plant and Equipment under pre-cropping expenditure and are amortised on a straight line basis over the useful lives of the rootstocks or over the period of the lease, whichever is shorter. The estimated useful life of the rootstocks is 25 years.



# Summary Of Significant Accounting Policies (cont'd)

For The Financial Year Ended 31 March 2003

## N. CAPITALISATION OF BORROWING COSTS

Interest incurred on external borrowings related to development of property under construction is capitalised until completion of the construction.

## O. CURRENCY TRANSLATIONS

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at exchange rates ruling at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange difference 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.

The principal closing rates used in translation of foreign currency amounts are as follows:

|                         | 31.3.2003      | 31.3.2002 |
|-------------------------|----------------|-----------|
| <b>Foreign currency</b> |                |           |
| 1 US Dollar             | <b>RM3.80</b>  | RM3.76    |
| 1 Singapore Dollar      | <b>RM2.08</b>  | RM2.01    |
| 100 Hong Kong Dollars   | <b>RM46.68</b> | RM46.58   |

## P. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statements, cash and cash equivalents comprise cash and bank balances, bank overdraft, demand deposits and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

## Q. FINANCIAL INSTRUMENTS

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

For disclosure purposes, fair values of non-current financial assets and liabilities are estimated by discounting the future contractual cash flows at the current market interest rate available for similar financial instruments.

The face values, less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

## R. BORROWINGS

Borrowings are initially recognised based on proceeds received, net of transaction costs incurred. In subsequent years, borrowings are stated at amortised cost using the effective yield method, any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.



# Notes To The Financial Statements

For The Financial Year Ended 31 March 2003

## 1. GENERAL INFORMATION

The principal activities of the Company are cultivation of oil palm, construction works, trading in construction materials and property development. The principal activities of the Group consist of hotel operations and management, service apartment operations and management and property development.

There was no significant change in the nature of these activities of the Group and of the Company during the financial year.

The number of employees at the end of the financial year amounted to 627 (31.3.2002: 629) employees in the Group and 101 (31.3.2002: 102) employees in the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office and principal place of business of the Company is Level 7, Dynasty Hotel Kuala Lumpur, 218 Jalan Ipoh, 51200 Kuala Lumpur.

## 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company's activities expose it to a variety of financial risks. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders.

The Group and Company's financial risk management policies are as follows:

### Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate risk arises from the Group's borrowings and deposits. The Group's borrowings are substantially floating rate debts and the Group has no significant exposure to fixed rate debts. As disclosed in Note 33, most of the Group's floating rate debts have been restructured after the financial year end.

### Market risk

The Group's principal activities do not expose it to significant risk in price fluctuation, except Crude Palm Oil prices. In view of this, the Group does not enter into physical supply or derivative agreements.

### Credit risk

Credit risk arises when sales are made on deferred payment terms. The Group controls the credit risk by a comprehensive credit management policy and procedure. Credit is only given to customers after proper assessment of their credit worthiness, with reasonable credit limits and appropriate payment terms. The Group considers the risk of a financial loss to be minimal in the event of non-performance by a counter party.

### Liquidity and cash flow risk

Liquidity and cash flow risk in the Group is not significant as the Group expects to be able to realise the financial assets at book value and as disclosed in Note 33, the majority of the Group's floating rate debts have been restructured after the financial year end.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 3. SEGMENT REPORTING

The Group is organised into four main business segments:

- Hotel operations - the Group owns and operates the Dynasty Hotel, Kuala Lumpur and Empress Hotel, Sepang, Selangor. A new hotel property is currently under construction.
- Construction and property development - the Group is mainly involved in the construction and development of industrial properties.
- Cultivation of oil palm - the Group is involved in the planting and harvesting of oil palm and sales of fresh fruit bunches ('FFB').
- Other operations of the Group mainly comprise service apartments operations which are not of sufficient size to be reported separately.

|   | Hotel<br>operations<br>RM'000 | Construction<br>and property<br>development<br>RM'000 | Cultivation<br>of oil palm<br>RM'000 | Others<br>RM'000 | Group<br>RM'000 |
|---|-------------------------------|---|--------------------------------------|------------------|-----------------|
| <b>Financial year ended<br/>31 March 2003</b> |                               |   |                                      |                  |                 |
| <b>REVENUE</b>                                |                               |   |                                      |                  |                 |
| External revenue                              | 25,342                        | 2,898   | 6,052                                | 0                | 34,292          |
| <b>RESULTS</b>                                |                               |   |                                      |                  |                 |
| Segment result (external)                     | (65,318)                      | (4,901)   | 2,083                                | 0                | (68,136)        |
| Unallocated income                            |                               |   |                                      |                  | 20              |
| Unallocated costs                             |                               |   |                                      |                  | (3,450)         |
| Loss from operations                          |                               |   |                                      |                  | (71,566)        |
| Finance cost                                  |                               |   |                                      |                  | (24,963)        |
| Loss before taxation                          |                               |   |                                      |                  | (96,529)        |
| Taxation                                      |                               |   |                                      |                  | 2,500           |
| Loss after taxation                           |                               |   |                                      |                  | (94,029)        |
| Minority interest                             |                               |   |                                      |                  | 0               |
| Loss attributable to shareholders             |                               |   |                                      |                  | (94,029)        |
| <b>OTHER INFORMATION</b>                      |                               |   |                                      |                  |                 |
| Segment assets                                | 719,605                       | 159,866   | 20,614                               | 0                | 900,085         |
| Unallocated assets                            |                               |   |                                      |                  | 1,117           |
| Total assets                                  |                               |   |                                      |                  | 901,202         |
| Segment liabilities                           | (71,707)                      | (2,714)   | (225)                                | 0                | (74,646)        |
| Unallocated liabilities                       |                               |   |                                      |                  | (320,735)       |
| Total liabilities                             |                               |   |                                      |                  | (395,381)       |
| Depreciation                                  | 740                           | 0   | 839                                  | 199              | 1,778           |
| Unallocated depreciation                      |                               |   |                                      |                  | 0               |
| Total depreciation                            |                               |   |                                      |                  | 1,778           |
| Capital expenditure                           | 1,828                         | 0   | 639                                  | 760              | 3,227           |
| Impairment loss                               |                               |   |                                      |                  |                 |
| - included in income statement*               | 54,477                        | 0   | 0                                    | 0                | 54,477          |
| - included in revaluation reserve             | 1,854                         | 0   | 0                                    | 0                | 1,854           |

\* Included in segment result

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 3. SEGMENT REPORTING (cont'd)

|   | Hotel<br>operations<br>RM'000 | Construction<br>and property<br>development<br>RM'000 | Cultivation<br>of oil palm<br>RM'000 | Others<br>RM'000 | Group<br>RM'000 |
|---|-------------------------------|---|--------------------------------------|------------------|-----------------|
| <b>Financial year ended<br/>31 March 2002</b> |                               |   |                                      |                  |                 |
| <b>Revenue</b>                                |                               |   |                                      |                  |                 |
| External revenue                              | 22,606                        | 0   | 1,924                                | 0                | 24,530          |
| <b>Results</b>                                |                               |   |                                      |                  |                 |
| Segment result (external)                     | (3,988)                       | 0   | 1,945                                | 0                | (2,043)         |
| Unallocated income                            |                               |   |                                      |                  | 881             |
| Unallocated costs                             |                               |   |                                      |                  | (10,995)        |
| Loss from operations                          |                               |   |                                      |                  | (12,157)        |
| Finance cost                                  |                               |   |                                      |                  | (21,704)        |
| Loss before taxation                          |                               |   |                                      |                  | (33,861)        |
| Taxation                                      |                               |   |                                      |                  | 6               |
| Loss after taxation                           |                               |   |                                      |                  | (33,855)        |
| Minority interest                             |                               |   |                                      |                  | 0               |
| Loss attributable to shareholders             |                               |   |                                      |                  | (33,855)        |
| <b>Other information</b>                      |                               |   |                                      |                  |                 |
| Segment assets                                | 788,946                       | 161,462   | 20,863                               | 2,592            | 973,863         |
| Unallocated assets                            |                               |   |                                      |                  | 890             |
| Total assets                                  |                               |   |                                      |                  | 974,753         |
| Segment liabilities                           | (70,962)                      | (1,621)   | (215)                                | 0                | (72,798)        |
| Unallocated liabilities                       |                               |   |                                      |                  | (300,251)       |
| Total liabilities                             |                               |   |                                      |                  | (373,049)       |
| Depreciation                                  | 730                           | 0   | 467                                  | 0                | 1,197           |
| Unallocated depreciation                      |                               |   |                                      |                  | 383             |
| Total depreciation                            |                               |   |                                      |                  | 1,580           |
| Capital expenditure                           | 3,056                         | 0   | 1,529                                | (410)            | 4,175           |

There is no intersegment transaction during the current and previous financial years.

Unallocated costs represent general administrative, head office and other expenses that arise at corporate level and related to the Group as a whole.

Unallocated liabilities consist primarily of borrowings taken at corporate level.

No geographical segment information is presented as the Group operates principally in Malaysia.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 4. REVENUE

|                         | The Group |        | The Company |        |
|-------------------------|-----------|--------|-------------|--------|
|                         | 2003      | 2002   | 2003        | 2002   |
|                         | RM'000    | RM'000 | RM'000      | RM'000 |
| Hotel operations        | 25,342    | 22,606 | 0           | 0      |
| Cultivation of oil palm | 6,052     | 1,924  | 6,052       | 1,924  |
| Property development    | 2,898     | 0      | 2,898       | 0      |
|                         | 34,292    | 24,530 | 8,950       | 1,924  |

## 5. LOSS FROM OPERATIONS

|   | The Group |         | The Company |        |
|---|-----------|---------|-------------|--------|
|   | 2003      | 2002    | 2003        | 2002   |
|   | RM'000    | RM'000  | RM'000      | RM'000 |
| <b>Loss from operations is stated after charging/(crediting):</b> |           |         |             |        |
| Depreciation of property, plant and equipment                     | 1,778     | 1,580   | 1,038       | 823    |
| Staff cost  | 11,082    | 10,688  | 2,440       | 2,323  |
| Auditors' remuneration:   |           |         |             |        |
| - statutory audit fees  | 79        | 78      | 37          | 38     |
| - under provision in prior period                                 | 1         | 0       | 0           | 0      |
| - non-statutory audit fees  | 51        | 37      | 33          | 18     |
| Pre-cropping expenditure written off                              | 243       | 0       | 243         | 0      |
| Property, plant and equipment written off                         | 2         | 2       | 2           | 2      |
| Gain on disposal of property, plant and equipment                 | 0         | (1,041) | 0           | (865)  |
| Realised foreign exchange (gain)/loss                             | (15)      | (37)    | 0           | 0      |
| Interest income   | (31)      | (34)    | (21)        | (20)   |
| Rental income   | (110)     | (2,718) | 0           | 0      |
| Gain on disposal of real property asset                           | (2,252)   | 0       | (2,252)     | 0      |
| Included within cost of sales:                                    |           |         |             |        |
| - impairment loss on hotel properties                             | 54,477    | 0       | 0           | 0      |
| - provision for foreseeable losses                                | 4,197     | 0       | 4,197       | 0      |
| - inventory written down  | 507       | 0       | 507         | 0      |
| Included within other operating expenses:                         |           |         |             |        |
| - allowance for doubtful debts                                    | 15,939    | 12,184  | 2,299       | 6,528  |
| - allowance for diminution in investment in a subsidiary          | 0         | 0       | 3,511       | 0      |
| - allowance for advances to a subsidiary                          | 0         | 0       | 9,201       | 0      |

