



GULA PERAK BERHAD (8104-X)
(Incorporated in Malaysia)

Annual Report 2008



Contents

	Page No.
Notice of Annual General Meeting	2 - 5
Statement Accompanying Notice of Annual General Meeting	6
Corporate Information	7 - 8
Profile of Board of Directors	9 - 12
Chairman's Statement	13 - 15
Statement on Corporate Governance	16 - 19
Statement of Internal Control	20 - 21
Audit Committee Report	22 - 24
Corporate Social Responsibility	25
Other Information	26 - 28
Financial Statements	30 - 87
Analysis of Shareholdings	88 - 89
Group Properties	90
Form of Proxy	Enclosed



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of the Company will be held at Zamrud Room, Level 10, Empress Hotel, Jalan ST 1C/7 Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Wednesday, 24 September 2008 at 10.00 a.m to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the audited Financial Statements for the financial year ended 31 March 2008 together with Directors' and Auditors' Reports thereto. **Resolution (1)**
2. To approve the payment of Directors' Fees for the financial year ended 31 March 2008. **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) YBhg Datuk Rahim bin Baba **Resolution (3)**
 - (ii) YBhg Dato' Lim Soo Kok **Resolution (4)**
4. To re-appoint the following Directors to hold office until the conclusion of the next AGM pursuant to Section 129(6) of the Companies Act, 1965:
 - (i) YBhg Tan Sri Dato' Ahmad Sabki bin Jahidin **Resolution (5)**
 - (ii) YBhg Tan Sri Datuk Seri (Dr) Elyas bin Omar **Resolution (6)**
5. To re-appoint Messrs Deloitte KassimChan as auditors of the Company to hold office until the conclusion of the next AGM and to authorize the Directors to fix their remuneration. **Resolution (7)**

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)**



Notice of Annual General Meeting (Cont'd)

- 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 of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature involving Gula Perak Berhad and its subsidiaries ("the Group"):

Resolution (10)

THAT approval be and is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 2008 ("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 favorable 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.

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;



Notice of Annual General Meeting (Cont'd)

- (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 authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary 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 2008

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 authorized in writing or if such appointer is a corporation under its common seal or the hand of its attorney duly authorized.*
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 Mezzanine Floor, Empress Hotel Sepang, Jalan ST 1C/7 Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan 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.*



Notice of Annual General Meeting (Cont'd)

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 issues of the shares pertaining to the conversion of the warrants, 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 shared capital of the Company. This authority will expire at the next AGM 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 respect 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 authorise 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 of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature (Resolution 10)

The proposed Ordinary Resolution 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 Listing Requirements of Bursa Securities. The details of this proposal are set out in the Circular to Shareholders dated 2 September 2008.

Statement Accompanying Notice of Annual General Meeting

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION:

Datuk Rahim bin Baba
 Dato' Lim Soo Kok
 Tan Sri Dato' Ahmad Sabki bin Jahidin
 Tan Sri Datuk Seri (Dr) Elyas bin Omar

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETING

The details of attendance of each Director at board meetings are set out on page 16 of this Annual Report.

3. THE PLACE, DATE AND HOUR OF MEETING:

The AGM of the Company will be held at Zamrud Room, Level 10, Empress Hotel, Jalan ST 1C/7 Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Wednesday, 24 September 2008 at 10.00 a.m.

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

NAME	DATUK RAHIM BIN BABA	DATO' LIM SOO KOK	TAN SRI DATO' AHMAD SABKI BIN JAHIDIN	TAN SRI DATUK SERI (DR) ELYAS BIN OMAR
Age	58	40	76	71
Nationality	Malaysian	Malaysian	Malaysian	Malaysian
Designation	Executive Chairman	Executive Director	Independent, Non-Executive Director	Independent, Non-Executive Director
Qualification, Working Experience and Occupation	Refer to Profile of Directors on page 9 of this annual report	Refer to Profile of Directors on page 10 of this annual report	Refer to Profile of Directors on page 11 of this annual report	Refer to Profile of Directors on page 11 of this annual report
Directorship of other public companies	Formis Resources Berhad	None	Sycal Berhad Hwang-DBS(Malaysia) Berhad Paramount Corporation Berhad Hwang-DBS Investment Management Berhad Hwang-DBS Investment Bank Berhad	Mepro Holdings Berhad Sri Hartamas Berhad Smart Digital Communication Berhad Express Asia Berhad
Family relation with any Director and/or substantial shareholder of the Company	None	Son of Tan Sri Dato' Lim Cheng Pow and sibling to Lim Bee Ling and Datuk Lim Sue Beng	None	None
Securities holdings in the Company and its subsidiaries (As at 08 August 2008)	Nil	3,150,000	Nil	2,582,700
Conflict of interest with the Company	None	None	None	None
List of Convictions for offences within the pass 10 years other than traffic offences	None	None	None	None



Corporate Information

BOARD OF DIRECTORS

Datuk Rahim bin Baba
~ Executive Chairman

Tan Sri Dato' Lim Cheng Pow
~ Managing Director

Datuk Lim Sue Beng
~ Executive Director

Dato' Lim Soo Kok
~ Executive Director

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
~ Independent, Non-Executive Director

Tan Sri Datuk Seri (Dr) Elyas bin Omar
PSM, SIMP, DSAP, DSSA, DMPN, JSM, KMN,
COPA (France), LLD (HON. USM), PhD (USSA)
~ Independent, Non-Executive Director

Dato' Mustapha bin Buang
~ Independent, Non-Executive Director

AUDIT COMMITTEE

Tan Sri Datuk Seri (Dr) Elyas bin Omar
~ Independent, Non-Executive Director
(Chairman)

Tan Sri Dato' Ahmad Sabki bin Jahidin
~ 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
~ Independent, Non-Executive Director
(Chairman)

Dato Mustapha bin Buang
~ Independent, Non-Executive Director
(Member)

Tan Sri Datuk Seri (Dr) Elyas bin Omar
~ Independent, Non-Executive Director
(Member)

REMUNERATION COMMITTEE

Tan Sri Dato' Ahmad Sabki bin Jahidin
~ Independent, Non-Executive Director
(Chairman)

Tan Sri Datuk Seri (Dr) Elyas bin Omar
~ Independent, Non-Executive Director
(Member)

Dato' Mustapha bin Buang
~ Independent, Non-Executive Director
(Member)

Leow Thang Fong
~ Executive Director
(Member)



Corporate Information (Cont'd)

PRINCIPAL BANKERS

Affin Bank Berhad
Alliance Bank Berhad
Malayan Banking Berhad

SOLICITORS

Onn Hussein & Yee
Mezzanine & 1st Floor
No. 212, Jalan Ipoh
51200 Kuala Lumpur

Faizah, Lim, & Associates
LG-001, Dynasty Hotel
Dynasty Shoppers Alley
No. 218, Jalan Ipoh
51200 Kuala Lumpur

Foo & Tan Advocates & Solicitors
No. 5-2B, 1st Floor
SunwayMas Commercial Centre
Jalan PJU 1/3D
47301 Petaling Jaya

COMPANY SECRETARY

Lim Bee Khim (MIA 16196)

AUDITORS

Deloitte KassimChan
Level 19, Uptown 1
1, Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia
P.O.Box 10093

REGISTERED OFFICE

Mezzanine Floor, Empress Hotel Sepang
Jalan ST 1C/7, Medan 88
Bandar Baru Salak Tinggi
43900 Sepang
Selangor
Tel & Fax : 03-87067177

REGISTRAR

Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-40473883
Fax: 03-40426352

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Board



Profile of Board of Directors

DATUK RAHIM BIN BABA – Executive Chairman

Datuk Rahim bin Baba, Malaysian, aged 58, and 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 Formis Resources Berhad (formally known as 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 1990-1993. He was the senior Private Secretary for the then Deputy Prime Minister (Honorable Tun Ghafar Baba) from 1986-1988.

Datuk Rahim has attended all the five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008, he has indirect shareholding of 1,253,050 ordinary shares of RM1.00 each in GPB. Datuk Rahim has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

TAN SRI DATO’ LIM CHENG POW – Managing Director

Tan Sri Dato’ Lim Cheng Pow, Malaysian, aged 66, was appointed to the board of GPB on 4 March 1996. Tan Sri Dato’ Lim migrated to Malaysia in the late 1950s and joined his uncle in the construction business. He has been involved in the construction industry for more than 40 years. In 1965, he set up his own construction company, Amoy Construction Co (“Amoy”). Amoy undertook few contracting works under the Government Contracts. The 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 the early 1980s. He is a director of Kemajuan Amoy Berhad and sits on the board of several private companies.

Tan Sri Dato’ Lim has attended four out of the total five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008, he has direct shareholding of 32,404,050 ordinary shares of RM1.00 each in GPB. Tan Sri Dato’ Lim is the father of Datuk Lim Sue Beng, Lim Bee Ling and Dato’ Lim Soo Kok. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

DATUK LIM SUE BENG – Executive Director

Datuk Lim Sue Beng, Malaysian, aged 43, was appointed to the board of GPB on 4th 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 graduating in 1986, he joined the family business and manages the banking and corporate affairs of 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.

Datuk Lim Sue Beng has attended all the five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008, he has direct shareholdings of 1,750,500 ordinary shares of RM 1.00 each in GPB. Datuk Lim Sue Beng is the son of Tan Sri Dato’ Lim Cheng Pow and sibling to Lim Bee Ling and Dato’ Lim Soo Kok. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.



Profile of Board of Directors (Cont'd)

MDM. LIM BEE LING – Executive Director

Lim Bee Ling, Malaysian, aged 41, 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 from Keele University, England and a Master degree in Management Science in 1988 from Imperial College, London. Upon completion of her education, she joined the family business and is in charge of the daily operations of the Group. Her biggest challenge was drawing up and finalizing the concept and design of Dynasty Hotel plus the eventual operations of the hotel in December 1994. She is a director of Port Klang Golf Resort Management Berhad. She also sits on the board of several private companies.

Lim Bee Ling has attended four out of the total five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008 she has direct shareholding of 15,005,350 ordinary shares of RM 1.00 each in GPB. Lim Bee Ling is the daughter of Tan Sri Dato' Lim Cheng Pow and sibling to Datuk Lim Sue Beng and Dato' Lim Soo Kok. She has no conflict of interest in any business arrangement involving the Company. She also has no convictions for any offences within the past 10 years.

MR. LEOW THANG FONG – Executive Director

Leow Thang Fong, Malaysian, aged 57, 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 nine years finishing with Messrs. Hanafiah Raslan & Mohammad in 1979. He then joined Permata Chartered Merchant Bank Berhad for a period of 5 years specializing 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 (formally known as Pegi Malaysia Berhad) from 1984 to 1988.

Leow Thang Fong has attended all the five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008, he has direct shareholding of 105,000 ordinary shares of RM 1.00 each in GPB. Leow Thang Fong has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

DATO' LIM SOO KOK – Executive Director

Dato' Lim Soo Kok, Malaysian, aged 40, 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 Commissioner for Oaths by the Chief Justice of Malaysia in 1999 till present and is also presently a Notary Public appointed by the Attorney General.

Dato' Lim Soo Kok has attended three out of the total five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008, he has direct shareholdings of 3,150,000 ordinary shares of RM1.00 each in GPB. Dato' Lim Soo Kok is the son of Tan Sri Dato' Lim Cheng Pow and sibling to Datuk Lim Sue Beng and Lim Bee Ling. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.



Profile of Board of Directors (Cont'd)

TAN SRI DATO' AHMAD SABKI BIN JAHIDIN – Independent, Non – Executive Director

Tan Sri Dato' Ahmad Sabki Bin Jahidin, Malaysian, aged 76, 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 and Sports. In 1974, he was appointed as 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 Organization from 1984 to 1986.

Tan Sri also sits on the Board of Syca Berhad, Hwang-DBS (Malaysia) Berhad, Paramount Corporation Berhad, Hwang-DBS Investment Management Berhad and Hwang-DBS Investment Bank Berhad. He also sits on the board of several private companies.

Tan Sri has attended three out of the total five Board Meetings that were held during the financial year ended 31 March 2008. As at 31 March 2008, Tan Sri does not hold any shares of the Company. Tan Sri has no family relationship with any directors and/or major shareholders of GPB. Tan Sri has no conflict of interest in any business arrangements involving the Company. He has not been convicted for offences within the past 10 years.

TAN SRI DATUK SERI (DR) ELYAS BIN OMAR – Independent, Non-Executive Director

Tan Sri Datuk Seri (Dr) Elyas Bin Omar, Malaysian, aged 71, 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 awarded a Hon. LLD from University of Science Malaysia and Hon. PhD from United States Sports Academy. Tan Sri Elyas also received the Honorary Certified Doctor of Business Administration Award 2006 from the Oxford Association of Management, United Kingdom.

Tan Sri Elyas started his career in 1960 as the Assistant Secretary of the Public Service Commission. He held various official positions in the Government of Malaysia from 1960 to 1992. He was the Founder Director of National Institute of Public Administration (INTAN), Malaysia from 1973 to 1978. Thereafter, he was appointed as Deputy Director General of Public Service Department from 1978 to 1981. He also served as the Secretary General of the Ministry of Federal Territory Malaysia from 1981 to 1987. Tan Sri Elyas was the Lord Mayor of Kuala Lumpur from 1981 to 1992. Tan Sri Elyas held various positions in other government/quasi-government bodies from 1970 to 1992. He was the Chairman of Klang Valley Planning Executive Committee and the Federal Territory Security Committee from 1981 until 1992. He was a member of the Klang Valley Planning Council, Board of Directors Urban Development Authority (UDA) and the Land Executive Committee of the Federal Territory of Kuala Lumpur from 1981 until 1992. Tan Sri Elyas held several positions in the United Nations and other international bodies, such as NGOs and Sports Organizations. He was the President of Badminton Association of Malaysia from 1986 until 1994. Tan Sri Elyas was the Special Advisor to the President and the Government of Republic of Senegal from 1 January 2004 until April 2005. On 15 January 2005, Tan Sri Elyas was appointed as the Sports Commissioner of Malaysia until 15 April 2008. He is currently the Chairman and Director of Mepro Holdings Berhad, Executive Chairman and director of Sri Hartamas Berhad, Chairman and Director of Smart Digital Communications Berhad and Director of Express Asia Berhad. He also sits on the Board of several private companies.