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 6. DIRECTORS' REMUNERATION

|                  | The Group      |                | The Company    |                |
|------------------|----------------|----------------|----------------|----------------|
|                  | 2003<br>RM'000 | 2002<br>RM'000 | 2003<br>RM'000 | 2002<br>RM'000 |
| Fees             | 296            | 296            | 132            | 138            |
| Other emoluments | 986            | 986            | 900            | 900            |
|                  | 1,282          | 1,282          | 1,032          | 1,038          |

Remuneration of the Directors of the Company, in respect of services rendered to the Company and various other companies of the Group, is represented by the following bands:

|                                | 2003<br>Number | 2002<br>Number |
|--------------------------------|----------------|----------------|
| <b>Amounts in RM'000</b>       |                |                |
| <b>Non-executive Directors</b> |                |                |
| 50 and below                   | 2              | 3              |
| 50 - 100                       | 1              | 1              |
| <b>Executive Directors</b>     |                |                |
| 50 - 100                       | 0              | 0              |
| 100 - 150                      | 1              | 1              |
| 150 - 200                      | 3              | 3              |
| 250 - 300                      | 1              | 1              |

## 7. FINANCE COST

|                           | The Group      |                | The Company    |                |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | 2003<br>RM'000 | 2002<br>RM'000 | 2003<br>RM'000 | 2002<br>RM'000 |
| Interest expenses         | 24,961         | 21,622         | 20,182         | 18,859         |
| Bank guarantee commission | 0              | 76             | 0              | 76             |
| Others                    | 2              | 6              | 3              | 5              |
|                           | 24,963         | 21,704         | 20,185         | 18,940         |

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 8. TAXATION

|   | The Group      |                | The Company    |                |
|---|----------------|----------------|----------------|----------------|
|   | 2003<br>RM'000 | 2002<br>RM'000 | 2003<br>RM'000 | 2002<br>RM'000 |
| Current year deferred taxation (Note 28)              | 2,500          | 0              | 0              | 0              |
| Over provision in respect of previous financial years | 0              | 6              | 0              | 6              |
|   | 2,500          | 6              | 0              | 6              |

The amount of unabsorbed tax losses of the Group and Company for which the related tax effects have not been included in the net income amounted to RM59,421,000 (31.3.2002: RM54,231,000) and RM38,544,000 (31.3.2002: RM42,317,000) respectively as at 31 March 2003.

## 9. LOSS PER SHARE

Basic loss per share of the Group is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

|  | 2003    | 2002    |
|--|---------|---------|
| Loss attributable to shareholders (RM'000)                 | 94,029  | 33,855  |
| Weighted average number of ordinary shares in issue ('000) | 255,888 | 255,888 |
| Basic loss per share (sen)                                 | 36.7    | 13.2    |

No diluted loss per share is presented as conversion of warrants is not dilutive.

## 10. REAL PROPERTY ASSETS

|                        | The Group and the Company |                |
|------------------------|---------------------------|----------------|
|                        | 2003<br>RM'000            | 2002<br>RM'000 |
| Freehold land, at cost | 81,736                    | 83,018         |

The freehold land is charged to a financial institution as security for a banking facility granted to the Company.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 11. PROPERTY, PLANT AND EQUIPMENT

|   | Hotel<br>property<br>RM'000 | Hotel<br>property<br>work-in-<br>progress<br>RM'000 | Short-term<br>leasehold<br>land<br>RM'000 | Building<br>RM'000 | Office<br>equipment<br>RM'000 | Plant,<br>machinery<br>and<br>equipment<br>RM'000 | Renovations<br>RM'000 | Furniture<br>and fittings<br>RM'000 | Motor<br>vehicles<br>RM'000 | Pre-<br>cropping<br>expenditure<br>RM'000 | Total<br>RM'000 |
|---|-----------------------------|---|---|--------------------|-------------------------------|---|-----------------------|-------------------------------------|-----------------------------|---|-----------------|
| <b>The Group</b>                                    |                             |   |   |                    |                               |   |                       |                                     |                             |   |                 |
| <b>Net book value</b>                               |                             |   |   |                    |                               |   |                       |                                     |                             |   |                 |
| 1 April 2002  | 654,563                     | 96,293  | 8,925                                     | 0                  | 1,164                         | 2,090   | 174                   | 645                                 | 530                         | 11,231                                    | 775,615         |
| Additions   | 0                           | 1,677   | 0   | 750                | 53                            | 81  | 0                     | 32                                  | 4                           | 630                                       | 3,227           |
| Write offs  | 0                           | 0   | 0   | 0                  | (2)                           | 0   | 0                     | 0                                   | 0                           | (243)                                     | (245)           |
| Depreciation charge<br>during the financial<br>year | 0                           | 0   | (282)                                     | (50)               | (176)                         | (290)   | (58)                  | (162)                               | (258)                       | (502)                                     | (1,778)         |
| Impairment loss                                     |                             |   |   |                    |                               |   |                       |                                     |                             |   |                 |
| - charged to income<br>statement                    | (48,146)                    | (6,331)   | 0   | 0                  | 0                             | 0   | 0                     | 0                                   | 0                           | 0   | (54,477)        |
| - recognised directly in<br>revaluation reserve     | (1,854)                     | 0   | 0   | 0                  | 0                             | 0   | 0                     | 0                                   | 0                           | 0   | (1,854)         |
| <b>31 March 2003</b>                                | <b>604,563</b>              | <b>91,639</b>                                       | <b>8,643</b>                              | <b>700</b>         | <b>1,039</b>                  | <b>1,881</b>                                      | <b>116</b>            | <b>515</b>                          | <b>276</b>                  | <b>11,116</b>                             | <b>720,488</b>  |
| <b>At 31 March 2003</b>                             |                             |   |   |                    |                               |   |                       |                                     |                             |   |                 |
| Cost  | 109,563                     | 97,970  | 13,000                                    | 750                | 3,243                         | 2,892   | 567                   | 1,832                               | 2,876                       | 12,800                                    | 245,493         |
| Valuation   | 545,000                     | 0   | 0   | 0                  | 0                             | 0   | 0                     | 0                                   | 0                           | 0   | 545,000         |
| Accumulated<br>depreciation                         | 0                           | 0   | (4,357)                                   | (50)               | (2,204)                       | (1,011)   | (451)                 | (1,317)                             | (2,600)                     | (1,684)                                   | (13,674)        |
| Accumulated<br>impairment loss                      | (50,000)                    | (6,331)   | 0   | 0                  | 0                             | 0   | 0                     | 0                                   | 0                           | 0   | (56,331)        |
| <b>Net book value</b>                               | <b>604,563</b>              | <b>91,639</b>                                       | <b>8,643</b>                              | <b>700</b>         | <b>1,039</b>                  | <b>1,881</b>                                      | <b>116</b>            | <b>515</b>                          | <b>276</b>                  | <b>11,116</b>                             | <b>720,488</b>  |
| <b>At 31 March 2002</b>                             |                             |   |   |                    |                               |   |                       |                                     |                             |   |                 |
| Cost  | 109,563                     | 96,293  | 13,000                                    | 0                  | 3,193                         | 2,811   | 567                   | 1,800                               | 2,872                       | 13,040                                    | 243,139         |
| Valuation   | 545,000                     | 0   | 0   | 0                  | 0                             | 0   | 0                     | 0                                   | 0                           | 0   | 545,000         |
| Accumulated<br>depreciation                         | 0                           | 0   | (4,075)                                   | 0                  | (2,029)                       | (721)   | (393)                 | (1,155)                             | (2,342)                     | (1,809)                                   | (12,524)        |
| <b>Net book value</b>                               | <b>654,563</b>              | <b>96,293</b>                                       | <b>8,925</b>                              | <b>0</b>           | <b>1,164</b>                  | <b>2,090</b>                                      | <b>174</b>            | <b>645</b>                          | <b>530</b>                  | <b>11,231</b>                             | <b>775,615</b>  |



# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

|   | Short-term<br>leasehold<br>land<br>RM'000 | Building<br>RM'000 | Office<br>equipment<br>RM'000 | Plant,<br>machinery<br>and<br>equipment<br>RM'000 | Renovations<br>RM'000 | Furniture<br>and fittings<br>RM'000 | Motor<br>vehicles<br>RM'000 | Pre-cropping<br>expenditure<br>RM'000 | Total<br>RM'000 |
|---|---|--------------------|-------------------------------|---|-----------------------|-------------------------------------|-----------------------------|---------------------------------------|-----------------|
| <b>The Company</b>                            |   |                    |                               |   |                       |                                     |                             |                                       |                 |
| <b>Net book value</b>                         |   |                    |                               |   |                       |                                     |                             |                                       |                 |
| 1 April 2002                                  | 8,925                                     | 0                  | 104                           | 19  | 174                   | 67                                  | 85                          | 11,231                                | 20,605          |
| Additions                                     | 0   | 750                | 15                            | 0   | 0                     | 1                                   | 4                           | 630                                   | 1,400           |
| Write off                                     | 0   | 0                  | (2)                           | 0   | 0                     | 0                                   | 0                           | (243)                                 | (245)           |
| Depreciation charge<br>for the financial year | (282)                                     | (50)               | (44)                          | (3)   | (58)                  | (65)                                | (34)                        | (502)                                 | (1,038)         |
| 31 March 2003                                 | <b>8,643</b>                              | <b>700</b>         | <b>73</b>                     | <b>16</b>   | <b>116</b>            | <b>3</b>                            | <b>55</b>                   | <b>11,116</b>                         | <b>20,722</b>   |
| <b>At 31 March 2003</b>                       |   |                    |                               |   |                       |                                     |                             |                                       |                 |
| Cost  | 13,000                                    | 750                | 1,528                         | 142   | 567                   | 667                                 | 1,510                       | 12,800                                | 30,964          |
| Accumulated<br>depreciation                   | (4,357)                                   | (50)               | (1,455)                       | (126)   | (451)                 | (664)                               | (1,455)                     | (1,684)                               | (10,242)        |
| Net book value                                | 8,643                                     | 700                | 73                            | 16  | 116                   | 3                                   | 55                          | 11,116                                | 20,722          |
| <b>At 31 March 2002</b>                       |   |                    |                               |   |                       |                                     |                             |                                       |                 |
| Cost  | 13,000                                    | 0                  | 1,516                         | 142   | 567                   | 666                                 | 1,506                       | 13,040                                | 30,437          |
| Accumulated<br>depreciation                   | (4,075)                                   | 0                  | (1,412)                       | (123)   | (393)                 | (599)                               | (1,421)                     | (1,809)                               | (9,832)         |
| Net book value                                | 8,925                                     | 0                  | 104                           | 19  | 174                   | 67                                  | 85                          | 11,231                                | 20,605          |