Profile of Board of Directors (Cont'd)

TAN SRI DATUK SERI (DR) ELYAS BIN OMAR – Independent, Non-Executive Director (Cont'd)

Tan Sri Elyas has attended all the five Board Meetings that were held during financial year ended 31 March 2008. As at 31 March 2008, he has indirect shareholding of 1,750,000 ordinary shares of RM1.00 each in GPB. Tan Sri Elyas has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the company. He also has no convictions for any offences within the past 10 years.

DATO' MUSTAPHA BIN BUANG – Non – Executive Director

Dato' Mustapha bin Buang, Malaysian, aged 60, and was appointed to the Board of GPB on 10 September 1990. He graduated in Economics from University Malaya in 1972. Immediately after graduation, he joined the Economic Division of the Johor State Government as a planner and was also entrusted to manage ice and fish meal 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.

Dato' Mustapha has attended four out of the total five Board Meetings that were held during financial year ended 31 March 2008. As at 31 March 2008 he has direct shareholdings of 3,150,000 ordinary shares of RM1.00 each in GPB. Dato' Mustapha bin Buang has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

OTHER INFORMATION

None of the senior management staff are related to the directors and/or major shareholders of GPB except for Lim Bee Khim, who is daughter to Tan Sri Dato' Lim Cheng Pow and sibling to Datuk Lim Sue Beng, Lim Bee Ling and Dato' Lim Soo Kok.



Chairman's Statement

On behalf of the Board of Directors, I hereby present to you the 39th Annual Report and Audited Financial Statements of Gula Perak Berhad for the financial year ended 31 March 2008.

OVERVIEW

The Group continued to face increasingly competitive pressures for the hotel and property development sectors for the year under review despite the relatively favourable economic and market environment. Inflationary pressures on the costs as world oil prices escalates is more confined to the cost of doing business and does not translate to higher growth in revenue despite higher tourism arrivals as average room rates in Malaysia are still kept low and thus among the lowest in the region.

PERFORMANCE REVIEW

The Group registered a loss before tax of RM16.414 million for the year under review compared to a loss before tax of RM120.893 million in the previous financial year (which was due to the impairment in value of hotel and investment properties of RM90.028 million).

The Group's total revenue for the financial year improved to RM39.407 million from RM33.594 million in the previous financial year with the main contribution coming from the hotel division of RM36.444 million.

The Group's loss before tax is mainly attributable to the finance cost comprising coupon interest of the Redeemable Convertible Secured Notes 2003/2008, offset by the discount on the settlement of the RM90.124 million Bonds of RM26.124 million.

OPERATIONS REVIEW

Hotel Division

Although the operating environment remains challenging, aggressive marketing activities were undertaken by the management, the division registered another year of improvement in revenue of RM36.444 million, up from RM31.240 in the previous financial year (a growth rate of 17%). This can be attributable to the Visit Malaysia Year 2007 which resulted in higher tourist arrivals in Malaysia. Through the support of airlines and the Government, our hotels registered increased occupancy rates. The Hotel Division will continue to enhance its competitiveness, productivity and overall operational efficiency with a focus to continually reduce our cost base despite the strong price inflationary pressures without compromising on the quality and services to our customers and guests. Further aggressive marketing strategies will be aligned with Government initiatives to drive higher tourist arrivals to further improve on the hotels' occupancy rates.

Plantation Division

The Plantation Division recorded an even higher profit before tax of RM13.22 million against RM4.791 million in the previous financial year, attributable to higher revenue and margin (with CPO prices averaging RM2,990/MT). The maturing plantation had a bumper crop year in the midst of record high CPO prices.

As announced in the previous financial year, the Group has classified the Plantation Division as discontinued operations due to the sale of the plantation assets for the purpose of redeeming the RM90.124 million 3% Redeemable Secured Bonds 2000/2005. As the sale was not completed prior to the financial year end, the performance of the Plantation Division has been taken into account in this financial year.



Chairman's Statement (Cont'd)

OPERATIONS REVIEW (Cont'd)

Property Development Division

It continues to be a quiet year for the Property Development Division, reporting a loss of RM10.819 million for the year under review compared to a loss of RM11.214 million in the previous financial year. Impairment in the value of assets relating to the Batang Berjuntai Industrial Park contributed to the loss.

Slow demand as well as shrinking margins in a highly competitive market exacerbated by escalating cost of construction raw materials resulted in no launches of new properties during the current financial year. The Group will continue to focus on sale of completed properties to reduce overhangs in the supplies of industrial, commercial, office and retail space.

CORPORATE DEVELOPMENT

The Group announced on 22 April 2008 the Group's plan to restructure the Redeemable Convertible Secured Notes 2003/2008 ("RCSN") which will address the Group's default in payment of the coupon of the RCSN due on 22 April 2007 and 22 April 2008 as well as the default in redemption of the RCSN. The RCSN has since matured on 22 April 2008.

Following on the announcement, the Group is continuing its negotiations with the RCSN Holders to restructure the RCSN, including but not limited to the structured disposal of the remaining charged properties of the RCSN at values above its forced sale prices as well as extending the RCSN by another 3 years from 22 April 2008 to 22 April 2011. Pending submission and approval from the Securities Commission as well as approval from the RCSN Holders, the Group believes that the restructuring exercise of the RCSN can be completed in the coming financial year.

As announced in the previous financial year, the Group has discontinued operations of the Plantation Division as part of the redemption plan of the 3% Redeemable Secured Bonds 2000/2005 by selling the plantation assets. The Group has negotiated for a full settlement at a discount of RM26.124 million of the said Bonds through the sale of the plantation assets.

PROSPECTS

The overall outlook for the hotel and tourism industry is expected to remain favourable in 2008/2009 despite the current volatility in the global economy and financial markets as well as the announced Government budget cuts on spending. The spill over effects of Visit Malaysia 2007 program is expected to continue to boost tourism arrivals in 2008.

The hospitality industry is expected to continue its growth trend, even though the average room rate in Malaysia is considered one of the lowest in the region. With China opening up, tourism arrival from Chinese tourists will continue to contribute to the growth of the tourism and hospitality industry. The Group will strive to capitalize on the trend by further improving on the hotel occupancy rates and introducing innovative marketing strategies to attract higher number of patronage.

The property industry is dependent on demand which is slowing as a result of the uncertainty and volatility of the economy and market. High materials and construction costs will make it a very challenging year ahead for the property industry. Nevertheless, the Group is considering plans to revive the property development project in Setapak to capture the high end market, where demand from local as well as foreign buyers is still strong, as well as the Batang Berjuntai Industrial Park project.



Chairman's Statement (Cont'd)

DIVIDEND

The Board does not recommend any dividend payments for the financial year under review.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to express our sincere gratitude and appreciation for the support of our valued customers, lenders, creditors, suppliers, business associates, the authorities, shareholders and RCSN holders, and we look forward to your continued support in the future.

To our management and staff we thank you for your resilience, commitment, dedication and unwavering support given to the Group in the year concerned. My sincere thanks and appreciation also goes out to the Board members for their counsel and guidance during the past year concerned.

DATUK RAHIM BIN BABA

Chairman
8 August 2008



Statement on Corporate Governance

The Board of Directors fully appreciates the importance of good corporate governance within the Group. The Board is pleased to provide the following statement of how the Company has applied the principles and best practices as set out in Part 1 and 2 of the Malaysian Code on Corporate Governance.

These principles and best practices have been applied throughout the financial year ended 31 March 2008 and are regularly reviewed to ensure transparency and accountability.

THE BOARD OF DIRECTORS

The composition of the Board reflects the prescribed requirement of one-third (1/3) of the Board is independent directors. No one individual or small group of individual director dominates the Board of Directors' decision process. The Directors, with their different background and specialization, collectively bring with them a wide range of experience and expertise in areas such as legal, finance, corporate affairs, marketing and operations.

There is also clear division of responsibilities between the Chairman and the Managing Director to ensure that there is a balance of power and authority. 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 primary responsibilities for the day-to-day operations of the Company in ensuring that strategies, policies and matters approved by the Board and/or the respective Board Committees are effectively implemented.

The presence of independent non-executive Directors in the Board provides objectivity and they are of the caliber necessary to carry sufficient weight in Board decisions. The role of the independent non-executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined and take into account the long term interests, not only of the shareholders, but also of employees, customers, suppliers, and the many communities in which the Group conducts business.

DIRECTORS' TRAINING

All Directors of the Company have attended the Mandatory Accreditation Programme. In addition, Directors who are required to fulfill their obligations in respect of the attendance of the Continuing Education Programme (CEP) as required by Bursa Securities, has accumulated the prescribed minimum number of 72 CEP points.

The Board will continue to evaluate and determine the training needed by the Directors from time to time to enhance their skills and knowledge where relevant and keep abreast with the new regulatory development and Listing Requirement of the Bursa Securities.

BOARD MEETINGS

The Board meets at least five (5) times a year, with additional meetings convened as and when necessary. During the financial year under review, the Board convened a total of five (5) meetings and the details of the attendance of each member of the Board are tabulated below:

DIRECTORS	NO. OF MEETINGS ATTENDED
Executive Directors	
1. Datuk Rahim bin Baba	5/5
2. Tan Sri Dato' Lim Cheng Pow	4/5
3. Leow Thang Fong	5/5
4. Datuk Lim Sue Beng	5/5
5. Lim Bee Ling	4/5
6. Dato' Lim Soo Kok	3/5
Independent Non-Executive Directors	
7. Tan Sri Datuk Seri (Dr) Elyas bin Omar	3/5
8. Tan Sri Dato' Ahmad Sabki bin Jahidin	5/5
9. Dato' Mustapha bin Buang	4/5



Statement on Corporate Governance (Cont'd)

SUPPLY OF INFORMATION

All the Board members have full and timely access to all information within the Group. Board papers are distributed prior to the Board Meetings to enable the Directors to obtain relevant confirmation and have sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently. Further, the Board or the individual director has direct access to the Senior Management and the advice and services of the Company Secretary to ensure effective functioning of the Board and compliance of applicable rules and regulations.

APPOINTMENT TO THE BOARD

The Board has set up the Nomination Committee, which comprises exclusively of Non-Executive Directors, to evaluate any new appointment, proposed re-appointment/re-election of Directors before recommending the same to the Board for their approval.

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 AGM 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 AGM; 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 (3) committees with delegated authority and defined terms of reference. The compositions and function of these committees are described as follows:-

1 Audit Committee

The Audit Committee, comprising 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 22 to 24 of this Annual Report.

2 Nomination Committee

The Nomination Committee comprises exclusively of Independent, Non-Executive Directors and is responsible for identifying, selecting and recommending to the Board potential candidates with the required mix of skills, experience and attributes for appointment to the Board. However, ultimate responsibility for appointment rests with the Board.

The Committee meets at least once a year or as and when required. The members of the Nomination Committee and their attendance at the meetings are as follows:-

Name of member	No. of Nomination Committee meetings attended
1. Tan Sri Dato' Ahmad Sabki bin Jahidin (Chairman)	0 / 1
2. Dato' Mustapha bin Buang	1 / 1
3. Tan Sri Datuk Seri (Dr) Elyas bin Omar	1 / 1

Statement on Corporate Governance (Cont'd)

3 Remuneration Committee

The Remuneration Committee, comprising mainly of Non-Executive Directors is responsible for recommending to the Board the remuneration packages of the Executive Directors with individual directors abstaining from decision in respect of their individual remuneration. The level of fees and allowances of Non-Executive Directors are determined by the Board as a whole.

The Committee meets at least once a year or as and when required. The members of the Remuneration Committee and their attendance at the meetings are as follows:-

Name of member	No. of Remuneration Committee meetings attended
*1. Tan Sri Dato' Ahmad Sabki bin Jahidin (Chairman)	0 / 1
*2. Dato' Mustapha bin Buang	1 / 1
3. Leow Thang Fong	1 / 1
*4. Tan Sri Datuk Seri (Dr) Elyas Bin Omar	1 / 1

* Independent, Non-Executive Directors.

DIRECTORS' REMUNERATION

The remuneration of the Directors is determined based on the responsibility, contribution and performance of each Director. Directors do not participate in decisions regarding their own remuneration packages and directors' fees must be approved by the shareholders at the AGM. The aggregate remuneration of the Directors categorised into appropriate components and analyzed into bands of RM50,000 for the financial year ended 31 March 2008 is set out below:

	Salaries (RM)	Fees (RM)	Total (RM)
Executive	1,452,000	0	1,452,000
Non-Executive	0	108,000	108,000

Range of remuneration	Number of Directors	
	Executive	Non-Executive
Less than RM50,000	0	3
RM50,000 to RM100,000	0	0
RM100,001 to RM150,000	0	0
RM150,001 to RM200,000	4	0
RM200,001 to RM250,000	0	0
RM250,001 to RM300,000	1	0
Above RM300,000	1	0



Statement on Corporate Governance (Cont'd)

SHAREHOLDERS

The board aims to ensure timely disclosure of information to all shareholders. The Company keeps the shareholders abreast of the overall financial performance and future developments of the Group through its annual report and accounts, timely release of quarterly financial results made through Bursa Securities as well as press releases and circulars where appropriate.

The AGM remains the principal forum for communication and dialogue with shareholders. The AGM provides the opportunity for interaction amongst shareholders, Directors and Management, where the shareholders are at liberty to raise questions on the AGM agenda. Press conference is normally held after the AGM 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 AGM.

ACCOUNTABILITY AND AUDIT

The Audit Committee oversees the financial reporting and internal control system of the Group. The Audit Committee comprises of three (3) Independent, Non-Executive Directors and one (1) Executive Director. The primary responsibilities of the Audit Committee are set out in the Audit Committee Report on pages 22 to 24.

FINANCIAL REPORTING

The Board is responsible to ensure that the financial statements of the Company and of the Group are made out in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Through the continuing disclosure of the Group's financial position via timely announcement of quarterly and audited results, shareholders are kept abreast of the Group's performance throughout the financial year. The Audit Committee assists the Board by reviewing the disclosure and information to ensure completeness, accuracy and validity of the information in the reports.