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in the property, plant and equipment of the Group and the Company are certain assets acquired under hire purchase as follows:

|                                | <b>The Group</b> |               | <b>The Company</b> |               |
|--------------------------------|------------------|---------------|--------------------|---------------|
|                                | <b>2003</b>      | <b>2002</b>   | <b>2003</b>        | <b>2002</b>   |
|                                | <b>RM'000</b>    | <b>RM'000</b> | <b>RM'000</b>      | <b>RM'000</b> |
| <b>Net book value</b>          |                  |               |                    |               |
| Hotel property, at valuation   | <b>21,884</b>    | 21,884        | <b>0</b>           | 0             |
| Hotel property, at cost        | <b>6,011</b>     | 6,011         | <b>0</b>           | 0             |
| Plant, machinery and equipment | <b>1,174</b>     | 1,320         | <b>0</b>           | 0             |
| Motor vehicle                  | <b>756</b>       | 963           | <b>49</b>          | 69            |
|                                | <b>29,825</b>    | 30,178        | <b>49</b>          | 69            |

The short term leasehold land has been charged to secure the RM192,375,000 Irredeemable Convertible Secured Loan Stocks 2000/2005 (Note 30) and RM90,124,000 3% Redeemable Secured Bonds 2000/2005 (Note 27) issued by the Company.

### Hotel property

The hotel property stated at valuation of RM545,000,000 was revalued during the financial year ended 31 March 2001 based on a valuation report dated 20 July 2000 by an independent valuer, Henry Butcher, Lim & Long Sdn. Bhd, using an open market value basis. In conjunction with the impairment review carried at financial year end, the Directors recognised an impairment loss of RM50,000,000. The loss on impairment has been dealt with in the revaluation reserve account and income statement for this current financial year.

The hotel property at valuation has been charged to several licensed financial institutions to secure the RM179,673,000 Syndicated Term Loan II (Note 25(b)) obtained by the Company and the RM192,375,000 Irredeemable Convertible Secured Loan Stocks 2000/2005 (Note 30) and RM90,124,000 3% Redeemable Secured Bonds 2000/2005 (Note 27) issued by the Company.

The net book value of the revalued hotel property is RM393,011,000 (31.3.2002: RM393,011,000) should the hotel property be stated at cost.

The hotel property stated at cost has been charged to a consortium of financial institutions to secure the Syndicated Term Loan I of RM21,000,000 (Note 25(a)) granted to a subsidiary.

### Hotel property work-in-progress

In conjunction with the impairment review carried out at financial year end, the Directors have recognised an impairment loss of RM6,293,000 in relation to the reported carrying value of the hotel property work-in-progress of RM96,293,000 as at 31 March 2002. The impairment loss has been dealt with in the income statement.

The completion of the hotel property work-in-progress has been deferred for at least 2 years due to the unfavourable economic condition.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 12. SUBSIDIARIES

|  | <b>The Company</b><br><b>2003</b><br><b>RM'000</b> | <b>2002</b><br><b>RM'000</b> |
|--|--|------------------------------|
| Shares, at cost (unquoted)                   | <b>557,984</b>                                     | 557,984                      |
| Less: Allowance for diminution in investment | <b>(3,511)</b>                                     | 0                            |
|  | <b>554,473</b>                                     | 557,984                      |

The subsidiaries are as follows:

| <b>Name of company</b>                      | <b>Country of<br/>incorporation</b> | <b>Principal activities</b>  | <b>Group<br/>effective interest<br/>2003<br/>%</b> | <b>2002<br/>%</b> |
|---|-------------------------------------|--|--|-------------------|
| <b>Held by the Company:</b>                 |                                     |  |  |                   |
| Dynawell Corporation<br>(M) Sdn. Bhd.       | Malaysia                            | Hotel and service apartment<br>operations and management<br>and property development | <b>100</b>   | 100               |
| *KSB Requirements & Rest<br>Sdn. Bhd.       | Malaysia                            | Hotel operation and<br>management and property<br>development                        | <b>70</b>  | 70                |
| *Gula Perak Land Sdn. Bhd.                  | Malaysia                            | Dormant  | <b>100</b>   | 100               |
| *Rumpun Dahlia Sdn. Bhd.                    | Malaysia                            | Property development and<br>construction   | <b>100</b>   | 100               |
| <b>Held by Rumpun Dahlia<br/>Sdn. Bhd.:</b> |                                     |  |  |                   |
| *Cartel Properties Sdn. Bhd.                | Malaysia                            | Property development and<br>investment   | <b>100</b>   | 100               |

\* Not audited by PricewaterhouseCoopers.

## 13. ADVANCES TO A SUBSIDIARY

|                                    | <b>The Company</b><br><b>2003</b><br><b>RM'000</b> | <b>2002</b><br><b>RM'000</b> |
|------------------------------------|--|------------------------------|
| Advances to a subsidiary           | <b>104,403</b>                                     | 103,201                      |
| Less: Allowance for doubtful debts | <b>(9,201)</b>                                     | 0                            |
|                                    | <b>95,202</b>                                      | 103,201                      |

Advances to a subsidiary, which were provided for the purpose of the construction of hotel property of the subsidiary, are unsecured, interest free and not expected to be repaid within the next 12 months.

The carrying amount of the advances to a subsidiary as at 31 March 2003 approximated its fair value.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 14 . DEVELOPMENT PROPERTY AND EXPENDITURE

|   | The Group and the Company |                |
|---|---------------------------|----------------|
|   | 2003<br>RM'000            | 2002<br>RM'000 |
| Freehold land, at cost  | 16,629                    | 17,911         |
| Development expenditure   | 74,954                    | 96,343         |
| Transfer to inventories   | (15,794)                  | 0              |
|   | 75,789                    | 114,254        |
| Attributable profit accrued less foreseeable losses on uncompleted projects | (914)                     | 5,421          |
|   | 74,875                    | 119,675        |
| Progress billings received and receivable                                   | (20,090)                  | (47,992)       |
|   | 54,785                    | 71,683         |

Certain of the above properties of the Group and Company with carrying value of approximately RM6,631,000 (31.3.2002: RM18,193,000) have been charged to a licensed financial institution to secure the Syndicated Term Loan II (Note 25 (b)) granted to the Company.

In the previous financial year, certain of the above properties of the Group and Company with carrying value of RM1,409,000 have been charged to licensed financial institutions to secure the Term Loan I (Note 25(e)) and hire purchase payables of RM6,381,000 (Note 24) respectively which are granted to the subsidiaries.

Certain of the above properties of the Group and Company with carrying value of approximately RM1,676,000 (31.3.2002: RMNil) have been charged to a licensed financial institution to secure the Term Loan III (Note 25(f)) granted to the Company.

## 15. INVENTORIES

|  | The Group      |                | The Company    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2003<br>RM'000 | 2002<br>RM'000 | 2003<br>RM'000 | 2002<br>RM'000 |
| <b>At cost</b>                                 |                |                |                |                |
| Estate consumables                             | 59             | 46             | 59             | 46             |
| Food, beverages and supplies                   | 520            | 508            | 0              | 0              |
| Land held for sale                             | 4,754          | 0              | 4,754          | 0              |
| Completed development properties held for sale | 10,519         | 0              | 10,519         | 0              |
|  | 15,852         | 554            | 15,332         | 46             |
| <b>At net realisable value</b>                 |                |                |                |                |
| Completed development properties held for sale | 560            | 0              | 560            | 0              |
|  | 16,412         | 554            | 15,892         | 46             |

Certain of the above development properties of the Group and Company with carrying value of approximately RM8,495,000 (31.3.2002: RMNil) have been charged to a licensed financial institution to secure the Syndicated Term Loan II (Note 25 (b)) granted to the Company.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 15. INVENTORIES (cont'd)

Certain of the above development properties of the Group and Company with carrying value of RM1,108,000 (31.3.2002: RMNil) have been charged to a licensed financial institution to secure the Term Loan I (Note 25(e)) granted to a subsidiary.

Certain of the above development properties of the Group and Company with carrying value of approximately RM789,000 (31.3.2002: RMNil) have been charged to a licensed financial institution to secure the Term Loan III (Note 25(f)) granted to the Company.

The land held for sale by the Group and Company with carrying value of RM4,754,000 (31.3.2002: RMNil) has been charged to a licensed financial institution to secure the hire purchase payables of RM5,620,000 (31.3.2002: RMNil) granted to a subsidiary (Note 24).

## 16. TRADE RECEIVABLES

|                                    | The Group |          | The Company |         |
|------------------------------------|-----------|----------|-------------|---------|
|                                    | 2003      | 2002     | 2003        | 2002    |
|                                    | RM'000    | RM'000   | RM'000      | RM'000  |
| Trade receivables                  | 36,071    | 37,470   | 12,180      | 14,643  |
| Less: Allowance for doubtful debts | (19,264)  | (12,955) | (7,579)     | (6,010) |
|                                    | 16,807    | 24,515   | 4,601       | 8,633   |

- (i) Credit terms of trade receivables range from 30 to 90 days for the Group and Company.

The concentration of credit risk of the Group and Company in respect of its property development and hotel operations during the financial year is limited due to the Group and Company's large number of customer activities. There is no significant concentration of credit risk in the other business segments of the Group and Company.

- (ii) The Group and Company sold some properties and provided operating space to certain trade debtors in prior financial years, which resulted in total outstanding amounts of RM9,233,000 and RM4,585,000 of the total net receivables of the Group and Company respectively as at 31 March 2003. The debts are fully secured by collaterals valued based on independent valuation reports and estimated market values of the respective collaterals.
- (iii) The Group and Company's historical experience in collection of trade receivables other than those in paragraph (ii) above falls within the recorded allowance. Due to these factors, the Directors believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Group and Company's trade receivables.

Included in trade receivables is the following amount due from certain Directors:

|                           | The Group and the Company |        |
|---------------------------|---------------------------|--------|
|                           | 2003                      | 2002   |
|                           | RM'000                    | RM'000 |
| Amount due from Directors | 0                         | 222    |

The amount due from certain Directors arose from sales of the Company's development properties at the selling price and on the same terms as those available to third parties at that time. The Directors did not proceed with the sale transactions and subsequently the sales were terminated. Accordingly, the sale transactions were reversed during the financial year.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 17. NON-TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

|                                    | The Group |        | The Company |        |
|------------------------------------|-----------|--------|-------------|--------|
|                                    | 2003      | 2002   | 2003        | 2002   |
|                                    | RM'000    | RM'000 | RM'000      | RM'000 |
| Other receivables                  | 19,227    | 18,004 | 4,508       | 1,631  |
| Less: Allowance for doubtful debts | (10,279)  | (649)  | (1,379)     | (649)  |
|                                    | 8,948     | 17,355 | 3,129       | 982    |
| Deposits                           | 440       | 404    | 301         | 264    |
| Prepayments                        | 192       | 146    | 23          | 73     |
|                                    | 9,580     | 17,905 | 3,453       | 1,319  |

Credit risk of non-trade receivables of the Company is restricted to amounts owing primarily by two companies amounting to RM1,421,000 as at 31 March 2003 and the debts are secured by properties. The Director's estimate of the value of the respective collaterals is based on independent valuation reports of properties during the financial year.

In addition to the above, concentration of credit risk of non-trade receivables of the Group also includes a net amount due from a non-trade debtor of a subsidiary amounting to RM3,080,000 as at 31 March 2003.

Other than this, the Group and Company's historical experience in collection of non-trade receivables falls within the recorded allowance. Due to these factors, the Directors believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Group and Company's non-trade receivables.

## 18. CASH AND CASH EQUIVALENTS

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

|  | The Group |         | The Company |        |
|--|-----------|---------|-------------|--------|
|  | 2003      | 2002    | 2003        | 2002   |
|  | RM'000    | RM'000  | RM'000      | RM'000 |
| Deposits with licensed banks           | 342       | 650     | 141         | 455    |
| Deposits with licensed finance company | 67        | 0       | 67          | 0      |
| Cash and bank balances                 | 985       | 813     | 200         | 49     |
| Bank overdraft (Note 25 (d))           | (1,191)   | (1,630) | 0           | (422)  |
|  | 203       | (167)   | 408         | 82     |

The deposits with licensed banks of the Group and Company are pledged to financial institutions as security for the bank overdraft facilities granted to the Group and Company.

The Directors do not consider that there is any significant credit risk exposure in relation to the deposits and bank balances as they are deposited with creditworthy financial institutions in Malaysia.

The average effective interest rates of deposits as at balance sheet date are as follows:

|  | The Group |      | The Company |      |
|--|-----------|------|-------------|------|
|  | 2003      | 2002 | 2003        | 2002 |
|  | %         | %    | %           | %    |
| Deposits with licensed banks           | 4.00      | 4.00 | 4.00        | 4.00 |
| Deposits with licensed finance company | 3.20      | 3.20 | 3.20        | 3.20 |

Deposits of the Group and Company have an average maturity of 12 months (31.3.2002: 12 months).

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 19. TRADE PAYABLES

Credit terms of trade payables are 30 to 90 days for Group and Company.

## 20. AMOUNT DUE TO A DIRECTOR

Amount due to a Director is unsecured, interest free and repayable in demand.

## 21. AMOUNT DUE TO A SUBSIDIARY

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

## 22. OTHER PAYABLES AND ACCRUALS

|                                  | The Group |        | The Company |        |
|----------------------------------|-----------|--------|-------------|--------|
|                                  | 2003      | 2002   | 2003        | 2002   |
|                                  | RM'000    | RM'000 | RM'000      | RM'000 |
| Other payables                   | 3,980     | 7,454  | 1,210       | 4,755  |
| Accruals                         | 6,652     | 4,013  | 323         | 313    |
| Deposits received from customers | 2,275     | 2,256  | 909         | 867    |
|                                  | 12,907    | 13,723 | 2,442       | 5,935  |

Credit terms of other payables vary from no credit to 90 days for Group and Company.

## 23. BORROWING INTEREST PAYABLE

The carrying amount of borrowing interest payable at balance sheet date approximated its fair value.



# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 24. HIRE PURCHASE PAYABLES

|   | The Group |         | The Company |        |
|---|-----------|---------|-------------|--------|
|   | 2003      | 2002    | 2003        | 2002   |
|   | RM'000    | RM'000  | RM'000      | RM'000 |
| Minimum hire purchase payments:                                     |           |         |             |        |
| - not later than 1 financial year                                   | 5,977     | 4,231   | 27          | 27     |
| - later than 1 financial year and not later than 2 financial years  | 5,195     | 5,133   | 22          | 27     |
| - later than 2 financial years and not later than 5 financial years | 2,430     | 6,114   | 0           | 25     |
| - later than 5 financial years                                      | 55        | 0       | 0           | 0      |
|   | 13,657    | 15,478  | 49          | 79     |
| Future finance charges on hire purchase payables                    | (4,455)   | (4,617) | (8)         | (14)   |
| Present value of hire purchase payables                             | 9,202     | 10,861  | 41          | 65     |
| Current   | 4,237     | 3,138   | 22          | 22     |
| Non-current   | 4,965     | 7,723   | 19          | 43     |
|   | 9,202     | 10,861  | 41          | 65     |
| Representing hire purchase payables:                                |           |         |             |        |
| - not later than 1 financial year                                   | 4,237     | 3,138   | 22          | 22     |
| - later than 1 financial year and not later than 2 financial years  | 3,439     | 3,065   | 19          | 22     |
| - later than 2 financial years and not later than 5 financial years | 1,490     | 4,658   | 0           | 21     |
| - later than 5 financial years                                      | 36        | 0       | 0           | 0      |
|   | 9,202     | 10,861  | 41          | 65     |

Hire purchase payables are effectively secured as the rights to the hired assets revert to the financial institution in the event of default. In addition, hire purchase payables of a subsidiary of RM5,620,000 (31.3.2002: RM6,381,000) are secured with land held for sale of the Company (Notes 14 and 15).

The fair value of hire purchase payables of the Group as at 31 March 2003 is RM10,355,000. The fair value of the hire purchase payables of the Company as at 31 March 2003 approximates its carrying value. The effective interest rates applicable to the hire purchase are 9.40% (31.3.2002: 12.04%) per annum and 9.40% (31.3.2002: 7.32%) per annum for the Group and Company respectively as at 31 March 2003.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 25. BORROWINGS (SECURED AND INTEREST BEARING)

|                                    | The Group      |                | The Company    |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2003           | 2002           | 2003           | 2002           |
|                                    | RM'000         | RM'000         | RM'000         | RM'000         |
| <b>Current</b>                     |                |                |                |                |
| Syndicated Term Loan I (Note (a))  | 0              | 3,000          | 0              | 0              |
| Syndicated Term Loan II (Note (b)) | 0              | 154,500        | 0              | 154,500        |
| Revolving credit (Note (c))        | 27,715         | 26,415         | 27,715         | 26,415         |
| Bank overdraft (Note (d))          | 1,191          | 1,630          | 0              | 422            |
| Term Loan I (Note (e))             | 167            | 167            | 0              | 0              |
| Term Loan III (Note (f))           | 2,700          | 0              | 2,700          | 0              |
| Term Loan II (Note (g))            | 155            | 0              | 0              | 0              |
|                                    | <b>31,928</b>  | <b>185,712</b> | <b>30,415</b>  | <b>181,337</b> |
| <b>Non-current</b>                 |                |                |                |                |
| Syndicated Term Loan I (Note (a))  | 21,000         | 18,000         | 0              | 0              |
| Syndicated Term Loan II (Note (b)) | 179,673        | 0              | 179,673        | 0              |
| Term Loan I (Note (e))             | 583            | 750            | 0              | 0              |
| Term Loan II (Note (g))            | 12,245         | 12,400         | 0              | 0              |
|                                    | <b>213,501</b> | <b>31,150</b>  | <b>179,673</b> | <b>0</b>       |
| <b>Total</b>                       | <b>245,429</b> | <b>216,862</b> | <b>210,088</b> | <b>181,337</b> |
| <b>Currency exposure profile</b>   |                |                |                |                |
| US Dollar                          | 16,751         |                | 16,751         |                |
| Ringgit Malaysia                   | 228,678        |                | 193,337        |                |
|                                    | <b>245,429</b> |                | <b>210,088</b> |                |

Borrowings analysed by maturity date are as follows:

|                         | Not later than 1 year | Later than 1 year and not later than 2 years | Later than 2 years and not later than 5 years | Later than 5 years | Total          |
|-------------------------|-----------------------|--|---|--------------------|----------------|
| <b>Group</b>            |                       |  |   |                    |                |
| <b>At 31 March 2003</b> | <b>31,928</b>         | <b>787</b>                                   | <b>2,276</b>                                  | <b>210,438</b>     | <b>245,429</b> |
| At 31 March 2002        | 185,712               | 18,835                                       | 2,395   | 9,920              | 216,862        |
| <b>Company</b>          |                       |  |   |                    |                |
| <b>At 31 March 2003</b> | <b>30,415</b>         | <b>0</b>                                     | <b>0</b>                                      | <b>179,673</b>     | <b>210,088</b> |
| At 31 March 2002        | 181,337               | 0  | 0   | 0                  | 181,337        |

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 25. BORROWINGS (SECURED AND INTEREST BEARING) (cont'd)

All borrowings bear floating interest rates and are priced with reference to the base lending rate.

|   | The Group   |      | The Company |      |
|---|-------------|------|-------------|------|
|   | 2003        | 2002 | 2003        | 2002 |
|   | %           | %    | %           | %    |
| <b>Weighted average effective interest rate</b> |             |      |             |      |
| Syndicated Term Loan I (Note (a))               | <b>8.74</b> | 8.73 | <b>0</b>    | 0    |
| Syndicated Term Loan II (Note (b))              | <b>8.35</b> | 8.37 | <b>8.35</b> | 8.37 |
| Revolving credit (Note (c))                     | <b>6.35</b> | 6.35 | <b>6.35</b> | 6.35 |
| Bank overdraft (Note (d))                       | <b>9.00</b> | 9.00 | <b>0</b>    | 9.30 |
| Term Loan I (Note (e))                          | <b>8.40</b> | 8.40 | <b>0</b>    | 0    |
| Term Loan II (Note (g))                         | <b>8.90</b> | 8.90 | <b>0</b>    | 0    |
| Term Loan III (Note (f))                        | <b>9.95</b> | 0    | <b>9.95</b> | 0    |

Current liabilities in respect of Syndicated Term Loans I and II amounting to RM182,673,000 have been reclassified to non-current liabilities in view of the completion of the Debt Restructuring Scheme on 15 July 2003, as disclosed in Note 33, in accordance with MASB 1 "Presentation of Financial Statements".

The details of the borrowings are as follows:

- (a) The Syndicated Term Loan I is secured by a first legal charge over a subsidiary's hotel property, corporate guarantee of a local company and jointly and severally guaranteed by certain Directors of the subsidiary and a third party.

This loan is subject to the Debt Restructuring Scheme set out in Note 33.

- (b) The Syndicated Term Loan II obtained from Guarantor banks to redeem the RM150,000,000 nominal value of 3% Guaranteed Redeemable Bonds 1995/2000 upon its maturity on 21 December 2000. The loan is secured by a first legal charge over the Company's certain developed properties and a subsidiary's hotel property.

This loan is subject to the Debt Restructuring Scheme set out in Note 33.