INTERNAL CONTROL

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

RELATIONSHIP WITH AUDITORS

The Company maintains a formal and transparent relationship with its external auditors, in seeking professional advice and ensuring compliance with the applicable accounting standards in Malaysia. The Audit Committee has the authority to communicate directly with the external auditors and the auditors may request a meeting with the Committee as and when necessary.

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.



Statement of Internal Control

Introduction

Pursuant to Paragraph 15.27(b) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, the Board of Directors are pleased to provide the following statement on the state of internal control of the Group, which has been prepared in accordance with the “Statement on Internal Control: Guidance for Directors of Public Listed Companies” adopted by the Bursa Securities.

Board Responsibility

The Board is committed to maintain a sound system of internal control and effective risk management practices in the Group to ensure good corporate governance. The internal control systems cover not only financial control but operational and compliance controls and risk management. The Group has in place an on-going process of identifying, evaluating, monitoring and managing the key risks affecting the achievement of its business objectives throughout the financial year. The Board reviews this process on a quarterly basis.

The Group’s system of internal control system is designed to enable the Group to manage, rather than to eliminate the risk of failure to achieve business objectives. The internal control system can only provide reasonable and not absolute assurance against material misstatement and loss.

Risk Assessment

The Board recognises that the management of principal risks play an important and integral part of the Group’s daily operations and that the identification and the management of such risks will affect the achievement of the Group’s business objectives. The Group has in place an on-going structured process for identifying, evaluating, monitoring and managing principal business risks. The Senior Management at all operational level is delegated with the task of identifying significant risks, probability of its occurrence, its impact and to consider various possible actions to effectively manage such risks. This process is regularly reviewed by the Board through the Audit Committee on its effectiveness.

Key Processes

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

- The Group has a clearly defined organisational structure that is aligned to business and operations requirements and each strategic function is headed by a responsible head of department.
- Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and control activities.
- The Group identify principle risks and ensure implementation of appropriate control measures to manage the risks.
- Scheduled operations, management and Board meetings to assess the Group’s performance and control.
- Sound management review of systems, processes and procedures established.
- Reviews are performed to ensure that the documentation of the standard operating procedure is current.
- Comprehensive financial reports are supplied to the Audit Committee and the Board on a quarterly basis for review and if necessary corrective action to be taken.
- Review of internal audit reports and follow-up on findings by the Group’s Internal Audit Department. The internal audit reports are deliberated by the Audit Committee, and are subsequently presented to the Board, on a quarterly basis. In the event of major internal control inefficiency, the Board will be notified and appropriate action will be taken.



Statement of Internal Control (Cont'd)

Key Processes (Cont'd)

- The Board and the Committee meet every quarter to discuss matters raised by Management and Internal Audit on business and operational matters including potential risks and control issues.
- There is a detailed budgeting process where key operating units prepare budgets on an annual basis, which are approved by the Board.
- Comparison of actual performance against budget is reviewed periodically, with major variances being followed up and managerial actions taken, where necessary.
- The Board monitors the quarterly results of the Group against budget through participation in the Quarterly Exco Meeting.
- Regular and informal meetings were held by representatives from sales and accounts departments of various business units to review and evaluate their credit exposure, collection and manage credit risks.
- Regular visits to the operating units of the Group's businesses by the management personnel.

Some internal control weaknesses were identified during the year under review. None of the internal control weaknesses have resulted in any material loss, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interest. The Board continues to take appropriate measures and on-going commitment to strengthen the internal control environment and processes.

This statement has been reviewed by the external auditors in compliance with Paragraph 15.24 of the Listing Requirements of the Bursa Securities and made in accordance with the resolution approved by the Board of Directors on 23 July 2008.

Audit Committee Report

MEMBERS OF THE COMMITTEE

Name of Directors	Designation	No. of Meetings Attended
Tan Sri Dato' (Dr) Elyas bin Omar Independent, Non-Executive Director	Chairman	5/5
Tan Sri Dato' Ahmad Sabki bin Jahidin Independent, Non-Executive Director	Member	3/5
Dato' Mustapha bin Buang Independent, Non-Executive Director	Member	4/5
Leow Thang Fong Executive Director	Member	5/5
Lim Bee Khim	Secretary	4/5

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 two (2) 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 authorized 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 FOR THE AUDIT COMMITTEE (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 auditor, the audit fee and any question of resignation or dismissal.
2. To review with external auditor 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 auditor may wish to discuss (in the absence of the management wherever necessary).
5. To review the external auditor's management letter and management's response.
6. To do the following :
 - establish an internal audit function which is independent of the activities it audits and also ensure the internal audit function reports directly to the Audit Committee;
 - 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.



Audit Committee Report (Cont'd)

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 organizational 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.

2008 REVIEW

During the year, five (5) Audit Committee meetings were held. The Audit Committee reviewed a total of five (5) audit reports. Summary of activities of the Group Internal Audit function during the year ended 31 March 2008 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;
- Quarterly review the latest numbers in the financial results before their approval by the Board;
- 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.
- Monitor the integrity of the financial statements of the Company and matters relating to its financial affairs and those of its subsidiaries.

EMPLOYEES SHARE OPTION SCHEME

The Company does not have Employees Share Option Scheme.



Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an important and integral principle of our Company's operating philosophy, engaging in initiatives such as environmental management, employee engagement, health and safety as well as community interactions and support.

Our Company values its employees by providing a safe working environment. We encourage our employees to pursue personal and professional development by organizing a wide range of training programs under the banner of our hotels, to develop and improve the management and leadership skills, supporting internal promotions of our employees. Social events such as team building are also organized to promote greater teamwork as well as encourage interactions and communications amongst employees.

Our Company also places importance on charity where we contribute to the local communities through donations to charities such as orphanage homes. Our Company also places emphasis on health and safety issues of its employees, customers and general public.

As a good corporate citizen, we are very conscious of our responsibilities and often we engage local communities in the areas of our business operations. We encourage our employees as well as customers and hotel guests to share the same environmental vision of sustainability and protection.

GPB is committed to our corporate social responsibility as we identify CSR as a key component to the success of our business. We seek to make continual improvements in our business policies to sustain the development and implementation of our CSR programs.



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 of consideration	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 CONTRACTS RELATED TO LOAN

Lender & Borrower	Relationship	Purpose of loan	Amount RM Million
<i>Lender : Gula Perak Berhad</i>	<i>Common directors</i>	<i>To finance the construction and operations of hotel property</i>	<i>132.011</i>
<i>Borrower : KSB Requirements and Rest Sdn Bhd</i>			

The above contract is secured against the borrower's hotel property, interest free and is not expected to be repaid within the next twelve (12) months.



Other Information (Cont'd)

3. RECURRING RELATED PARTIES TRANSACTIONS OF A REVENUE NATURE

Pursuant to Practice Note 12/2001 issued by the Bursa Malaysia Securities Berhad, 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
<ul style="list-style-type: none"> Kemajuan Amoy Berhad ("KAB"), a company which has common directors and common substantial shareholders with GPB. 	Dynawell provided rooms and food & beverage services to KAB.	27
<ul style="list-style-type: none"> Leisure Group Hotel & Resorts Sdn Bhd ("LGHR SB"), a company which has common directors and common substantial shareholder with GPB. 	i) Management fee (2% on revenue of Dynawell) charged by LGHR SB.	454
	ii) Rental & rooms, food and beverage services charged by Dynawell.	460
<ul style="list-style-type: none"> KSB Requirements & Rest Sdn Bhd ("KSB"), a subsidiary company of GPB and is also of common directors with GPB. 	The trading of goods such as food and beverage to/from Dynawell.	-

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
<ul style="list-style-type: none"> 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.	286

4. UTILISATION OF PROCEEDS

During the financial year, no proceeds were received from the Company's corporate proposal.

5. SHARE BUYBACKS

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



Other Information (Cont'd)

6. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

7. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

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

8. 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.

9. VARIATION IN RESULTS

The difference between the audited results for the financial year ended 31 March 2008 and unaudited result announced previously exceeded 10%. The variance of RM25,928million between the audited loss after tax of RM16.414million and the unaudited loss after tax of RM42.342million is due to the discount settlement on RM90.124million 3% Redeemable Secured Bonds.

10. NON-AUDIT FEE

The amount of non-audit fee paid by the Company to the external auditors for the financial year amounted to approximately RM23,000.00

11. INTERNAL AUDIT FUNCTION

The internal audit function is performed in house and the cost incurred for the financial year amounts to approximately RM35,000.00

12. PROFIT GUARANTEES

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

13. REVALUATION OF LANDED PROPERTIES

The Company does not have a revaluation policy on landed properties.



Financial Statements

for the year ended 31st March, 2008

	Page No.
Directors' Report	30 - 33
Report of the Auditors	34 - 35
Income Statements	36
Balance Sheets	37 - 38
Statements of Changes in Equity	39
Cash Flow Statements	40 - 42
Notes to the Financial Statements	43 - 86
Statement by Directors	87
Declaration by the Officer Primarily Responsible for the Financial Management of the Company	87

Directors' Report

The directors of **GULA PERAK BERHAD** hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31st March, 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are construction works, trading in construction materials and property development. The principal activities of the subsidiary companies consist of hotel operations and management, service apartment operations and management and property development.

On 28th October, 2005 and 8th August, 2006, the Company entered into two Sale and Purchase Agreements with respective third parties for the disposal of its two pieces of short term leasehold agricultural land, subject to the terms and conditions stipulated in the said Agreements and approvals from the relevant authorities. Accordingly, the Company's cultivation of oil palm activities have been reclassified as discontinued operation.

Other than disclosed above, there was no significant change in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Loss before tax	(16,412)	(19,248)
Tax expense	(2)	-
Loss for the year	<u>(16,414)</u>	<u>(19,248)</u>

In the opinion of the directors, the results of operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.



Directors' Report (Cont'd)

OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and the Company 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 receivables and the making of allowance for doubtful receivables, and have satisfied themselves that all known bad receivables had been written off and that adequate allowance had been made for doubtful receivables; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

During the financial year ended 31st March, 2008, the Group and the Company have incurred net loss of RM16,414,000 and RM19,248,000 respectively, and have a net current liabilities of RM289,406,000 and RM291,600,000 respectively as of that date. These conditions cast doubt about the Group's and the Company's ability to continue as a going-concern. The directors however are of the opinion that the Group and the Company would be able to generate cash flows necessary for the Group to operate profitably in the future upon the finalisation of the negotiations for variations of the terms of the Redeemable Convertible Secured Notes 2003/2008 as mentioned in Note 27 to the Financial Statements and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

Other than as stated above, at the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad receivables or the amount of allowance for doubtful receivables 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; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

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

- (a) any charge on the assets of the Group and 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 and the Company which has arisen since the end of the financial year.

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 and the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and the Company for the succeeding financial year.

Directors' Report (Cont'd)

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

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

In accordance with the Company's Articles of Association, YBhg Datuk Rahim bin Baba and YBhg Dato' Lim Soo Kok, retire by rotation under Article 89 and, being eligible, offer themselves for re-election.

YBhg Tan Sri Dato' Ahmad Sabki bin Jahidin and YBhg Tan Sri Dato' (Dr) Elyas bin Omar, who retire pursuant to Section 129(6) of the Companies Act, 1965, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Company Act, 1965, are as follows:

	Number of ordinary shares of RM1 each			
	Balance as of 1.4.2007	Bought	Sold	Balance as of 31.3.2008
Shares in the Company				
Direct interest				
YBhg Tan Sri Dato' Lim Cheng Pow	32,404,050	-	-	32,404,050
Leow Thang Fong	105,000	-	-	105,000
YBhg Datuk Lim Sue Beng	7,322,500	-	(5,572,000)	1,750,500
Lim Bee Ling	33,779,850	-	(18,774,500)	15,005,350
YBhg Dato' Lim Soo Kok	3,150,000	-	-	3,150,000
YBhg Dato' Mustapha bin Buang	3,150,000	-	-	3,150,000
YBhg Tan Sri Datuk Seri (Dr) Elyas bin Omar	6,195,200	-	(3,612,500)	2,582,700
Indirect interest				
YBhg Datuk Rahim bin Baba *	1,253,050	-	-	1,253,050
YBhg Tan Sri Datuk Seri (Dr) Elyas bin Omar**	1,750,000	-	-	1,750,000

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

** Deemed to have interest by virtue of his substantial interest in Juta Pyramid Sdn. Bhd.



Directors' Report (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by directors as 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 other than those transactions as disclosed in Note 35 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have expressed their willingness to continue in office.

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

DATUK RAHIM BIN BABA

DATUK LIM SUE BENG

Kuala Lumpur
29th July, 2008



Independent Auditors' Report to the Members of GULA PERAK BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **GULA PERAK BERHAD**, which comprise the balance sheets as of 31st March, 2008 and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 86.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as of 31st March, 2008 and the financial performance and cash flows of the Group and the Company for the year then ended.