- (c) The revolving credit facilities granted to the Company are secured against certain of the Company's real property assets.

This loan is subject to the Debt Restructuring Scheme set out in Note 33.

- (d) The bank overdraft facilities granted to the Company are secured by a first party charge on the fixed deposits with the financial institutions.

The bank overdraft facility granted to a subsidiary is secured by a first legal charge over a subsidiary's hotel property, first fixed and floating charges on all assets and undertakings of the subsidiary and jointly and severally guaranteed by certain Directors of a subsidiary.

- (e) The Term Loan I is secured by a third party legal charge over certain of the Company's developed properties included in inventories.

The loan is repayable in 72 monthly instalments of RM17,926 each, inclusive of interest, with effect from 21 September 2001.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 25. BORROWINGS (SECURED AND INTEREST BEARING) (cont'd)

- (f) The Term Loan III is secured by a first party fixed charge over the Company's certain developed properties and repayable within one year.
- (g) The Term Loan II is secured by a third party fixed charge over the subsidiary's landed property, first fixed and floating charges on all assets and undertakings of the subsidiary and jointly and severally guaranteed by certain Directors of the subsidiary.

The loan is repayable in 240 monthly instalments of RM51,667, exclusive of interest, with effect from 1 January 2004.

### Estimated fair value

The carrying amounts of Syndicated Term Loans I and II, Term Loans I, II and III, revolving credit and bank overdraft at balance sheet date approximated their fair values.

## 26. GUARANTEED REDEEMABLE BONDS WITH DETACHABLE WARRANTS

The RM150,000,000 nominal amount of 3% Guaranteed Redeemable Bonds 1995/2000 ('Guaranteed Bonds') were issued with 74,212,500 detachable warrants ('Existing Warrants') and constituted by a Trust Deed dated 7 December 1995.

The Company did not have sufficient funds to secure the redemption of the RM150 million 3% Guaranteed Redeemable Bonds 1995/2000 due on 21 December 2000 and as a consequence, the bank guarantee for the Guaranteed Bonds has been invoked for repayment to the bondholders. The Company has undertaken a Debt Restructuring Scheme set out in Note 33 to the financial statements to repay the Guarantor banks and also certain borrowings of the Company and the Group.

On 18 June 2001, the Company's 60,780,153 Existing Warrants representing 81.90% of the Existing Warrants were surrendered by their warrant holders and was substituted with 60,780,153 new warrants ('Replacement Warrants'). The total proceeds received from the subscription of the Replacement Warrants amounted to RM3,039,008 and have been credited to the capital reserve account.

Holders of the Existing Warrants have the right to subscribe for ordinary shares at any time during the exercise period up to the expiry date of 21 December 2005 at the exercise price of RM2.18 per new ordinary share payable in cash. The exercise price may be adjusted in accordance with the provisions contained in the Deed Poll dated 11 December 1995, Supplemental Deed Poll dated 2 May 1997 and Second Supplemental Deed Poll dated 31 March 1999.

Holders of the Replacement Warrants have the right to subscribe for ordinary shares at any time during the exercise period up to the expiry date of 21 December 2005 at the exercise price of RM1.00 per new ordinary shares payable in cash. The Replacement Warrants 2001/2005 are constituted by a Deed Poll dated 22 March 2001.

The Replacement Warrants 2001/2005 were listed on the Kuala Lumpur Stock Exchange ('KLSE') on 10 July 2001.

As at 31 March 2003, 13,431,047 (2002: 13,431,047) and 60,780,153 (2002: 60,780,153) Existing Warrants and Replacement Warrants respectively remained unexercised.

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

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## 27. 3% REDEEMABLE SECURED BONDS 2000/2005

The Redeemable Secured Bonds 2000/2005 ('the Bonds') issued on 18 December 2000 is constituted by a 2000/2005 Global Certificate dated 18 December 2000. The Bonds are secured by legal charges over the Company's leasehold land and a subsidiary's hotel property.

The principal terms of the Bonds are as follows:

- (a) Face value: RM90,124,000;
- (b) Coupon: Coupon on the Bonds will accrue at 3% per annum based on the face value and shall be paid in arrears on each of the first four anniversaries of the issue date. The last payment will be made on the maturity date;
- (c) Tenure: 5 years from the date of issue;
- (d) Maturity date: The date preceding the fifth anniversary of the date of issue of the Bonds;
- (e) Purchase and redemption: the Company shall not be at liberty to redeem the Bonds except in accordance with:
  - (i) Purchases - the Company or any of its subsidiaries may at any time purchase the Bonds by private treaty
  - (ii) Mandatory redemption - Unless previously redeemed and cancelled, the Bonds will be redeemed by the Company at 100% of the nominal amount on the Maturity Date together with the last annual coupon payment;
- (f) Status of Bonds: The Bonds will rank pari passu without any preference or priority among themselves but will rank in priority to the holders of Irredeemable Convertible Secured Loan Stocks 2000/2005 in relation to the assets secured; and
- (g) Listing: The Bonds will not be listed on the KLSE.

The fair value of the Bonds at 31 March 2003 is RM79,254,000.

## 28. DEFERRED TAXATION

|  | <b>The Group</b> |               |
|--|------------------|---------------|
|  | <b>2003</b>      | <b>2002</b>   |
|  | <b>RM'000</b>    | <b>RM'000</b> |
| At beginning of the financial year   | <b>7,598</b>     | 7,598         |
| Impairment loss on hotel property<br>- credited to income statement (Note 8) | <b>(2,500)</b>   | 0             |
|  | <b>5,098</b>     | 7,598         |

The deferred taxation balance is in respect of the tax effects on the surplus arising from revaluation of a hotel property of the Group.

The tax effects of debit timing differences and unabsorbed tax losses for the Company not accounted for at the end of the financial year amounted to approximately RM7,657,000 (31.3.2002: RM6,973,000).

# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 29. SHARE CAPITAL

|                                    | The Group and the Company |                |
|------------------------------------|---------------------------|----------------|
|                                    | 2003<br>RM'000            | 2002<br>RM'000 |
| Ordinary shares of RM1 each:       |                           |                |
| <b>Authorised</b>                  |                           |                |
| 1,000,000,000 ordinary shares      | 1,000,000                 | 1,000,000      |
| <b>Issued and fully paid</b>       |                           |                |
| At start and end of financial year |                           |                |
| 255,888,300 ordinary shares        | 255,888                   | 255,888        |

## 30. IRREDEEMABLE CONVERTIBLE SECURED LOAN STOCKS 2000/2005

The Irredeemable Convertible Secured Loan Stocks 2000/2005 ('ICSLS') issued on 1 September 2000 are constituted by a Trust Deed dated 26 June 2000. The ICSLS are secured by legal charges over the Company's leasehold land and a subsidiary's hotel property.

The principal terms of the ICSLS are as follows:

- (a) Nominal value: RM192,375,000;
- (b) Coupon: Zero coupon on the nominal value;
- (c) Tenure: 5 years from date of issue;
- (d) Maturity: The date preceding the fifth anniversary of the date of issue of ICSLS;
- (e) Conversion to ordinary shares: The ICSLS shall only be converted into new ordinary shares after the expiry of the third period from the issue date of the ICSLS; and
- (f) Conversion rate: The conversion price for the ICSLS shall be RM1.20 per new ordinary share. The conversion rate should be satisfied by the following mode:
  - (i) Surrendering the ICSLS for the equivalent number of new shares at the conversion rate; or
  - (ii) Surrendering RM1.00 nominal value of the ICSLS together with an additional cash payment of RM0.20 (being the conversion rate minus RM1.00 nominal value per ICSLS) for each new ordinary share.

The ICSLS were listed on the Kuala Lumpur Stock Exchange on 26 September 2000.

## 31. CONTINGENT LIABILITIES (UNSECURED)

|   | The Company    |                |
|---|----------------|----------------|
|   | 2003<br>RM'000 | 2002<br>RM'000 |
| Corporate guarantee given to a financial institution for facility granted to a subsidiary | 21,000         | 21,000         |



# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 32. SIGNIFICANT RELATED PARTY DISCLOSURE

In addition to related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

|   | <b>The Group</b> |               |
|---|------------------|---------------|
|   | <b>2003</b>      | <b>2002</b>   |
|   | <b>RM'000</b>    | <b>RM'000</b> |
| Purchase of services from the following:  |                  |               |
| - Interdev Corporation Sdn Bhd<br>(Management fees and consultancy fees on property development)                  | <b>0</b>         | 100           |
| - Leisure Group Hotel & Resorts Sdn Bhd<br>(Management fees for managing the Dynasty Hotel owned by a subsidiary) | <b>345</b>       | 336           |

Interdev Corporation Sdn Bhd and Leisure Group Hotel & Resorts Sdn Bhd are companies in which certain Directors have substantial interest.

## 33. DEBT RESTRUCTURING SCHEME

The Debt Restructuring Scheme which the Company first announced on 14 July 2000, involves the following facilities:

- (i) the Syndicated Term Loan II (Note 25(b)) together with the bank guarantee fees and interest to be incurred up to 30 June 2002 of RM25.173 million in relation to the RM150 million nominal value of 3% 1995/2000 Guaranteed Redeemable Bonds;
- (ii) the revolving credit (Note 25(c)) lender for settlement of an outstanding amount of RM25 million together with the interest up to 30 June 2002 to be capitalised of approximately up to RM2.715 million; and
- (iii) the Syndicated Term Loan I (Note 25(a)) lenders for settlement of an outstanding amount of RM21 million together with the interest up to 30 June 2002 to be capitalised of RM6.242 million.

The Debt Restructuring Scheme of the aforesaid Debts is as follows:

- (i) Issuance of the rights to the allotment of RM288.821 million nominal value of five (5) years Redeemable Convertible Secured Notes ('RCSN') by the Company to the Agent, holding on behalf of the Lenders, at 100% of its nominal value;
- (ii) Restricted Offer for Sale by the Agent the entire rights to the allotment of up to RM288.821 million nominal value of RCSN to the shareholders of the Company on a non-renounceable basis at an offer price of approximately 81.24 sen per RCSN. The Restricted Offer for Sale is not underwritten i.e., any unsubscribed RCSN will be retained by the Lenders proportionately; and



# Notes To The Financial Statements (cont'd)

For The Financial Year Ended 31 March 2003

## 33. DEBT RESTRUCTURING SCHEME (cont'd)

(iii) Put and call options are as follows:

- YBhg Tan Sri Dato' Lim Cheng Pow ('Tan Sri Dato' Lim'), the Managing Director and a substantial shareholder of the Company, will grant the Lenders a put option whereby the Lenders shall have the right to sell to Tan Sri Dato' Lim a total of RM47.8 million nominal value of the RCSN or whatever amount of RCSN retained by them after the Restricted Offer for Sale, whichever is the lower, proportionately to all Lenders; and
- Simultaneously, the Lenders will grant Tan Sri Dato' Lim a call option whereby Tan Sri Dato' Lim shall have the right to purchase from the Lenders a total of RM47.8 million nominal value of the RCSN or whatever amount of RCSN retained by them after the Restricted Offer for Sale, whichever is the lower, proportionately from all Lenders.