Independent Auditors' Report to the Members of GULA PERAK BERHAD (Incorporated in Malaysia) (Cont'd)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the Financial Statements which discloses the premise upon which the Group and the Company have prepared its financial statements by applying the going concern assumption, notwithstanding that the Group and the Company incurred a net loss of RM16,414,000 and RM19,248,000 respectively, during the financial year ended 31st March, 2008 and have a net current liabilities of RM289,406,000 and RM291,600,000 respectively as of that date. These conditions cast doubt about the Group's and the Company's ability to continue as a going concern. The directors are of the opinion that the Group and the Company would be able to generate cash flows necessary for the Group to operate profitably in the future upon the finalisation of the negotiations for variations of the terms of the Redeemable Convertible Secured Notes 2003/2008 as mentioned in Note 27 to the Financial Statements and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary company of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors, which are indicated in Note 17 to the Financial Statements.
- c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

LOO CHEE CHOU
2783/09/08 (J)
Chartered Accountant

29th July, 2008

GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES

Income Statements

FOR THE YEAR ENDED 31ST MARCH, 2008

		The Group		The Company	
	Note(s)	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Continuing Operations					
Revenue	6 & 7	39,407	33,594	2,796	2,354
Cost of sales		(15,251)	(17,172)	(2,715)	(2,182)
Gross profit		24,156	16,422	81	172
Other operating income		38,618	3,201	31,983	701
Administrative expenses		(15,929)	(15,885)	(1,081)	(1,107)
Other operating expenses		(51,438)	(111,175)	(42,233)	(92,013)
Finance costs	8	(25,040)	(21,557)	(21,219)	(18,754)
Loss before tax	9	(29,633)	(128,994)	(32,469)	(111,001)
Tax (expense)/credit	11	(2)	3,310	-	-
Loss for the year from continuing operations		(29,635)	(125,684)	(32,469)	(111,001)
Discontinued operation					
Profit for the year from discontinued operation	24	13,221	4,791	13,221	4,791
Loss for the year		(16,414)	(120,893)	(19,248)	(106,210)
Attributable to:					
Equity holders of the Company		(16,414)	(120,893)		
Minority interest		-	-		
		(16,414)	(120,893)		

	Note	The Group	
		2008 RM'000	2007 RM'000
Earnings per share attributable to equity holders of the Company:			
Basic, for loss from continuing operations (sen)	12	(4.60)	(19.50)
Basic, for profit from discontinued operation (sen)	12	2.05	0.74
Basic, for loss for the year (sen)	12	(2.55)	(18.76)
Diluted, for loss from continuing operations (sen)	12	N/A	N/A
Diluted, for profit from discontinued operation (sen)	12	1.42	0.51
Diluted, for loss for the year (sen)	12	N/A	N/A

The accompanying Notes form an integral part of the Financial Statements.



GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES

Balance Sheets

AS OF 31ST MARCH, 2008

		The Group		The Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
ASSETS					
Non-current assets					
Land held for property development	13	44,500	67,422	44,500	67,422
Property, plant and equipment	14	269,315	259,836	534	661
Investment properties	15	284,500	347,500	-	-
Prepaid lease payments	16	1,448	1,466	-	-
Investment in subsidiary companies	17	-	-	433,373	473,373
Property development projects					
- non- current portion	18	41,989	41,989	41,989	41,989
Advances to subsidiary companies	19	-	-	111,540	123,474
Total non-current assets		641,752	718,213	631,936	706,919
Current assets					
Property development projects					
- current portion	18	9,712	9,712	9,712	9,712
Inventories	20	13,718	16,249	12,896	15,507
Trade receivables	21	8,741	7,543	925	1,084
Other receivables, deposits and prepayments	22	56,495	13,962	53,496	11,572
Deposits with licensed banks and finance company	23	9,420	7,391	8,775	7,179
Cash and bank balances	23	2,393	3,012	987	1,371
Assets classified as held for sale	24	24,158	23,421	24,158	23,421
Total current assets		124,637	81,290	110,949	69,846
Total assets		766,389	799,503	742,885	776,765
Equity and liabilities					
Capital and reserves					
Share capital	25	644,397	644,397	644,397	644,397
Share premium		11,544	11,544	11,544	11,544
Capital reserve	26	-	3,039	-	3,039
Redeemable Convertible Secured Notes 2003/2008	27	30,773	30,773	30,773	30,773
Accumulated losses		(349,475)	(336,100)	(355,215)	(339,006)
Equity attributable to equity holders of the Company		337,239	353,653	331,499	350,747
Minority interest		-	-	-	-
Total equity		337,239	353,653	331,499	350,747

Balance Sheets

AS OF 31ST MARCH, 2008 (Cont'd)

		The Group		The Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-current liabilities					
Hire purchase payables - non-current portion	28	221	1,273	87	144
Bank borrowings (secured and interest bearing)	29	13,106	7,906	8,750	-
Deferred tax liabilities	30	1,780	1,780	-	-
Redeemable Convertible Secured Notes 2003/2008	27	-	256,562	-	256,562
Total non-current liabilities		15,107	267,521	8,837	256,706
Current liabilities					
Trade payables	31	5,085	4,085	2,920	2,525
Amount owing to a director	32	758	326	758	326
Amount owing to subsidiary companies	33	-	-	10,790	19,881
Other payables and accrued expenses	34	73,051	57,059	56,082	35,382
Redeemable Convertible Secured Notes 2003/2008	27	256,562	-	256,562	-
Hire purchase payables - current portion	28	1,657	3,587	56	57
Bank borrowings (secured and interest bearing)	29	76,302	112,642	74,979	110,739
Tax liabilities		628	630	402	402
Total current liabilities		414,043	178,329	402,549	169,312
Total liabilities		429,150	445,850	411,386	426,018
Total equity and liabilities		766,389	799,503	742,885	776,765

The accompanying Notes form an integral part of the Financial Statements.



GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2008

The Group	Non-distributable				Redeemable convertible secured notes (RCSN) RM'000	Accumulated losses RM'000	Attributable to equity holders of the Company RM'000	Minority interest RM'000	Total RM'000
	Issued capital RM'000	Share premium RM'000	Reserve on consolidation RM'000	Capital reserve RM'000					
Balance at 1st April, 2006	644,397	11,535	29,533	3,039	30,773	(244,740)	474,537	-	474,537
Derecognition of reserve on consolidation	-	-	(29,533)	-	-	29,533	-	-	-
Reduction in expenses incurred for bonus issue	-	9	-	-	-	-	9	-	9
Net income/ (expense) recognised directly in equity	-	9	(29,533)	-	-	29,533	9	-	9
Loss for the financial year	-	-	-	-	-	(120,893)	(120,893)	-	(120,893)
Total recognised income and expense for the year	-	9	(29,533)	-	-	(91,360)	(120,884)	-	(120,884)
Balance at 31st March, 2007	644,397	11,544	-	3,039	30,773	(336,100)	353,653	-	353,653
Balance at 1st April, 2007	644,397	11,544	-	3,039	30,773	(336,100)	353,653	-	353,653
Transfer to accumulated losses	-	-	-	(3,039)	-	3,039	-	-	-
Loss for the financial year	-	-	-	-	-	(16,414)	(16,414)	-	(16,414)
Total recognised income and expense for the year	-	-	-	-	-	(16,414)	(16,414)	-	(16,414)
Balance at 31st March, 2008	644,397	11,544	-	-	30,773	(349,475)	337,239	-	337,239

The Company	Non-distributable			Redeemable convertible secured notes (RCSN) RM'000	Accumulated losses RM'000	Net RM'000
	Issued capital RM'000	Share premium RM'000	Capital reserve RM'000			
Balance at 1st April, 2006	644,397	11,535	3,039	30,773	(232,796)	456,948
Reduction in expenses incurred for bonus issue	-	9	-	-	-	9
Loss for the financial year	-	-	-	-	(106,210)	(106,210)
Balance at 31st March, 2007	644,397	11,544	3,039	30,773	(339,006)	350,747
Balance at 1st April, 2007	644,397	11,544	3,039	30,773	(339,006)	350,747
Transfer to accumulated losses	-	-	(3,039)	-	3,039	-
Loss for the financial year	-	-	-	-	(19,248)	(19,248)
Balance at 31st March, 2008	644,397	11,544	-	30,773	(355,215)	331,499

The accompanying Notes form an integral part of the Financial Statements.

GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2008

		The Group		The Company	
	Note	2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN)					
OPERATING ACTIVITIES					
Loss for the year		(16,414)	(120,893)	(19,248)	(106,210)
Adjustments for:					
Finance costs		25,040	21,557	21,219	18,754
Impairment loss on land held for property development	13	22,922	3,160	22,922	3,160
Bad receivables written off		12,895	-	-	-
Depreciation of property, plant and equipment	14	6,877	6,863	219	342
Allowance for doubtful receivables					
- Trade receivables		1,240	3,002	-	-
- Other receivables		-	210	-	210
Amortisation of prepaid lease payments	16	18	105	-	88
Income tax expense/ (credit)		2	(3,310)	-	-
Waiver on 3% Redeemable Secured Bonds 2000/2005		(26,124)	-	(26,124)	-
Gain on disposal of subsidiary		(5,591)	-	(5,000)	-
Allowance for doubtful receivables no longer required - other receivables		(4,600)	(1,800)	-	-
Adjustment for overprovision of depreciation	14	(452)	-	-	-
Interest income		(257)	(187)	(249)	(175)
Amount owing by a former subsidiary written off	19	-	-	10,282	-
Impairment loss on investment properties	15	-	76,131	-	-
Impairment loss on hotel property	14	-	17,215	-	-
Impairment loss on investment in subsidiary companies		-	-	-	81,100
Operating cash flows before investments in working capital		15,556	2,053	4,021	(2,731)
(Increase)/Decrease in:					
Advances to subsidiary companies		-	-	1,652	(582)
Property development projects		-	(20)	-	(20)
Inventories		2,531	2,304	2,611	2,209
Trade receivables		(15,333)	(1,113)	159	(452)
Other receivables, deposits and prepayments		22,951	3,189	(2,015)	1,499

The accompanying Notes form an integral part of the Financial Statements.



GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2008 (Cont'd)

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Increase/(Decrease) in:				
Trade payables	1,000	779	395	91
Amount owing to a director	432	88	432	238
Amount owing to subsidiary companies	-	-	(9,091)	2,060
Other payables and accrued expenses	(1,445)	5,503	710	4,285
Cash Generated From/(Used In) Operations	25,692	12,783	(1,126)	6,597
Income tax paid	(4)	(84)	-	(80)
Net Cash From/(Used In) Operating Activities	25,688	12,699	(1,126)	6,517
CASH FLOWS FROM/(USED IN)				
INVESTING ACTIVITIES				
Proceeds from disposal of subsidiary (Note 17)	5,086	-	5,091	-
Interest received	257	187	249	175
Proceeds from issuance of shares	-	9	-	9
Purchase of property, plant and equipment				
-continuing operations	(15,904)	(4,876)	(92)	(1,267)
-discontinued operations	(737)	-	(737)	-
Net Cash (Used In)/From Investing Activities	(11,298)	(4,680)	4,511	(1,083)



GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2008 (Cont'd)

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN)				
FINANCING ACTIVITIES				
Increase in deposits placed in sinking fund	(1,593)	(2,757)	(1,593)	(2,757)
Interest paid	(5,048)	(2,043)	(1,229)	(213)
Repayment of bank borrowings	(3,816)	(1,985)	(886)	(1,200)
Repayment of hire purchase payables	(2,916)	(1,085)	(58)	(56)
Decrease/(Increase) in deposits pledged to licensed banks	4	(10)	(3)	(3)
Net Cash Used In Financing Activities	(13,369)	(7,880)	(3,769)	(4,229)
NET INCREASE/(DECREASE)				
IN CASH AND CASH EQUIVALENTS	1,021	139	(384)	1,205
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF YEAR	2,017	1,878	1,371	166
CASH AND CASH EQUIVALENTS				
AT END OF YEAR (Note 23)	3,038	2,017	987	1,371

The accompanying Notes form an integral part of the Financial Statements.



GULA PERAK BERHAD (Incorporated in Malaysia) AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activities of the Company are construction works, trading in construction materials and property development. The principal activities of the subsidiary companies consist of hotel operations and management, service apartment operations and management and property development.

There was no significant change in the nature of the activities of the Company and its subsidiary companies during the financial year.

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

The registered office of the Company is located at Mezzanine Floor, Empress Hotel Sepang, Jalan ST 1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan.

The principal place of business of the Company is located at 7th floor, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur.

The financial statements of the Group and the Company have been approved by the Board of Directors and were authorised for issuance on 29th July, 2008.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The financial statements of the Group and the Company have also been prepared on the basis of accounting principles applicable to a going concern notwithstanding that during the financial year ended 31st March, 2008, the Group and the Company incurred net loss of RM16,414,000 and RM19,248,000 respectively, and have a net current liabilities of RM289,406,000 and RM291,600,000 as of that date.

This going concern basis contemplates that the Group and the Company would operate profitably in the future and the realisation of assets and settlement of liabilities will occur in the ordinary course of business. In this connection, the directors are of the opinion that the Group and the Company would be able to generate cash flows necessary for the Group to operate profitably in the future upon the finalisation of the negotiations for variations of the terms of the Redeemable Convertible Secured Notes 2003/2008 as mentioned in Note 27 and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

During the current financial year, the Group and the Company adopted all of the new and revised Financial Reporting Standards ("FRS") issued by MASB effective for annual periods beginning on or after 1st January, 2007.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

Accounting Standards Issued but Not Yet Effective

At the date of authorisation of the financial statements, the following FRSs, amendments to FRS and Interpretations ("IC Interpretations") were issued but not yet effective until future periods:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting For Government Grant and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operations
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above FRSs (other than FRS 139), amendments to FRS and IC Interpretations shall apply to annual periods beginning on or after 1st July, 2007.

The directors anticipate that the adoption of these FRSs, amendments to FRS and Interpretations in future periods will have no material financial effect on the financial statements of the Group and the Company.

The effective adoption date in respect of FRS 139 is yet to be determined by MASB. The Company has not adopted FRS 139 and by virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on its financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors, is not disclosed.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and of the subsidiary companies controlled by the Company made up to 31st March, 2008. The financial statements of the subsidiary companies are consolidated into the financial statements of the Company using the acquisition method of accounting. All significant intercompany transactions and balances are eliminated on consolidation.

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 or up to the date of disposal. The assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholders (if any) is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Revenue

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

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 of each contract. All foreseeable losses are recognised as soon as they are anticipated.

Rental income from shoplots is recognised on an accrual basis unless collectibility is in doubt. Interest income is recognised as it accrues.

Income Tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the "balance sheet liability" method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

In principle, deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity. Deferred tax is provided for temporary differences arising from surplus on revaluation of a hotel property and investment properties of the Group.