The option price is RM1.00 for every RCSN at nominal value.

On 25 June 2002, the Company and certain of its Lenders have executed a Settlement Agreement pursuant to the Debt Restructuring Scheme.

On 8 July 2002, the Company despatched a circular to its shareholders in relation to the Debt Restructuring Scheme mentioned above. The approval of the said Debt Restructuring Scheme has been obtained from the shareholders at the Company's Extraordinary General Meeting held on 23 July 2002.

On 17 September 2002, the Company announced that the conversion of RCSN is to be fixed at RM1.20 per share.

Approval-in-principle was received on 11 November 2002 from the KLSE for the admission to the Official List and listing of and quotation for the RM288.821 million nominal value of RCSN to be issued pursuant to the Debt Restructuring Scheme and listing of up to 288.821 million new ordinary shares of RM1.00 each to be issued pursuant to the conversion of the RCSN.

On 11 December 2002, a Put and Call Option Agreement was signed between Tan Sri Dato' Lim and the Lenders. The exercise period for the put and call options is the period of fourteen (14) days prior to the day falling on the expiry of the fifth (5th) anniversary from the date of issue of the RCSN ('Option Period'). The put and call options are exercisable at the price of RM1.00 only for every Option RCSN throughout the Option Period.

The RCSN was issued by the Company to its Lenders on 23 April 2003. A prospectus was issued in respect of a Restricted Offer for Sale of the RCSN on behalf of the Lenders to the shareholders of the Company on 26 May 2003. The Debt Restructuring Scheme was completed on 15 July 2003 and accordingly the RCSN was listed on the KLSE on this date.

The RCSN is secured by legal charges over the Company's certain inventory of completed development properties, real property assets and development expenditures and its subsidiaries' hotel properties.

The RCSN has a coupon rate of 6% whereby the coupon payments for the first three (3) years are being paid in-kind in advance through the issuance of additional RCSN to the Lenders and are payable in cash on the fourth (4th) and fifth (5th) anniversary dates of the RCSN.

# Analysis Of Shareholdings

As At 6 August 2003

Class of Shares : Ordinary shares of RM1.00 each

Voting right : One (1) Vote per share

| Size of Holdings          | Number of Holders | %             | Number of Shares Held | %             |
|---------------------------|-------------------|---------------|-----------------------|---------------|
| 1 - 999                   | 881               | 13.04         | 224,903               | 0.09          |
| 1,000 - 10,000            | 5,461             | 80.82         | 15,695,118            | 6.13          |
| 10,001 - 100,000          | 337               | 4.99          | 7,639,500             | 2.99          |
| 100,001 - 12,794,414 (*)  | 76                | 1.12          | 178,343,779           | 69.69         |
| 12,794,415 and above (**) | 2                 | 0.03          | 53,985,000            | 21.10         |
|                           | <b>6,757</b>      | <b>100.00</b> | <b>255,888,300</b>    | <b>100.00</b> |

Remark: \* Less than 5% of issued shares

\*\* 5% and above of issued shares

## List of Thirty (30) Largest Shareholders

|    |   | Number of Shares Held | % of Issued Capital |
|----|---|-----------------------|---------------------|
| 1  | AMSEC Nominees (Tempatan) Sdn Bhd<br>AmFinance Berhad for Tan Sri Dato' Lim Cheng Pow                       | 37,506,000            | 14.66               |
| 2  | AllianceGroup Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Kesenta Development Sdn Bhd     | 16,479,000            | 6.44                |
| 3  | HDM Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Selvandran A/L Ponniah (MEMO)             | 11,587,000            | 4.53                |
| 4  | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Bhd for Tan Sri Dato' Lim Cheng Pow         | 8,250,000             | 3.22                |
| 5  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Bee Ling (KASB 871009)        | 7,500,000             | 2.93                |
| 6  | HDM Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Moi Tee (MEMO)                        | 7,472,000             | 2.92                |
| 7  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Mirage Point (M) Sdn Bhd (871010) | 6,324,000             | 2.47                |
| 8  | Hong Leong Finance Bhd<br>pledged securities account for Lim Sue Beng                                       | 6,204,000             | 2.42                |
| 9  | Southern Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Hok Lian                         | 6,000,000             | 2.34                |
| 10 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Low Ah Suan (14365AF5287)              | 5,730,000             | 2.24                |
| 11 | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Bhd for Yu Jin Min                          | 5,000,000             | 1.95                |
| 12 | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Bhd for Chai Kim Fah                        | 5,000,000             | 1.95                |

# Analysis Of Shareholdings (cont'd)

As At 6 August 2003

## List of Thirty (30) Largest Shareholders (cont'd)

|    |  | Number of<br>Shares Held | % of<br>Issued<br>Capital |
|----|--|--------------------------|---------------------------|
| 13 | Permodalan Nasional Berhad   | 5,000,000                | 1.95                      |
| 14 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Ang Khan @ Chan Yin Kong                      | 4,644,100                | 1.81                      |
| 15 | Selvandran A/L Ponniah   | 4,468,200                | 1.75                      |
| 16 | EB Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Sri Dato' Lim Cheng Pow (APG)                     | 4,256,000                | 1.66                      |
| 17 | Bank Kerjasama Rakyat Malaysia Bhd<br>pledged securities account for Kesenta Development Sdn Bhd                       | 3,926,000                | 1.53                      |
| 18 | CIMSEC Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Soo Ka (MM1052)                               | 3,502,000                | 1.37                      |
| 19 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Koperasi Polis DiRaja Malaysia Bhd (514011315674) | 3,444,000                | 1.35                      |
| 20 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Bee Ling (14365AF5292)                        | 3,397,000                | 1.33                      |
| 21 | Lembaga Tabung Angkatan Tentera  | 3,291,600                | 1.29                      |
| 22 | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Bhd for George Ngoh Hung Onn                           | 3,000,000                | 1.17                      |
| 23 | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Shariffudin Bin Shawal (KAB 871012)          | 2,906,100                | 1.14                      |
| 24 | RC Nominees (Tempatan) Sdn Bhd<br>Nirwana Juara Sdn Bhd (SBB KLMP5)  | 2,700,000                | 1.06                      |
| 25 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Sri Dato' Elyas Bin Omar (14365AF5335)        | 2,697,000                | 1.05                      |
| 26 | HDM Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Shariffudin Bin Shawal                               | 2,612,000                | 1.02                      |
| 27 | Southern Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Ang Khan @ Chan Yin Kong                    | 2,600,000                | 1.02                      |
| 28 | HLG Nominee (Tempatan) Sdn Bhd<br>EON Finance Berhad for Lim Soo Ka  | 2,467,000                | 0.96                      |
| 29 | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Bhd for Law Swee Kee @ Low Siew Heoh                   | 2,200,000                | 0.86                      |
| 30 | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Bhd for Low Ah Suan                                    | 2,000,000                | 0.78                      |
|    |  | <b>182,163,000</b>       | <b>71.19</b>              |

# Analysis Of Shareholdings (cont'd)

As At 6 August 2003

## Substantial Shareholders

|                               | <div> <div>←</div> <div>Direct</div> <div>→</div> </div> |       | <div> <div>←</div> <div>Indirect</div> <div>→</div> </div> |       |
|-------------------------------|--|-------|--|-------|
|                               | Number of<br>Ordinary Shares<br>Held                     | %     | Number of<br>Ordinary Shares<br>Held                       | %     |
| Tan Sri Dato' Lim Cheng Pow   | 32,598,000   | 12.74 | 50,793,000 <sup>(1)</sup>                                  | 19.85 |
| Puan Sri Datin Low Siew Hoong | 444,000  | 0.17  | 82,947,000 <sup>(2)</sup>                                  | 32.42 |
| Lim Sue Beng                  | 11,631,000   | 4.55  | 71,760,000 <sup>(3)</sup>                                  | 28.04 |
| Lim Bee Ling                  | 21,152,000   | 8.27  | 62,239,000 <sup>(4)</sup>                                  | 24.32 |
| Lim Soo Kok                   | -  | -     | 83,391,000 <sup>(3)</sup>                                  | 32.59 |
| Lim Bee Khim                  | 5,401,000  | 2.11  | 71,990,000 <sup>(4)</sup>                                  | 30.48 |
| Lim Soo Ka                    | 12,165,000   | 4.75  | 71,226,000 <sup>(3)</sup>                                  | 27.83 |

Note:

- (1) Deemed interest by virtue of his spouse's and children's direct shareholdings.
- (2) Deemed interest by virtue of her spouse's and children's direct shareholdings.
- (3) Deemed interest by virtue of his parents' and siblings' direct shareholdings.
- (4) Deemed interest by virtue of her parents' and siblings' direct shareholdings.

# Analysis Of Irredeemable Convertible Secured Loan Stocks ("ICSLS") Holdings

As At 6 August 2003

| Size of Holdings         | Number of Holders | %             | Number of ICSLS Held | %             |
|--------------------------|-------------------|---------------|----------------------|---------------|
| 1 - 999                  | 109               | 6.92          | 52,329               | 0.03          |
| 1,000 - 10,000           | 1,370             | 86.99         | 4,083,170            | 2.12          |
| 10,001 - 100,000         | 89                | 5.65          | 1,835,750            | 0.95          |
| 100,001 - 9,618,749 (*)  | 6                 | 0.38          | 3,226,600            | 1.68          |
| 9,618,750 and above (**) | 1                 | 0.06          | 183,177,151          | 95.22         |
|                          | <b>1,575</b>      | <b>100.00</b> | <b>192,375,000</b>   | <b>100.00</b> |

Remark: \* Less than 5% of issued ICSLS

\*\* 5% and above of issued ICSLS

## Thirty (30) Largest ICSLS Holders

|    |  | Number of ICSLS Held | % of Issued ICSLS |
|----|--|----------------------|-------------------|
| 1  | AMSEC Nominees (Tempatan) Sdn Bhd<br>AmFinance Berhad  | 183,177,151          | 95.22             |
| 2  | United Overseas Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Soo Ka (MKL)                   | 2,079,000            | 1.08              |
| 3  | Juwitawan Sdn Bhd  | 506,000              | 0.26              |
| 4  | Low Ah Suan  | 240,600              | 0.13              |
| 5  | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Soo Ka (14365AF5277)                    | 159,000              | 0.08              |
| 6  | Loh Eng Wah @ Loh Eng Wha  | 139,500              | 0.07              |
| 7  | Koay Poon Seng   | 102,500              | 0.05              |
| 8  | United Overseas Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Ang Khan @ Chan Yin Kong (MKL) | 84,000               | 0.04              |
| 9  | Perbadanan Kemajuan Negeri Selangor  | 75,000               | 0.04              |
| 10 | PM Nominees (Tempatan) Sdn Bhd<br>PCB Asset Management Sdn Bhd for Mary Tan @ Tan Hui Ngoh (SBAN)                | 72,000               | 0.04              |
| 11 | Wong Kin Loi   | 67,500               | 0.04              |
| 12 | Tan Ang Khan @ Chan Yin Kong   | 53,000               | 0.03              |
| 13 | Ng Sok Beng  | 52,000               | 0.03              |
| 14 | HDM Nominees (Tempatan) Sdn Bhd<br>Town Hang Securities Co Ltd for Shariffudin Bin Shawal                        | 44,000               | 0.02              |
| 15 | OSK Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Ng Tein Sun                                    | 39,000               | 0.02              |

# Analysis Of Irredeemable Convertible Secured Loan Stocks (“ICSLS”) Holdings (cont'd)

As At 6 August 2003

## Thirty (30) Largest ICSLS Holders (cont'd)

|    |  | Number of<br>ICSLS Held | % of<br>Issued<br>ICSLS |
|----|--|-------------------------|-------------------------|
| 16 | Chai Kiam Leung @ Chai Kiam Leong  | 38,000                  | 0.02                    |
| 17 | Lai Fook Hoy   | 36,000                  | 0.02                    |
| 18 | Yap Gee Lin  | 34,000                  | 0.02                    |
| 19 | Poh Gek Lang   | 33,000                  | 0.02                    |
| 20 | Loo Seang Choo   | 30,000                  | 0.02                    |
| 21 | Creative Communications Sdn Bhd  | 30,000                  | 0.02                    |
| 22 | Ham Kow Chung  | 30,000                  | 0.02                    |
| 23 | Yuen Kam Wah   | 29,000                  | 0.02                    |
| 24 | Ho Soke Han  | 25,000                  | 0.01                    |
| 25 | Lim Rong Gou @ Lim Eng Ker   | 25,000                  | 0.01                    |
| 26 | Foo Yeong Seong  | 24,000                  | 0.01                    |
| 27 | Mah King Woon Sendirian Berhad   | 23,000                  | 0.01                    |
| 28 | Selangor Industrial Corporation Sdn Bhd  | 23,000                  | 0.01                    |
| 29 | JB Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Nor Aziah Bte Buang | 22,500                  | 0.01                    |
| 30 | Ho Teck Boon   | 22,000                  | 0.01                    |
|    |  | <b>187,314,751</b>      | <b>97.37</b>            |

# Analysis Of Warrant Holdings For Warrant A

As At 6 August 2003

| Size of Holdings       | Number of Holders | %             | Number of Warrants Held | %             |
|------------------------|-------------------|---------------|-------------------------|---------------|
| 1 - 999                | 302               | 13.36         | 117,388                 | 0.87          |
| 1,000 - 10,000         | 1,811             | 80.10         | 5,628,175               | 41.90         |
| 10,001 - 100,000       | 134               | 5.93          | 3,229,600               | 24.05         |
| 100,001 - 671,551 (*)  | 13                | 0.57          | 3,455,884               | 25.73         |
| 671,552 and above (**) | 1                 | 0.04          | 1,000,000               | 7.45          |
|                        | <b>2,261</b>      | <b>100.00</b> | <b>13,431,047</b>       | <b>100.00</b> |

Remark: \* Less than 5% of issued Warrant A

\*\* 5% and above of issued Warrant A

## Thirty (30) Largest Warrant Holders for Warrant A

|    |  | Number of Warrants Held | % of Issued Warrant A |
|----|--|-------------------------|-----------------------|
| 1  | AMSEC Nominees (Tempatan) Sdn Bhd<br>AmFinance Berhad for Shariffudin Bin Shawal                   | 1,000,000               | 7.45                  |
| 2  | Lim Moi Tee  | 600,000                 | 4.47                  |
| 3  | HDM Nominees (Tempatan) Sdn Bhd<br>Town Hang Securities Co. Ltd. for Yakin Tenggara Sdn Bhd        | 561,000                 | 4.18                  |
| 4  | James Thomas Pugh  | 444,000                 | 3.31                  |
| 5  | Chong Soo Lim  | 266,500                 | 1.98                  |
| 6  | Mayban Securities Nominees (Asing) Sdn Bhd<br>pledged securities account for Au Kuok Fai (REM 178) | 238,000                 | 1.77                  |
| 7  | CIMSEC Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Pek Kiam Kek (MM 0606)        | 230,000                 | 1.71                  |
| 8  | TA Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Toh Thai                      | 209,000                 | 1.56                  |
| 9  | Menteri Kewangan Malaysia<br>Section 29 (SICDA)  | 184,884                 | 1.38                  |
| 10 | Pak Cheow Koon Jason   | 184,000                 | 1.37                  |
| 11 | Selvandran A/L Ponniah   | 159,000                 | 1.18                  |
| 12 | Pek Kiam Kek   | 143,000                 | 1.06                  |
| 13 | Tan Ang Khan @ Chan Yin Kong   | 125,000                 | 0.93                  |
| 14 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Sun Ping (122AF4228)      | 111,500                 | 0.83                  |



# Analysis Of Warrant Holdings For Warrant A (cont'd)

As At 6 August 2003

## Thirty (30) Largest Warrant Holders for Warrant A (cont'd)

|    |   | Number of<br>Warrants Held | % of<br>Issued<br>Warrant A |
|----|---|----------------------------|-----------------------------|
| 15 | Yong Chai Lai   | 100,000                    | 0.74                        |
| 16 | Choo Siew Chan  | 70,000                     | 0.52                        |
| 17 | Tan Khay Long   | 70,000                     | 0.52                        |
| 18 | Lim Hoo Ling  | 68,000                     | 0.51                        |
| 19 | Chin Siew Mew   | 66,000                     | 0.49                        |
| 20 | Yu Jin Min  | 62,000                     | 0.46                        |
| 21 | Mayban Securities Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Ng Boey Heng (REM 107 - MARGIN) | 60,000                     | 0.45                        |
| 22 | Lim Kim Boon @ Ban Choon  | 60,000                     | 0.45                        |
| 23 | Chan Kam Fei  | 60,000                     | 0.45                        |
| 24 | Yeoh Kian Chin  | 57,000                     | 0.42                        |
| 25 | R Viknaes Varan A/L N Ramalingam  | 53,000                     | 0.39                        |
| 26 | Yap Keng Hock   | 49,000                     | 0.36                        |
| 27 | Tan Bing Huat   | 46,000                     | 0.34                        |
| 28 | Lau Kiew Yiing  | 41,500                     | 0.31                        |
| 29 | Yap Seng Chai @ Yap Seng Heor   | 40,000                     | 0.30                        |
| 30 | Ng Boey Heng  | 40,000                     | 0.30                        |
|    |   | <b>5,398,384</b>           | <b>40.19</b>                |

# Analysis Of Warrant Holdings For Warrant B

As At 6 August 2003

| Size of Holdings         | Number of Holders | %             | Number of Warrants Held | %             |
|--------------------------|-------------------|---------------|-------------------------|---------------|
| 1 - 999                  | 90                | 10.21         | 38,183                  | 0.06          |
| 1,000 - 10,000           | 709               | 80.48         | 2,222,970               | 3.66          |
| 10,001 - 100,000         | 56                | 6.36          | 1,329,200               | 2.19          |
| 100,001 - 3,039,006 (*)  | 22                | 2.50          | 25,914,300              | 42.63         |
| 3,039,007 and above (**) | 4                 | 0.45          | 31,275,500              | 51.46         |
|                          | <b>881</b>        | <b>100.00</b> | <b>60,780,153</b>       | <b>100.00</b> |

Remark: \* Less than 5% of issued Warrant B

\*\* 5% and above of issued Warrant B

## Thirty (30) Largest Warrant Holders for Warrant B

|    |   | Number of Warrants Held | % of Issued Warrant B |
|----|---|-------------------------|-----------------------|
| 1  | Bank Kerjasama Rakyat Malaysia Berhad<br>pledged securities account for Kesenta Development Sdn Bhd                 | 13,779,500              | 22.67                 |
| 2  | HDM Nominees (Tempatan) Sdn Bhd<br>Malaysian Assurance Alliance Berhad for Tan Ang Khan @ Chan Yin Kong             | 7,340,000               | 12.08                 |
| 3  | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities for Lim Soo Ka (14365AF5277)                               | 6,167,000               | 10.15                 |
| 4  | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Bee Ling (14365AF5292)                     | 3,989,000               | 6.56                  |
| 5  | Bank Kerjasama Rakyat Malaysia Berhad<br>pledged securities account for Kok Aik Kong                                | 2,996,700               | 4.93                  |
| 6  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Hok Lian (KAB 871014)                 | 2,950,000               | 4.85                  |
| 7  | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Bee Khim (14365AF5305)                     | 2,470,000               | 4.06                  |
| 8  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Yu Jin Min (KAB 871013)                   | 2,250,000               | 3.70                  |
| 9  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Shariffudin Bin Shawal (KAB 871012)       | 1,835,000               | 3.02                  |
| 10 | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Law Swee Kee @ Low Siew Heoh (KAB 871015) | 1,770,500               | 2.91                  |
| 11 | United Overseas Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Ang Khan @ Chan Yin Kong (MKL)    | 1,576,000               | 2.59                  |
| 12 | United Overseas Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Soo Ka (MKL)                      | 1,572,000               | 2.59                  |

# Analysis Of Warrant Holdings For Warrant B (cont'd)

As At 6 August 2003

## Thirty (30) Largest Warrant Holders for Warrant B (cont'd)

|    |   | Number of<br>Warrants Held | % of<br>Issued<br>Warrant B |
|----|---|----------------------------|-----------------------------|
| 13 | United Overseas Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Bee Khim (MKL)                | 1,572,000                  | 2.59                        |
| 14 | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Low Ah Suan (KAB 871016)              | 1,500,000                  | 2.47                        |
| 15 | RHB Capital Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Moi Tee (KAB 871017)              | 1,340,000                  | 2.20                        |
| 16 | Affin - ACF Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Soo Ka                            | 800,000                    | 1.32                        |
| 17 | Affin - ACF Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Low Siew Hoong                        | 800,000                    | 1.32                        |
| 18 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Ang Khan @ Chan Yin Kong (14365AF5289) | 620,000                    | 1.02                        |
| 19 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Tan Sri Dato' Elyas Bin Omar (14365AF5335) | 475,300                    | 0.78                        |
| 20 | HDM Nominees (Tempatan) Sdn Bhd<br>Town Hang Securities Co. Ltd. for Low Shu Lan                                | 343,500                    | 0.57                        |
| 21 | Selvandran A/L Ponniah  | 230,000                    | 0.38                        |
| 22 | Kenanga Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Daud Bin Drahman @ Daud Bin Abdul Rahman  | 200,000                    | 0.33                        |
| 23 | Low Ah Suan   | 193,000                    | 0.32                        |
| 24 | Eng Nominees (Tempatan) Sdn Bhd<br>OCBC Securities Private Limited for Ang Guan Seng                            | 150,000                    | 0.25                        |
| 25 | Mayban Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Low Ah Suan (14365AF5287)                  | 140,000                    | 0.23                        |
| 26 | AmFinance Berhad<br>pledged securities account for Mah Sau Cheong   | 130,300                    | 0.21                        |
| 27 | RHB Capital Nominees (Tempatan) Sdn Bhd<br>Bank Utama (Malaysia) Bhd  | 88,000                     | 0.14                        |
| 28 | AMSEC Nominees (Asing) Sdn Bhd<br>Fraser Securities Pte Ltd for Tan Dib Jin (35033)                             | 79,800                     | 0.13                        |
| 29 | Creative Communications Sdn Bhd   | 60,000                     | 0.10                        |
| 30 | L.G.B. Engineering Sdn Bhd  | 50,000                     | 0.08                        |
|    |   | <b>57,467,600</b>          | <b>94.55</b>                |