Functional Currency and Foreign Currencies Conversion

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of each entity in the Group is Ringgit Malaysia. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Group and the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences (if any) arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

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

	2008 RM	2007 RM
Foreign currency		
1 United States Dollar	3.20	3.46
1 Singapore Dollar	2.32	2.28
100 Hong Kong Dollars	41.04	44.23

Employee Benefits

(1) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(2) Defined contribution plans

The Group makes statutory contributions to approved provident funds and are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. The contributions to the Employees Provident Fund are included under staff costs as mentioned in Note 9.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Land Held for Property Development

Land held for property development is stated at cost less accumulated impairment losses. When significant development work has been undertaken and is expected to be completed within the normal operating cycle, the assets are then classified at its carrying value to property development projects under current assets.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Hotel properties comprise hotel freehold land, hotel buildings and their integral plant and machinery. Hotel properties are initially stated at cost or 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 revalue 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 (if any) held in the Revaluation Reserve of the same asset. In all other cases, a decrease in carrying amount is charged to income statements.

No depreciation is provided on hotel freehold land and hotel property work-in-progress. The hotel buildings and their integral plant and machinery are depreciated over their expected remaining useful lives of 40 and 42 years respectively.

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, at the following annual rate:

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

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

Property, Plant and Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations are treated as liabilities. Finance charges are allocated to the income statement to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Property, plant and equipment under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investment Properties

Investment properties, which are properties held to earn rental and/or for capital appreciation, are stated at its fair value at the balance sheet date.

As permitted under the provision of FRS 140, the investment properties transferred from property, plant and equipment continued to be stated at fair values and the Group treats any difference at the date of transfer between the carrying amount of the property in accordance with FRS 116 and its fair value in the same way as a revaluation in accordance with FRS 116. Any resulting decrease in the carrying amount of the property is recognised in the income statements. However, to the extent that an amount is included in revaluation surplus (if any) for that property, the decrease is charged against that revaluation surplus.

Prepaid Lease Payments

The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the remaining term of 86 years.

Investment in Subsidiary Companies

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost, less any allowances for impairment, in the Company's financial statements.

Property Development Projects

Property development project consists of the cost of freehold land and related development expenditure incurred less cost recognised in income statement and allowances of foreseeable loss (if any).

Accrued progress billings represent the excess of property development revenue recognised in the income statements over the billings to purchasers while, advance progress billings represent the excess of billings to purchasers over property development revenue recognised in the income statements.

Interest costs incurred (if any) on the development of property development projects are capitalised and included as part of development expenditure.

Allowance for foreseeable loss (if any) is made based on losses estimated to arise upon the completion of property development projects which are already in progress.

The Group and the Company consider as current assets that portion of property development projects on which significant development work has been done and is expected to be completed within the normal operating cycle of two to three years.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Inventories

Completed development properties held for sale are valued at the lower of cost and net realisable value. The cost is determined on the specific identification method.

Land held for sale are stated at acquisition costs which is determined on the specific identification method.

Estate consumables, food, beverages and supplies are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Impairment of Assets

The carrying amounts of property, plant and equipment, land held for property development, investment properties and investment in subsidiary companies are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowance for estimated irrecoverable amounts. Allowance for doubtful receivables is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the amount required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

At each balance sheet date, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

Assets Classified As Held For Sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Financial Assets

The Group's principal financial assets are cash and bank balances, deposits with licensed banks and finance company and trade and other receivables.

Financial Liabilities and Equity Instruments

Significant financial liabilities include trade and other payables, amount owing to a director, redeemable convertible secured notes, bank borrowings and hire-purchase payables.

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangements. Debt instruments issued which carry a right to convert into equity that is dependent on the outcome of uncertainties beyond the control of the Group and the holders are classified as liabilities except where the possibility on non-conversion is remote.

Bank loans and bank overdraft are recorded at the proceeds received. Financial charges are accounted for on accrual basis.

Equity instruments are recorded at the proceeds received net of direct issue costs.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as discussed below:

Impairment of non-current assets

The Group reviews the carrying amount of their non-current assets, which include land held for property development, property, plant and equipment and investment properties, to determine whether there is an indication that those assets have suffered an impairment loss. The Group has engaged independent professional valuers to determine the recoverable amount of these assets and accordingly adjustments have been made to reduce the values of assets to their recoverable amounts. As at 31st March, 2008, the carrying amounts of land held for property development, property, plant and equipment and investment properties are disclosed in Notes 13, 14 and 15 respectively.

Allowance for doubtful receivables

The Group and the Company make allowance for doubtful receivables based on an assessment of the recoverability of trade and other receivables. Allowance is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed. As at 31st March, 2008, allowance for doubtful receivables for trade and other receivables has been disclosed in Notes 21 and 22 respectively.

Allowance for inventories

The Group and the Company review the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, the Group and the Company conduct physical counts on their inventories on a periodic basis in order to determine whether an allowance is required to be made. Management is satisfied that no allowance for obsolete and slow-moving inventories is required to be made in the financial statements. As at 31st March, 2008, the carrying value of inventories is disclosed in Note 20.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

5. SEGMENT REPORTING

The Group is organised into the following main business segments:

- Hotel operations - the Group owns and operates the Dynasty Hotel, Kuala Lumpur and Empress Hotel, Sepang, Selangor. A new hotel property has been completed but was disposed off during the financial year; and
- Construction and property development - the Group is mainly involved in the construction and development of industrial properties.

In prior years, the Group was also involved in the cultivation of oil palm and sales of fresh fruit bunches and the said operation was classified as discontinued operation, as explained in Note 24.

Segment information about the Group's continuing operations is presented below. Segment information about the Group's discontinued operation is presented in Note 24.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

5. SEGMENT REPORTING (Cont'd)

Continuing operations Financial year ended 31st March, 2008	Hotel operations RM'000	Construction and property development RM'000	Group RM'000
REVENUE			
External revenue	36,444	2,963	39,407
RESULTS			
Operating profit/(loss)	6,226	(10,819)	(4,593)
Finance costs			(25,040)
Loss before tax			(29,633)
Tax expense			(2)
Loss for the year from continuing operations			(29,635)
OTHER INFORMATION			
Segment assets	567,841	173,048	740,889
Unallocated assets			25,500
Total assets			766,389
Segment liabilities	(28,553)	(142,649)	(171,202)
Unallocated liabilities			(257,948)
Total liabilities			(429,150)
Depreciation of property, plant and equipment	6,658	170	6,828
Amortisation of prepaid lease payments	18	-	18
			6,846
Capital expenditure			
- Continuing operations	15,813	91	15,904



NOTES TO THE FINANCIAL STATEMENTS (Con't)

5. SEGMENT REPORTING (Cont'd)

Continuing operations Financial year ended 31st March, 2007	Hotel operations RM'000	Construction and property development RM'000	Group RM'000
REVENUE			
External revenue	31,240	2,354	33,594
RESULTS			
Operating loss	(96,223)	(11,214)	(107,437)
Finance costs			(21,557)
Loss before tax			(128,994)
Tax credit			3,310
Loss for the year from continuing operations			(125,684)
OTHER INFORMATION			
Segment assets	619,284	155,765	775,049
Unallocated assets			24,454
Total assets			799,503
Segment liabilities	(39,304)	(149,335)	(188,639)
Unallocated liabilities			(257,211)
Total liabilities			(445,850)
Depreciation of property, plant and equipment	6,521	170	6,691
Amortisation of prepaid lease payments	17	-	17
			6,708
Capital expenditure			
- Continuing operations	3,609	1,232	4,841
- Discontinued operation			35
			4,876

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

Unallocated liabilities consist primarily of borrowings taken at corporate level.

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



NOTES TO THE FINANCIAL STATEMENTS (Con't)

6. REVENUE

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Hotel operations	36,444	31,240	-	-
Property development	2,963	2,354	2,796	2,354
	39,407	33,594	2,796	2,354
Discontinued operation				
Cultivation of oil palm	13,872	4,637	13,872	4,637
	53,279	38,231	16,668	6,991

7. OPERATING COSTS APPLICABLE TO REVENUE FROM CONTINUING OPERATIONS

The operating costs classified by nature, applicable to revenue from continuing operations, are as follows:

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Staff costs (Note 9)	10,912	10,798	814	777
Cost of sales	15,251	10,328	2,715	2,182
Depreciation of property, plant and equipment	6,828	6,691	170	170
Directors' remuneration (Note 10)	1,978	1,990	1,682	1,682
Amortisation of prepaid lease payments	18	17	-	-
Other operating expenses	47,631	114,408	40,648	90,491
	82,618	144,232	46,029	95,302

8. FINANCE COSTS

Finance costs comprise interest on:

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Redeemable Convertible Secured Notes 2003/2008	19,263	16,201	19,263	16,201
Term loans	4,211	3,338	1,282	2,455
Hire-purchase	847	1,771	9	9
Bank overdraft	54	110	-	-
Others	665	137	665	89
	25,040	21,557	21,219	18,754

NOTES TO THE FINANCIAL STATEMENTS (Con't)

9. LOSS BEFORE TAX

Loss before tax is stated after charging and crediting the following:

	Note	The Group					
		Continuing Operations		Discontinued Operation		Total	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
After charging:							
Allowance for impairment loss on land held for property development	13	22,922	3,160	-	-	22,922	3,160
Bad debts written off		12,895	-	-	-	12,895	-
Staff costs		10,912	10,798	672	736	11,584	11,534
Depreciation of property, plant and equipment							
- Current year	14	6,828	6,691	49	172	6,877	6,863
- Overprovision in prior year	14	(452)	-	-	-	(452)	-
Rental of hotel rooms		1,440	1,440	-	-	1,440	1,440
Allowance for doubtful receivables:							
- Trade receivables		1,240	3,002	-	-	1,240	3,002
- Other receivables		-	210	-	-	-	210
Auditors' remuneration:							
- statutory		75	75	-	-	75	75
- non-statutory		38	38	-	-	38	38
Amortisation of prepaid lease payments	16	18	17	-	88	18	105
Exceptional item:							
Impairment loss on:							
- Investment properties	15	-	76,131	-	-	-	76,131
- Hotel property	14	-	17,215	-	-	-	17,215
Preliminary and pre-operating expenses written off		-	4	-	-	-	4
Rental of warehouse		-	-	12	11	12	11
EPF contributions by the Group		1,058	957	56	57	1,114	1,014
And crediting:							
Waiver on 3% Redeemable Secured Bonds 2000/2005		26,124	-	-	-	26,124	-
Gain on disposal of subsidiary		5,591	-	-	-	5,591	-
Allowance for doubtful receivables no longer required - other receivables		4,600	1,800	-	-	4,600	1,800
Rental income of factory lots		571	630	-	-	571	630
Interest income		257	187	-	-	257	187
Realised foreign exchange gain		12	18	-	-	12	18



NOTES TO THE FINANCIAL STATEMENTS (Con't)

9. LOSS BEFORE TAX (Cont'd)

	Note	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> Continuing Operations 2008 2007 RM'000 RM'000 </div> <div style="text-align: center;"> The Company Discontinued Operation 2008 2007 RM'000 RM'000 </div> <div style="text-align: center;"> Total 2008 2007 RM'000 RM'000 </div> </div>					
After charging:							
Allowance for impairment loss on land held for property development	13	22,922	3,160	-	-	22,922	3,160
Amount owing by a former subsidiary company written off	19	10,282	-	-	-	10,282	-
Staff costs		814	777	672	736	1,486	1,513
Depreciation of property, plant and equipment	14	170	170	49	172	219	342
Auditors' remuneration:							
- statutory		37	35	-	-	37	35
- underprovision in prior year		-	7	-	-	-	7
- non-statutory		23	20	-	-	23	20
Exceptional item:							
Impairment loss on investment in subsidiary companies		-	81,100	-	-	-	81,100
Allowance for doubtful receivables – other receivables		-	210	-	-	-	210
Amortisation of prepaid lease payments	16	-	-	-	88	-	88
Rental of warehouse		-	-	-	11	-	11
EPF contributions by the Company		68	72	56	57	124	129
And crediting:							
Waiver on 3% Redeemable Secured Bonds 2000/2005		26,124	-	-	-	26,124	-
Gain on disposal of subsidiary		5,000	-	-	-	5,000	-
Rental income of factory lots		556	501	-	-	556	501
Interest income		249	175	-	-	249	175

Staff costs include salaries, bonuses, contributions to Employees' Provident Fund (EPF) and all other staff related expenses.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

10. DIRECTORS' REMUNERATION

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Fees	296	308	-	-
Other emoluments	1,682	1,682	1,682	1,682
	<u>1,978</u>	<u>1,990</u>	<u>1,682</u>	<u>1,682</u>

Included in other emoluments of directors for the Group and the Company is contributions to EPF amounting to RM153,000 (2007: RM153,000) and RM122,000 (2007: RM122,000) respectively.

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:

	2008	2007
	Number	Number
Amounts in RM'000		
Non-executive Directors		
50 and below	3	3
Executive Directors		
51 - 100	-	-
101 - 150	-	-
151 - 200	4	4
201 - 250	-	-
251 - 300	1	1
301 - 500	<u>1</u>	<u>1</u>

11. TAX (EXPENSE)/CREDIT

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
- Current year	(2)	(6)	-	-
- Underprovision in prior year	-	(2)	-	-
Deferred tax (Note 30)	<u>-</u>	<u>3,318</u>	<u>-</u>	<u>-</u>
Tax (expense)/credit	<u>(2)</u>	<u>3,310</u>	<u>-</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS (Con't)

11. TAX (EXPENSE)/CREDIT (Cont'd)

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax:				
Continuing operations	(29,633)	(128,994)	(32,469)	(111,001)
Discontinued operation	13,221	4,791	13,221	4,791
	<u>(16,412)</u>	<u>(124,203)</u>	<u>(19,248)</u>	<u>(106,210)</u>
Tax at statutory tax rate of 26% (2007: 27%)	(4,267)	(33,535)	(5,004)	(28,677)
Difference in tax rate for chargeable income up to RM500,000 for small and medium scale companies (20%)	-	5	-	-
Tax effect of:				
Expenses not deductible for tax purposes	10,306	27,549	9,468	24,117
Deferred tax assets not recognised	2,963	7,276	2,328	4,560
Income not subject to tax	(7,988)	-	(6,792)	-
Utilisation of tax losses	(691)	-	-	-
Utilisation of capital allowances	(321)	-	-	-
Reversal of deferred tax liability on impairment loss of hotel property and investment properties	-	(3,318)	-	-
Industrial building allowance claimed	-	(1,289)	-	-
Underprovision in prior year	-	2	-	-
Tax expense/(credit)	<u>2</u>	<u>(3,310)</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Con't)

12. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share are calculated by dividing loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2008 RM'000	2007 RM'000
(Loss) from continuing operations attributable to ordinary equity holders of the Company	(29,635)	(125,684)
Profit from discontinued operation attributable to ordinary equity holders of the Company	13,221	4,791
Loss attributable to ordinary equity holders of the Company	(16,414)	(120,893)
Weighted average number of ordinary shares in issue ('000)	644,397	644,397
Basic (loss)/earnings per share (sen) for:		
Loss from continuing operations	(4.60)	(19.50)
Profit from discontinued operation	2.05	0.74
Loss for the year	(2.55)	(18.76)

(b) Diluted (loss)/earnings per share

No diluted loss per share for continuing operation is presented for the current financial year ended 31st March, 2008 and previous financial year ended 31st March, 2007 as the conversion of Redeemable Convertible Secured Notes 2003/2008 (RCSN) is not dilutive.

For the purpose of calculating diluted earnings per share for discontinued operation, the profit from discontinued operation for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of potential ordinary shares, i.e. RCSN.

	2008 RM'000	2007 RM'000
Profit from discontinued operation attributable to ordinary equity holders of the Company	13,221	4,791
Weighted average number of ordinary shares in issue (units)	644,397	644,397
Effects of dilution:		
RCSN	287,335	287,335
Adjusted weighted average number of ordinary shares in issue and issuable	931,732	931,732
Diluted earnings per share (sen) for:		
Profit from discontinued operations	1.42	0.51



NOTES TO THE FINANCIAL STATEMENTS (Con't)

13. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group and The Company	
	2008 RM'000	2007 RM'000
Freehold lands, at cost	70,582	70,582
Less: Allowance for impairment loss	(26,082)	(3,160)
Net	44,500	67,422

The freehold lands are charged to several financial institutions as security for Redeemable Convertible Secured Notes 2003/2008 issued by the Company (Note 27).

The impairment loss of RM22,922,000 charged to the income statements during the current financial year was based on valuation conducted by independent valuer, Henry Butcher Malaysia Sdn. Bhd., using an open market value basis.

14. PROPERTY, PLANT AND EQUIPMENT

	←————— Cost (unless otherwise stated) —————→								
The Group	At 1st April, 2006 RM'000	Additions RM'000	Written off RM'000	Reclassified as investment properties RM'000	Reclassified as held for sale RM'000	At 1st April, 2007 RM'000	Additions RM'000	Written off RM'000	At 31st March, 2008 RM'000
Hotel property									
- at cost	108,080	-	-	-	-	108,080	-	-	108,080
- at valuation	545,000	-	-	(333,631)	-	211,369	-	-	211,369
Hotel property work-in-progress	104,301	2,850	-	(96,331)	-	10,820	15,325	-	26,145
Building	750	-	-	-	-	750	80	-	830
Office equipment	2,612	58	-	-	(7)	2,663	363	(2)	3,024
Plant, machinery and equipment	3,052	280	(4)	-	(13)	3,315	115	-	3,430
Renovations	567	27	-	-	(218)	376	-	-	376
Furniture and fittings	1,902	55	-	-	(6)	1,951	21	-	1,972
Motor vehicles	2,837	380	-	-	(240)	2,977	-	-	2,977
Pre-cropping expenditure	16,997	1,226	-	-	(18,223)	-	-	-	-
Total	786,098	4,876	(4)	(429,962)	(18,707)	342,301	15,904	(2)	358,203

NOTES TO THE FINANCIAL STATEMENTS (Con't)

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Group	← Accumulated Depreciation →									At 31st March, 2008 RM'000
	At 1st April, 2006 RM'000	Additions RM'000	Written off RM'000	Reclassified as investment properties RM'000	Reclassified as held for sale RM'000	At 1st April, 2007 RM'000	Additions RM'000	Written off RM'000	Adjustments RM'000	
Hotel property										
- at cost	-	2,645	-	-	-	2,645	2,645	-	-	5,290
- at valuation	-	3,308	-	-	-	3,308	3,252	-	-	6,560
Hotel property work-in-progress	-	-	-	-	-	-	-	-	-	-
Building	275	75	-	-	-	350	88	-	-	438
Office equipment	1,786	120	-	-	(3)	1,903	236	(2)	-	2,137
Plant, machinery and equipment	1,907	259	(4)	-	(12)	2,150	345	-	-	2,495
Renovations	527	3	-	-	(180)	350	-	-	-	350
Furniture and fittings	1,579	91	-	-	(5)	1,665	96	-	-	1,761
Motor vehicles	2,811	228	-	-	(160)	2,879	215	-	(452)	2,642
Pre-cropping expenditure	2,498	134	-	-	(2,632)	-	-	-	-	-
Total	11,383	6,863	(4)	-	(2,992)	15,250	6,877	(2)	(452)	21,673

The Group	← Allowance for impairment loss →						Net Book Value	
	1st April, 2006 RM'000	Additions RM'000	Reclassified as investment properties RM'000	1st April, 2007 RM'000	Additions RM'000	31st March, 2008 RM'000	31st March, 2008 RM'000	31st March, 2007 RM'000
Hotel property								
- at cost	-	-	-	-	-	-	102,790	105,435
- at valuation	50,000	17,215	-	67,215	-	67,215	137,594	140,846
Hotel property work-in-progress	6,331	-	(6,331)	-	-	-	26,145	10,820
Building	-	-	-	-	-	-	392	400
Office equipment	-	-	-	-	-	-	887	760
Plant, machinery and equipment	-	-	-	-	-	-	935	1,165
Renovations	-	-	-	-	-	-	26	26
Furniture and fittings	-	-	-	-	-	-	211	286
Motor vehicles	-	-	-	-	-	-	335	98
Pre-cropping expenditure	-	-	-	-	-	-	-	-
Total	56,331	17,215	(6,331)	67,215	-	67,215	269,315	259,836



NOTES TO THE FINANCIAL STATEMENTS (Con't)

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company	Cost							
	At 1st April, 2006 RM'000	Additions RM'000	Written off RM'000	Reclassified as held for sale RM'000	At 1st April, 2007 RM'000	Additions RM'000	Written off RM'000	At 31st March, 2008 RM'000
Building	750	-	-	-	750	80	-	830
Office equipment	670	6	-	(7)	669	11	(2)	678
Plant, machinery and equipment	144	3	(4)	(13)	130	-	-	130
Renovations	567	27	-	(218)	376	-	-	376
Furniture and fittings	665	1	-	(6)	660	1	-	661
Motor vehicles	2,010	4	-	(240)	1,774	-	-	1,774
Pre-cropping expenditure	16,997	1,226	-	(18,223)	-	-	-	-
Total	21,803	1,267	(4)	(18,707)	4,359	92	(2)	4,449

The Company	Accumulated Depreciation							
	At 1st April, 2006 RM'000	Additions RM'000	Written Off RM'000	Reclassified as held for sale RM'000	At 1st April, 2007 RM'000	Additions RM'000	Written off RM'000	At 31st March, 2008 RM'000
Building	275	75	-	-	350	88	-	438
Office equipment	600	20	-	(3)	617	20	(2)	635
Plant, machinery and equipment	135	2	(4)	(12)	121	2	-	123
Renovations	527	3	-	(180)	350	-	-	350
Furniture and fittings	663	1	-	(5)	659	1	-	660
Motor vehicles	1,654	107	-	(160)	1,601	108	-	1,709
Pre-cropping expenditure	2,498	134	-	(2,632)	-	-	-	-
Total	6,352	342	(4)	(2,992)	3,698	219	(2)	3,915

NOTES TO THE FINANCIAL STATEMENTS (Con't)

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	← Net Book Value →	
	31st March, 2008 RM'000	31st March, 2007 RM'000
Building	392	400
Office equipment	43	52
Plant, machinery and equipment	7	9
Renovations	26	26
Furniture and fittings	1	1
Motor vehicles	65	173
Pre-cropping expenditure	-	-
Total	534	661

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

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Net book value				
Hotel property, at valuation	21,884	21,884	-	-
Hotel property, at cost	6,011	6,011	-	-
Plant, machinery and equipment	660	495	-	-
Motor vehicle	414	545	90	205
	28,969	28,935	90	205

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use with cost of approximately RM4,825,000 (2007: RM5,150,000) and RM3,156,000 (2007: RM3,123,000) respectively.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Hotel properties

During the financial year ended 31st March, 2007, following the adoption of FRS 140 Investment Property, retail lots, office spaces, car park bays and service apartments and a hotel of subsidiary companies with carrying amount of RM423,631,000 were reclassified from property, plant and equipment to investment properties.

The hotel property stated at valuation was based on a valuation report dated 12th June, 2007 by an independent valuer, Henry Butcher, Lim & Long Sdn. Bhd., using an open market value basis, and accordingly, the Directors recognised an impairment loss of RM17,215,000. The loss on impairment and the related deferred tax of RM861,000 have been dealt with in the income statement of the Group for the financial year ended 31st March, 2007 (Note 9).

The hotel property at valuation has been charged to several licensed financial institutions to secure the RM90,124,000 3% Redeemable Secured Bonds 2000/2005 (Note 29) and RM288,821,000 Redeemable Convertible Secured Notes 2003/2008 (Note 27) issued by the Company.

The net book value of the revalued hotel property is RM127,342,820 (2007: RM129,040,000) should the hotel property be stated at cost.

15. INVESTMENT PROPERTIES

	The Group	
	2008	2007
	RM'000	RM'000
Fair value of investment properties :		
Reclassified from property, plant and equipment (Note 14)	-	429,962
Less : Allowance for impairment loss (Note 14)	-	(6,331)
As at beginning of year	347,500	423,631
Decrease in fair value during the financial year	-	(76,131)
Disposal during the year	(63,000)	-
As at end of year	284,500	347,500

Investment properties consist of two pieces of properties, of which one comprises retail lots, office spaces, car park bays and service apartments and the other comprises a hotel property.

The fair values of the two said investment properties at 31st March, 2007 have been arrived at on the basis of a valuations carried out on 12th June, 2007 and 30th July, 2007 respectively by an independent valuer, Henry Butcher, Lim & Long Sdn. Bhd., using an open market value basis, and accordingly, the Directors recognised an impairment loss of RM76,131,000. The loss on impairment and the related deferred tax of RM2,457,000 have been dealt with in the income statement of the Group for the financial year ended 31st March, 2007 (Note 9).

The investment properties with carrying value of RM284,500,000 have been charged to several licensed financial institution to secure the RM288,820,655 Redeemable Convertible Secured Notes 2003/2008 and the RM90,124,000 3% Redeemable Secured Bonds 2000/2005 issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

16. PREPAID LEASE PAYMENTS

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
At beginning of year -				
Reclassified from property, plant and equipment (Note 14)	1,466	9,277	-	7,794
Amortisation of prepaid lease payments	(18)	(105)	-	(88)
Reclassified as non- current assets classified as held for sale (Note 24)	-	(7,706)	-	(7,706)
At end of year	1,448	1,466	-	-

During the financial year ended 31st March, 2007, following the early adoption of FRS 117, two leases of land of the Company and a lease of land of a subsidiary company, previously classified as finance leases with the amount of prepaid lease payments recognised as property within their property, plant and equipment, are now being treated as operating leases, with the unamortised carrying amount classified as prepaid lease payments in the balance sheet. The said two leases of land of the Company have been accounted for as assets classified as held for sale in accordance with FRS 5, as disclosed in Note 24.

The unexpired portion of lease of a subsidiary company is 84 (2007: 85) years.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

17. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2008	2007
	RM'000	RM'000
Unquoted shares, at cost	477,984	557,984
Less: Allowance for diminution in value	(44,611)	(84,611)
Net	433,373	473,373

The subsidiary companies are as follows:

Name of Company	Country of incorporation	Group effective interest		Principal activities
		2008 %	2007 %	
Dynawell Corporation (M) Sdn. Bhd.	Malaysia	100	100	Hotel and service apartment operations and management and property development
*KSB Requirements & Rest Sdn. Bhd.	Malaysia	70	70	Hotel operation and management and property development
*Gula Perak Land Sdn. Bhd.	Malaysia	100	100	Property management
*Dyna Enterprise International Ltd	British Virgin Island	100	100	Investment holding
*Rumpun Dahlia Sdn. Bhd.	Malaysia	-	100	Property development and construction
Held by Rumpun Dahlia Sdn. Bhd.				
*Cartel Properties Sdn. Bhd.	Malaysia	-	100	Property development and investment

* Not audited by Deloitte KassimChan.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

17. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

a) Disposal of subsidiaries

On 10th September, 2007, the Company entered into a Sales & Purchase Agreement with a third party for the disposal of the entire 80,000,000 issued shares of RM1.00 each of Rumpun Dahlia Sdn. Bhd. for a total cash consideration of RM45,000,000. The disposal was completed on 11th January, 2008.

The effects of the disposal of the subsidiary company in 2008 on the financial position of the Group are as follows:-

	2008 10 months results RM'000
Other operating income	100
Other operating expenses	<u>(717)</u>
Loss for the year	<u>(617)</u>
Attributable to:	
Equity holders of the Company	<u>(617)</u>
	As of date of disposal RM'000
Net assets disposed of as of date of disposal:	
Investment properties	63,000
Other receivables, deposits and prepayments	17
Bank balances	5
Other payables and accrued expenses	(12,464)
Amount owing to holding company	(10,282)
Amount owing to related company	(801)
Hire purchase payables	<u>(66)</u>
Net assets disposed of	39,409
Gain on disposal	<u>5,591</u>
Sales proceeds	45,000
Less: Sales proceeds outstanding included in other receivables	<u>(39,909)</u>
Net inflow to the Company	5,091
Less: Cash and cash equivalent disposed of	<u>(5)</u>
Net inflow to the Group	<u>5,086</u>



NOTES TO THE FINANCIAL STATEMENTS (Con't)

18. PROPERTY DEVELOPMENT PROJECTS

	The Group and The Company	
	2008 RM'000	2007 RM'000
Freehold land - at cost	4,884	4,884
Development expenditure	49,591	49,571
	54,475	54,455
Add: Expenditure incurred during the year	-	20
Total cost incurred to date	54,475	54,475
Less: Non-current portion	(41,989)	(41,989)
	12,486	12,486
Less: Cost recognised as an expense in income Statement		
- previous year	2,774	2,774
- current year	-	-
	(2,774)	(2,774)
Current portion	9,712	9,712

19. ADVANCES TO SUBSIDIARY COMPANIES

	The Company	
	2008 RM'000	2007 RM'000
Advances to subsidiary companies	129,560	141,494
Less: Allowance for doubtful receivables	(18,020)	(18,020)
Non-current portion – net	111,540	123,474

Advances to subsidiary companies, which were mainly provided for the purpose of the construction of hotel property, are secured against a subsidiary company's hotel property, and are interest-free and not expected to be repaid within the next 12 months.