# Analysis Of Redeemable Convertible Secured Notes (“RCSN”) Holders

As At 6 August 2003

| Size of Holdings          | Number of Holders | %             | Number of RCSN Held | %             |
|---------------------------|-------------------|---------------|---------------------|---------------|
| 1 - 999                   | 29                | 4.87          | 11,711              | 0.00          |
| 1,000 - 10,000            | 527               | 88.42         | 1,541,836           | 0.53          |
| 10,001 - 100,000          | 30                | 5.03          | 826,738             | 0.30          |
| 100,001 - 14,441,031 (*)  | 2                 | 0.34          | 20,631,348          | 7.14          |
| 14,441,032 and above (**) | 8                 | 1.34          | 265,809,022         | 92.03         |
|                           | <b>596</b>        | <b>100.00</b> | <b>288,820,655</b>  | <b>100.00</b> |

Remark: \* Less than 5% of issued RCSN

\*\* 5% and above of issued RCSN

## Thirty (30) Largest RCSN Holders

|    |  | Number of RCSN Held | % of Issued RCSN |
|----|--|---------------------|------------------|
| 1  | RHB Capital Nominees (Tempatan) Sdn Bhd<br>RHB Bank Berhad (Account 1)                 | 85,720,189          | 29.68            |
| 2  | Aseam Malaysia Nominees (Tempatan) Sdn Bhd<br>Aseambankers Malaysia Berhad (A/C Three) | 57,722,605          | 19.99            |
| 3  | PAB Nominee (Tempatan) Sdn Bhd<br>Affin Bank Berhad (Loan Recovery)                    | 38,122,918          | 13.20            |
| 4  | HDM Nominees (Asing) Sdn Bhd<br>DBS Bank Ltd   | 20,450,579          | 7.08             |
| 5  | AMSEC Nominees (Tempatan) Sdn Bhd<br>AmBank Berhad                                     | 18,153,813          | 6.29             |
| 6  | AllianceGroup Nominees (Tempatan) Sdn Bhd<br>Alliance Merchant Bank Berhad             | 16,592,833          | 5.75             |
| 7  | AMSEC Nominees (Tempatan) Sdn Bhd<br>AmFinance Berhad                                  | 14,523,050          | 5.03             |
| 8  | Mayfin Nominees (Tempatan) Sdn Bhd<br>Mayban Finance Berhad                            | 14,523,035          | 5.03             |
| 9  | Malaysian Industrial Development Finance Berhad  | 14,269,893          | 4.94             |
| 10 | Southern Nominees (Tempatan) Sdn Bhd<br>Southern Bank Berhad                           | 6,361,455           | 2.20             |
| 11 | Low Ah Suan  | 100,000             | 0.03             |
| 12 | Perbadanan Kemajuan Negeri Selangor  | 99,000              | 0.03             |
| 13 | Lim Hai  | 70,000              | 0.02             |
| 14 | Hawk Soon Hin Industries Sdn Bhd   | 63,000              | 0.02             |

# Analysis Of Redeemable Convertible Secured Notes (“RCSN”) Holders (cont’d)

As At 6 August 2003

## Thirty (30) Largest RCSN Holders (cont’d)

|    |   | Number of<br>RCSN Held | % of<br>Issued<br>RCSN |
|----|---|------------------------|------------------------|
| 15 | Loo Seang Choo  | 40,000                 | 0.01                   |
| 16 | Creative Communications Sdn Bhd   | 40,000                 | 0.01                   |
| 17 | Selangor Industrial Corporation Sdn Bhd   | 30,000                 | 0.01                   |
| 18 | RHB Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Puan Thye Ming  | 30,000                 | 0.01                   |
| 19 | Ng Jit Sing @ Ng Jit Tee  | 30,000                 | 0.01                   |
| 20 | AMSEC Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lee Foo Yin   | 25,000                 | 0.01                   |
| 21 | Soo Choon Lai   | 21,000                 | 0.01                   |
| 22 | Chan Yoke Lam   | 20,000                 | 0.01                   |
| 23 | Choo Vee Mee  | 20,000                 | 0.01                   |
| 24 | Tan Su Hong   | 19,000                 | 0.01                   |
| 25 | Tay Ah Kou @ Tay Hwa Lang   | 19,000                 | 0.01                   |
| 26 | Kuah Ah Bah @ Quak Kim Lou  | 18,000                 | 0.01                   |
| 27 | Lee Wan Hai   | 15,000                 | 0.01                   |
| 28 | Keow Mooi Sin @ Khoo Mooi San   | 15,000                 | 0.01                   |
| 29 | Tan Kim Hiok  | 15,000                 | 0.01                   |
| 30 | Kenanga Nominees (Tempatan) Sdn Bhd<br>pledged securities account for Lim Ai Siok | 15,000                 | 0.01                   |
|    |   | <b>287,144,370</b>     | <b>99.42</b>           |

# Group Properties

As At 31 March 2003

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| DESCRIPTION   | LOCATION   | ACREAGE                     | TENURE                                      | EXISTING<br>USE            | VALUATION/<br>ACQUISITION/<br>COMPLETION<br>DATE | AGE OF<br>BUILDING<br>(YEARS) | NET<br>BOOK<br>VALUE<br>(RM' MILLION) |
|---|--|-----------------------------|---|----------------------------|--|-------------------------------|---------------------------------------|
| 1) Agricultural land known as Bernam Estate                           | PN 43178, Lot No.11445<br>Mukim Durian Sebatang,<br>Hilir Perak, Perak   | 3,000.00                    | Leasehold<br>- 60 years<br>expiring 2033    | Oil Palm Estate            | 3/3/2000   | -                             | 8.6                                   |
| 2) Agricultural land known as Sitiawan Estate                         | H.S.(D) L.P 1668.<br>PT 1058<br>Mukim Durian Sebatang,<br>Hilir Perak, Perak   | 1,000.00                    | Leasehold<br>- 60 years<br>expiring 2034    | Oil Palm Estate            | 3/3/2000   | -                             |                                       |
| 3) Land for development in Batang Berjuntai                           | Geran 29953 Lot 24 and<br>Geran 32993 Lot 458<br>Mukim Batang Berjuntai<br>Selangor  | 284.35                      | Freehold                                    | Development<br>in-progress | 17/1/2002  | -                             | 60.9                                  |
| 4) 4 lots of development land   | H.S. (D) 1155 PT No. 2986<br>H.S. (D) 1156 PT No. 2987<br>H.S. (D) 1157 PT No. 2988<br>H.S. (D) 1166 PT No. 2997<br>Mukim Batang Berjuntai<br>Selangor | 18.67                       | Freehold                                    | Vacant                     | 14/1/2002  | -                             | 6.3                                   |
| 5) Land for development in Cheras                                     | Geran 20936 Lot 2837<br>Geran 20937 Lot 2838<br>Geran 20938 Lot 2839<br>Mukim Cheras<br>District of Hulu Selangor<br>Selangor                          | 21.63                       | Freehold                                    | Land for<br>development    | 17/1/2002  | -                             | 3.8                                   |
| 6) Land for development in Setapak known as Villa Sempurn Condominium | Geran 811 Lot 1140<br>Geran 526 Lot 3767<br>CT 15561 Lot 81 of Section 85<br>CT 15562 Lot 82 of Section 85<br>Mukim Setapak, Kuala Lumpur              | 2.72                        | Freehold                                    | Development<br>in-progress | 14/1/2002  | -                             | 10.7                                  |
| 7) Dynasty Hotel Kuala Lumpur   | 218, Jalan Ipoh,<br>51200 Kuala Lumpur   | 929,476 sq ft<br>(Built-up) | Freehold                                    | Hotel Building             | 17/1/2002  | 8                             | 495.0                                 |
| 8) Empress Hotel Sepang   | Jalan ST1C/7,<br>Medan 88,<br>Bandar Baru Salak Tinggi,<br>43900 Sepang  | 253,852 sq ft<br>(Built-up) | Leasehold<br>- 99 years<br>expiring<br>2092 | Hotel Building             | 17/1/2002  | 5                             | 109.6                                 |
| 9) Empress Hotel Kuala Lumpur   | 423, Jalan Tuanku Abdul Rahman<br>50100 Kuala Lumpur   | 145,658 sq ft<br>(Built up) | Freehold                                    | Hotel<br>Building          | 16/7/2003  | 3                             | 91.6                                  |
| 10) One unit of shop office   | GL-025, Block D, Ground Floor<br>Kelana Square<br>17 Jalan SS7/26<br>Kelana Jaya<br>47301 Petaling Jaya<br>Selangor                                    | 1,400 sq ft<br>(Built up)   | Freehold                                    | Shop Office                | 14/8/2002  | 1                             | 0.7                                   |

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the above Company, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him/her, the Chairman of the Meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **Function Room 2 & 3, Level 4, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Wednesday, 24 September 2003 at 10.00 a.m.** The Proxy is to vote on the resolutions set out in the Notice of Annual General Meeting, as indicated with an "X" in the appropriate spaces.

| RESOLUTION NO. | FOR | AGAINST |
|----------------|-----|---------|
| 1              |     |         |
| 2              |     |         |
| 3              |     |         |
| 4              |     |         |
| 5              |     |         |
| 6              |     |         |
| 7              |     |         |
| 8              |     |         |
| 9              |     |         |
| 10             |     |         |

Subject to any voting instructions so given, the proxy will vote, or may abstain from voting, on any resolution, as he may think fit.

No. of Ordinary Shares Held

\_\_\_\_\_  
Signature(s)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003

*Notes:*

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote in his stead. A proxy need not be a member of the Company. The instruments appointing proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney duly authorised.*
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
- The instrument appointing a proxy and the power of attorney or other authority under which it is signed, shall be deposited at the registered office of the Company at Level 7, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment at which the persons named in such instrument proposed to vote.*



FOLD THIS FLAP FOR SEALING

Affix  
Stamp

THE COMPANY SECRETARY

# GULA PERAK BERHAD

(Company No. 8104-X)  
(Incorporated in Malaysia)

Level 7, Dynasty Hotel  
218, Jalan Ipoh  
51200 Kuala Lumpur

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1st FOLD HERE