The amount owing by the former subsidiary company, Rumpun Dahlia Sdn. Bhd., which amounted to RM10,281,979 had been written off during the year following the disposal disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

20. INVENTORIES

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
At cost				
Completed development properties held for sale	13,073	13,073	12,750	12,750
Land held for sale	-	2,715	-	2,715
Food, beverages and supplies	499	419	-	-
Estate consumables	146	42	146	42
	13,718	16,249	12,896	15,507

Certain of the above development properties of the Group and the Company with carrying value of approximately RM8,938,000 (2007: RM8,938,000) have been charged to several financial institutions to secure the Redeemable Convertible Secured Notes 2003/2008 issued by the Company (Note 27).

Certain of the above development properties of the Group and the Company with carrying value of approximately RM1,166,000 (2007: RM1,166,000) have been charged to a licensed financial institution to secure the Term Loan I (Note 29) granted to a subsidiary company.

Certain of the above development properties of the Group and the Company with carrying value of approximately RM1,259,000 (2007: RM1,259,000) have been charged to a licensed financial institution to secure the Term Loan III (Note 29) granted to the Company.

The land held for sale by the Group and the Company in 2007 was charged to a licensed financial institution to secure the hire purchase payables of RM4,130,000 granted to a subsidiary company (Note 28).

21. TRADE RECEIVABLES

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Trade receivables	9,981	31,941	9,068	9,227
Less: Allowance for doubtful receivables	(1,240)	(24,398)	(8,143)	(8,143)
Net	8,741	7,543	925	1,084

- Credit terms of trade receivables range from 30 to 90 (2007: 30 to 90) days for the Group and the Company.
- The Group and the Company sold some properties and provided operating space to certain trade debtors in prior financial years, which resulted in total outstanding amounts of RM5,421,000 (2007: RM5,092,000) and RM1,989,000 (2007: RM1,893,000) of the total net receivables of the Group and the Company respectively as at 31st March, 2008. The debts are fully secured by collaterals valued based on independent valuation reports and estimated market values of the respective collaterals.
- During the financial year, the Group had written off bad receivables amounting to RM24,398,000 (2007: RMNil) against allowance for doubtful receivables.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Other receivables				
- sale of land	7,807	7,807	7,807	7,807
- others	44,843	8,690	41,552	1,633
	52,650	16,497	49,359	9,440
Less: Allowance for doubtful receivables	(1,859)	(6,459)	(859)	(859)
Net	50,791	10,038	48,500	8,581
Deposits	4,708	3,135	4,518	2,499
Prepayments	989	782	478	492
Tax recoverable	7	7	-	-
	56,495	13,962	53,496	11,572

Included in the other receivables is an amount owing by the third party of RM39,909,011 (2007: RMNil) for the sale of Rumpun Dahlia Sdn. Bhd. as mentioned in Note 17.

23. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	9,420	7,391	8,775	7,179
Cash and bank balances	2,393	3,012	987	1,371
Bank overdraft	-	(1,200)	-	-
Less: Deposits with licensed banks pledged	(86)	(90)	(86)	(83)
Deposits in sinking fund account	(8,689)	(7,096)	(8,689)	(7,096)
	3,038	2,017	987	1,371

Certain deposits with licensed banks of the Group and of the Company of RM86,000 (2007: RM83,000) are pledged to financial institutions as security for the bank guarantee facilities granted to the Company.

Deposits of the Group and of the Company amounting to RM8,689,000 (2007: RM7,096,000) have been placed into a sinking fund for the purpose of repaying the Redeemable Convertible Secured Notes 2003/2008.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

23. CASH AND CASH EQUIVALENTS (Cont'd)

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

	The Group		The Company	
	2008	2007	2008	2007
	%	%	%	%
Deposits with licensed banks	3.33	3.43	3.33	3.43

Deposits of the Group and of the Company have an average maturity of 12 (2007: 12) months.

24. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

On 28th October, 2005, the Company (Vendor) entered into a Sale and Purchase Agreement with a third party (Purchaser) for the disposal of a short term leasehold agricultural land, situated in Mukim Durian Sebatang, measuring approximately 404.69 hectares, together with certain property, plant and equipment, collectively known as 'Sitiawan Oil Palm Estate', subject to the terms and conditions stipulated in the said Agreement and approvals from the relevant authorities.

On 8th August, 2006, the Company (Vendor) entered into a Sale and Purchase Agreement with another third party (Purchaser) for the disposal of the other short term leasehold agricultural land, also situated in Mukim Durian Sebatang, measuring approximately 1,184 hectares, known as 'Bernam Oil Palm Estate', subject to the terms and conditions stipulated in the said Agreement and approvals from the relevant authorities.

In accordance with both the abovementioned Agreements, clause 2.1(b) and clause 2.1.1 (c) of the respective Agreement requires the Vendor to apply to the relevant authorities to obtain the approval of the Estate Land Board for the transfer and sale of the property to the respective Purchaser pursuant to the provisions of the National Land Code 1965 provided that the respective Purchaser shall have executed the relevant application form for the consent to transfer and have furnished all information as may be required to enable the Vendor to submit the application for the consent to transfer to the relevant authorities. As of 31st March, 2008, the abovementioned clause 2.1(b) and clause 2.1.1 (c) of the respective Agreement have not been fulfilled and accordingly, the disposal of the two short term leasehold agricultural land has not been taken up in the financial statements of the Group and of the Company for the year ended 31st March, 2008. Subsequent to the financial year end, the abovementioned clause 2.1.1 (c) of the Agreement for Bernam Oil Palm Estate has been fulfilled.

The proceeds of the disposals of Sitiawan and Bernam Oil Palm Estates are expected to exceed the net carrying amount of the relevant assets and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

The said assets attributable to the Sitiawan and Bernam Oil Palm Estates, of which the sales are expected to be completed within twelve months, have been classified as assets held for sale and are presented separately in the balance sheets.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

24. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION (Cont'd)

The major classes of assets classified as held for sale are as follows:

	The Group and The Company	
	2008 RM'000	2007 RM'000
Prepaid lease payments - short term leasehold land (Note 16)	7,706	7,706
Property, plant and equipment (Note 14)	16,452	15,715
Total assets classified as held for sale	24,158	23,421

The prepaid lease payments which consist of the above said two pieces of short term leasehold land have been charged to secure the RM90,124,000 3% Redeemable Secured Bonds 2000/2005 (Note 29) issued by the Company.

The unexpired portion of the lease is 26 (2007: 27) years.

The operations of Sitiawan and Bernam Oil Palm Estates were previously included in the Group's segmental reporting as cultivation of oil palm activities and due to the disposal of the said estates, have now been classified as discontinued operation.

The profit for the year from the discontinued operations is analysed as follows:

	The Group and The Company	
	2008 RM'000	2007 RM'000
Profit for cultivation of oil palm for the year	13,221	4,791

The results of the cultivation of oil palm are as follows:

	The Group and The Company	
	2008 RM'000	2007 RM'000
Revenue	13,872	4,637
Cost of sales	(3,428)	(2,181)
Gross profit	10,444	2,456
Other operating income	3,333	3,275
Other operating expenses	(556)	(940)
Profit before tax	13,221	4,791
Income tax expense	-	-
Profit for the year	13,221	4,791

NOTES TO THE FINANCIAL STATEMENTS (Con't)

24. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION (Cont'd)

During the financial year, cultivation oil palm operation contributed RM13,142,000 (2007: RM3,465,000) to the Group's net operating cash flows, paid RM818,000 (2007: RM1,261,000) in respect of investing activities and paid RM15,000 (2007: RM15,000) in respect of financing activities.

The operating costs classified by nature, applicable to revenue from discontinued operations, are as follows:

	The Group and The Company	
	2008 RM'000	2007 RM'000
Cost of sales	2,714	1,891
Staff costs	672	736
Depreciation of property, plant and equipment	49	172
Amortisation of prepaid lease payments	-	88
Other operating expenses	549	234
	3,984	3,121

25. SHARE CAPITAL

The share capital is represented by:

	The Group and The Company	
	2008 RM'000	2007 RM'000
Authorised:		
1,000,000,000 ordinary shares of RM1 each	1,000,000	1,000,000
Issued and fully paid:		
644,397,000 ordinary shares of RM1 each	644,397	644,397

26. CAPITAL RESERVES

The capital reserves represent proceeds received from the subscription of warrants in prior years and this has been transferred to accumulated losses as the warrants had expired.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

27. REDEEMABLE CONVERTIBLE SECURED NOTES (RCSN) 2003/2008

	The Group and The Company	
	2008	2007
	RM'000	RM'000
RCSN issued in April 2003	287,335	287,335
Less: Liability component	(256,562)	(256,562)
Equity component	30,773	30,773

The issuance of RCSN has been accounted for in accordance with FRS 132. On issuance of RCSN which contains both a liability and equity element, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument. This amount is carried as a liability until extinguished on conversion or maturity of RCSN. The remaining proceeds are allocated to the conversion option which is recognised and included in shareholders' equity.

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

The RCSN is secured by legal charges over the Company's inventory of certain completed development properties (Note 20), land held for property development and development expenditures (Note 13) and its subsidiary companies' hotel properties and investment properties (Note 14 and 15).

The RCSN has a coupon rate of 6% whereby the coupon payments for the first three (3) years are being paid upfront 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. The coupon payments for the first three years of RM54,190,684 have been included as part of the restructuring cost of the Company and have been accordingly charged to the income statements of the Group and the Company for the financial year 2004.

In the 2006, RM1,486,189 RCSN were converted into ordinary shares. Consequently, the fair value of the liability portion has been recomputed and as a result, the equity portion has been reduced from RM57,895,000 to RM30,773,000.

On 23rd April, 2007, RHB Investment Bank Berhad had, on behalf of the Company, announced that the Company intends to vary the terms of the RCSN issued by the Company ("Proposed Variations") which inter-alia, will address the Company's default in payment of the coupon of the RCSN amounting to RM17,240,000 due on 22nd April, 2007.

On 24th April, 2008, the Company announced that the maturity date of the RCSN had set in on 22nd April, 2008 and that the adjourned RCSN Holders meeting be adjourned sine die. Hence, the special resolution on the Proposed Variations of the RCSN to be contemplated at the adjourned RCSN Holders meeting cannot be implemented.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

27. REDEEMABLE CONVERTIBLE SECURED NOTES (RCSN) 2003/2008 (Cont'd)

The Proposed Variations entails the following:

- i) the Company seeking the indulgence and approval of the RCSN Holders to waive the occurrence of an event of default under the terms of the trust deed.
- ii) the existing cash in the sinking fund account shall be distributed to the RCSN Holders as part payment of the 4th anniversary coupon payment of RM17,240,000.
- iii) the Company to pay a simple annual coupon rate of 3% per annum, 4.5% per annum and 6.0% per annum for the 6th to 8th anniversary of the RCSN payable by the 8th anniversary of the RCSN or upon the repayment/redemption of all the outstanding coupon payment and the RCSN, whichever is earlier. The Company shall also 21 days prior to the 8th anniversary of the RCSN deposit into the sinking fund account the then remaining coupon payment together with the redemption sum for the then remaining RCSN.
- iv) the period for the conversion of the RCSN into new ordinary shares of RM1.00 each in the Company ("GPB Shares") at a conversion price of RM1.00 per new GPB Share shall be further extended for a full 3 years from 22nd April, 2008 to 22nd April, 2011.
- v) the Company seeking the indulgence of the RCSN Holders to defer the payment of the default interest in respect of the outstanding coupon payments ("Default Interest") to 22nd April, 2011 which shall be paid from the net proceeds arising from the disposal of any of the charged properties ("Disposal Proceeds") and that the RCSN Holders grant a waiver of the Default Interest in the event the Disposal Proceeds is insufficient to pay the Default Interest.
- vi) the revision of the redemption rate of the RCSN from RM1.05 to RM1.00 for every RM1.00 nominal value of RCSN to be redeemed.
- vii) the Company seeking the indulgence of the RCSN Holders to revise the minimum security coverage ratio of 1.91 times to 1.45 times based on the market value of the charged properties, upon the disposal of any one of the charged properties or on the effective date of power of attorney granted to the trustee, whichever is earlier.
- viii) the sinking fund account shall be solely operated by the trustee with no monitoring agent being appointed.
- ix) the appointment of RHB Investment Bank as the manager to assist the Company in the disposal of the charged properties. The disposal price of the charged properties shall be based on the values to be ascribed by the independent registered valuer(s) ("Registered Valuer") to be appointed by the trustee. In any event, the disposal of the charged properties shall be guided by the following principals:
 - a. The disposal of the charged properties shall be conducted in an orderly manner in accordance to a chronological order;
 - b. The disposal of the charged properties would be subject to a minimum price of 80% of the market value/reference price of the charged properties that is determined by the Registered Valuer(s) ("Reference Price") and in any event, shall not be less than 65% of the Reference Price; and
 - c. If the disposal price of the charged properties is within 65% and 80% of the Reference Price, the written approval from the trustee shall be obtained.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

27. REDEEMABLE CONVERTIBLE SECURED NOTES (RCSN) 2003/2008 (Cont'd)

- x) the Company shall grant an irrevocable Power of Attorney ("PA") to the trustee whereupon, the trustee may, in the event the manager is not successful in procuring a suitable purchaser(s) for the charged properties and the funds in sinking fund account are insufficient for the settlement of coupon and redemption of the RCSN within the 12 months from 22nd April, 2008 to undertake the disposal of the remaining charged properties or any additional securities at any disposal price. Therefore, the PA shall become effective on 23rd April, 2009 ("Effective Date").
- xi) the net proceeds arising from the disposal of any of the charged properties ("Disposal Proceeds") shall be used as follows:
 - (i) 70% of the Disposal Proceeds will be deposited into the sinking fund account;
 - (ii) 30% of the Disposal Proceeds will be used to repay the outstanding syndicated term loan of GPB amounting to approximately RM23,590,000 as at 29th February, 2008; and
 - (iii) Any excess Disposal Proceeds upon settlement of the outstanding syndicated term loan in paragraph (ii) above, shall be deposited into the Sinking Fund Account.

All cash in the sinking fund account contributed by disposal of the charged properties shall be immediately distributed to the RCSN Holders as part payment of the outstanding coupon payment firstly, thereafter towards the redemption of the outstanding RCSN until the full settlement of the RCSN and lastly towards the payment of the Default Interest, subject to there being a minimum balance of RM3,000,000 in the sinking fund account prior to such payment.

Subsequently, following various negotiations with the RCSN Holders, certain Proposed Variations was amended as followed:

- (i) The Company to pay a simple annual coupon of 6% per annum for 6th to 8th anniversary of the RCSN. This amount is payable by the 8th anniversary of the RCSN or upon the repayment or redemption of all outstanding coupon payable, whichever is earlier.
- (ii) It is proposed that the Company shall deposit the remaining coupon payable and redemption sum of the RCSN into its sinking fund account 21 days prior to 8th anniversary of the RCSN.

Presently, the negotiation on the Proposed Variations with the RCSN Holders is still ongoing.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

28. HIRE PURCHASE PAYABLES

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Total outstanding obligations	2,698	6,600	173	242
Less: Interest-in- suspense	(820)	(1,740)	(30)	(41)
Principal outstanding	1,878	4,860	143	201
Less: Amount due within 12 months (shown under current liabilities)	(1,657)	(3,587)	(56)	(57)
Non-current portion	221	1,273	87	144

The non-current portion is repayable as follows:

	The Group		The Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Financial years Ending 31st March,				
2009	221	777	56	57
2010 and after	-	496	31	87
	221	1,273	87	144

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 company in 2007 of RM4,130,000 were secured against the land held for sale of the Company (Note 20).

The effective interest rates applicable to the hire purchase range from 2.85% to 7.25% (2007: 2.85% to 7.25%) per annum for the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

29. BORROWINGS (SECURED AND INTEREST BEARING)

		The Group		The Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current					
Syndicated Term Loan	(a)	19,729	19,729	19,729	19,729
Bank over draft	(b)	-	1,200	-	-
Term Loan I	(c)	-	83	-	-
Term Loan II	(d)	-	620	-	-
Term Loan III	(e)	-	886	-	886
Term Loan IV	(f)	1,323	-	-	-
3% Redeemable Secured Bonds 2000/2005	(g)	55,250	90,124	55,250	90,124
		<u>76,302</u>	<u>112,642</u>	<u>74,979</u>	<u>110,739</u>
Non-Current					
Syndicated Term Loan	(a)	-	-	-	-
Term Loan I	(c)	-	-	-	-
Term Loan II	(d)	-	7,906	-	-
Term Loan III	(e)	-	-	-	-
Term Loan IV	(f)	4,356	-	-	-
3% Redeemable Secured Bonds 2000/2005	(g)	8,750	-	8,750	-
		<u>13,106</u>	<u>7,906</u>	<u>8,750</u>	<u>-</u>
Total		<u>89,408</u>	<u>120,548</u>	<u>83,729</u>	<u>110,739</u>
Currency exposure profile					
US Dollar		836	785	836	785
Ringgit Malaysia		88,572	119,763	82,893	109,954
		<u>89,408</u>	<u>120,548</u>	<u>83,729</u>	<u>110,739</u>

The non-current portion of the borrowings as of 31st March, 2008 is payable as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Financial years ending 31st March,				
2010	2,500	620	2,500	-
2011 and after	10,606	7,286	6,250	-
	<u>13,106</u>	<u>7,906</u>	<u>8,750</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS (Con't)

29. 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 and The Company	
	2008	2007
	%	%
Syndicated Term Loan	7.00	7.00
Bank over draft	9.25	9.25
Term Loan I	8.75	8.75
Term Loan II	9.25	9.25
Term Loan III	10.15	10.15
Term Loan IV	6.75	-

The details of the borrowings are as follows:

- (a) The Syndicated Term Loan granted to the Company by the RCSN lenders is in relation to the interest accrued on indebtedness from 1st July, 2002 up to the date of the listing of the RCSN on 15th July, 2003.

The Syndicated Term Loan is secured by legal charges over the Company's inventory of certain completed development properties, land held for property development and development expenditures and its subsidiary companies' hotel properties and investment properties and personally guaranteed by a director of the Company.

The loan is repayable in 41 monthly instalments of RM500,000 each and a final instalment of RM343,766, inclusive of interest, with effect from 1st January, 2004.

- (b) The bank overdraft facility granted to a subsidiary company is secured by a first fixed legal charge over a subsidiary company's investment property, first fixed and floating charges on all assets and undertakings of the subsidiary company and jointly and severally guaranteed by certain directors of the Company.

- (c) The Term Loan I is secured by a third party legal charge over certain of the Company's developed properties included in inventories (Note 20).

The loan is repayable in 72 monthly instalments of RM17,926 each, inclusive of interest, with effect from 25th October, 2001.

- (d) The Term Loan II is secured by a first fixed legal charge over a subsidiary company's investment property, first fixed and floating charges on all assets and undertakings of the subsidiary company and jointly and severally guaranteed by certain directors of the Company.

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

- (e) The Term Loan III is secured by a first party fixed charge over certain inventories of the Company's development properties (Note 20) and repayable on 23rd June, 2005.

In the previous financial year, the tenure of Term Loan III has been extended for a further 27 month period to expire on 30th September, 2007, and is repayable in 7 quarterly instalments of RM300,000 each and a final instalment of RM285,566, commencing 31st December, 2005.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

29. BORROWINGS (SECURED AND INTEREST BEARING) (Cont'd)

- (f) The Term Loan IV granted to a subsidiary company is in relation to conversion of balance outstanding from hire purchase facilities and is secured against certain property, plant and equipment of the subsidiary company and jointly and severally guaranteed by certain directors of the Company.

The loan is repayable by 24 monthly instalments of RM40,000 each commencing on 30th December, 2006 and the balance outstanding by 24 fixed equal month instalments of RM218,813.

- (g) 3% REDEEMABLE SECURED BONDS 2000/2005

The Redeemable Secured Bonds 2000/2005 ("the Bonds") issued on 18th December, 2000 is constituted by a 2000/2005 Global Certificate dated 18th December, 2000. The Bonds are secured by legal charges over the Company's leasehold land included in assets classified as held for sale (Note 24) and a subsidiary company's hotel property and investment properties (Note 14 and 15).

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 subsidiary company 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 BMSB.

On 12th July, 2005, the Bonds holder has agreed to a full and final settlement sum of RM70,000,000, subject to the strict fulfilment of the following terms and conditions:

- (a) The settlement sum of RM70,000,000 is payable within six (6) months from 12th July, 2005;
- (b) The sum of RM1,250,000 payable in quarterly intervals of RM312,500 each where the first payment shall commence at the end of three (3) months from 12th July, 2005, being the settlement of the 4th bond interest due on 17th December, 2004; and



NOTES TO THE FINANCIAL STATEMENTS (Con't)

29. BORROWINGS (SECURED AND INTEREST BEARING) (Cont'd)

- (c) Property titles valued at not less than RM5,000,000 and free from any encumbrances is to be deposited with the Bonds holder within one (1) month from 12th July, 2005 and shall only be released upon the fulfilment of items (a) and (b) above.

Consequently, in 2006 an amount of RM5,611,000, representing the fifth year's bond interest and partial of third and fourth year's bond interest has been waived by the Bonds holder. The total amount waived of RM5,611,000 less previous year charge of RM1,933,000 amounting to RM3,678,000 has been taken up in the income statements for the year ended 31st March, 2006.

On 27th February, 2008, the Bonds holder has agreed to a lower full and final settlement sum of RM64,000,000, payable in the following manner and subject to the strict fulfilment of the following terms and conditions:

- (a) redemption of 3,925.66 acres of plantation land at RM54,000,000 payable in four (4) months from 27th February, 2008;
- (b) the sum of RM10,000,000 payable in sixteen (16) quarterly intervals of RM625,000 each where the first payment shall commence on the third month after the redemption mentioned in (a) or four (4) months from 27th February, 2008; and
- (c) property titles valued at not less than RM14,000,000 is to be deposited with the Bonds holder where a charge will be created to secure the transactions mentioned in (a) and (b) above.

As of 31st March, 2008, the agreed sum of RM64,000,000 remains outstanding as the settlement the disposal of the two pieces of short term leasehold land (included under assets classified as held for sale (Note 24) of the Company) is pending certain approval from the relevant authority. Subsequent to the financial year end, the approval from the relevant authority had been obtained and the redemption mentioned in (a) for Bernam Oil Palm Estate had been completed. The difference between the balance outstanding of RM90,124,000 and the agreed settlement sum of RM64,000,000 had been taken up in the financial statements for the current financial year.



NOTES TO THE FINANCIAL STATEMENTS (Con't)

30. DEFERRED TAX LIABILITIES

	The Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	1,780	5,098
Less: Amount charged to income statement		
- Reversal of deferred tax liability on impairment loss of hotel property (Note 14)	-	(861)
- Reversal of deferred tax liability on impairment loss of investment properties (Note 15)	-	(2,457)
At end of the financial year	1,780	1,780

As explained in Note 3, the tax effects of temporary differences, unabsorbed capital allowances and unutilised tax losses which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unabsorbed capital allowances and unutilised tax losses can be utilised.

As at 31st March, 2008, the estimated amount of deferred tax assets calculated at current tax rate, which have not been recognised in the financial statements of the Group and the Company due to its uncertainty of realisation, is as follows:

	Deferred Tax Assets/(Liabilities)			
	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Tax effects of:				
Temporary difference:				
- Property, plant and equipment	(1,881)	(1,870)	(88)	(93)
- Trade receivables	322	706	-	-
Unabsorbed capital allowances	31,587	20,644	232	236
Unutilised tax losses	15,166	22,751	10,318	7,991
	45,194	42,231	10,462	8,134

The unabsorbed capital allowances and unutilised tax losses available for offsetting against future taxable profits of the Group and the Company are subject to the approval of the Inland Revenue Board.

31. TRADE PAYABLES

Trade payable comprise amounts outstanding for trade purchases and ongoing costs. The average credit period granted to the Group and the Company for trade purchases is 30 to 90 (2007: 30 to 90) days.

32. AMOUNT OWING TO A DIRECTOR

The amount owing to a Director arose mainly from advances, which are unsecured, interest free with no fixed term of repayment.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

33. AMOUNT OWING TO SUBSIDIARY COMPANIES

The amount owing to subsidiary companies arose mainly from payments made on behalf and advances, which are unsecured, interest free with no fixed term of repayment.

34. OTHER PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other payables	9,340	7,362	3,470	2,251
Accrued expenses	10,905	17,028	142	760
Down payments for disposal of land received	13,040	12,895	12,706	12,597
Interest payable	39,766	19,774	39,764	19,774
	73,051	57,059	56,082	35,382

35. SIGNIFICANT RELATED PARTY DISCLOSURE

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company are as follows:

Name of related party	Relationship
Leisure Group Hotel & Resorts Sdn. Bhd.	A company in which certain directors have substantial interest.

Other than mentioned elsewhere in the financial statements, the significant related party transactions, which were determined based on negotiations agreed between the parties, are as follows:

	The Group		The Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Subsidiary companies				
Dynawell Corporation (M) Sdn. Bhd.				
Office rental payables	-	-	460	460
Food and beverages expense payables	-	-	145	138
Gula Perak Land Sdn. Bhd.				
Management fees payables	-	-	167	150
Accounting fees receivables	-	-	24	24
Administration expenses payables	-	-	29	17
Related party				
Management fees for managing the Dynasty Hotel, Kuala Lumpur and Empress Hotel, Sepang owned by subsidiary companies	169	642	-	-



NOTES TO THE FINANCIAL STATEMENTS (Con't)

36. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The operations of the Group are subject to a variety of financial risks, including interest rate risk, market risk, credit risk, liquidity risk and cash flow risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

(i) 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 bank borrowings and deposits. The Group's borrowings are substantially floating rate debts and the Group has no significant exposure to fixed rate debts, except for the hire-purchase arrangements entered into.

(ii) Market Risk

The Group's principal activities are not exposed to significant risk in price fluctuation, except for crude palm oil prices. In view of this, the Group does not enter into physical supply or derivative agreements.

(iii) Credit Risk

The concentration of credit risk of the Group and the Company in respect of its property development and hotel operations during the financial year is limited due to the Group and the Company's large number of customer activities. There is no significant concentration of credit risk in the other business segments of the Group and the Company except for those mentioned in Note 21.

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 payments terms. The Group considers the risk of the financial loss to be minimal in the event of non-performance by a counterparty.

(iv) Liquidity risk

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

(v) Cash flow risk

The Group and the Company review their cash flow position regularly to manage their exposure to fluctuations in future cash flows associated with their monetary financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (Con't)

36. FINANCIAL INSTRUMENTS (Cont'd)

Fair Value of Financial Assets and Liabilities

The carrying amount and the estimated fair value of the Group's and the Company's financial instruments as of 31st March, 2008 are as follows:

31st March, 2008	Note	The Group		The Company	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		RM'000	RM'000	RM'000	RM'000
Financial Assets					
Advances to subsidiary companies	19	-	-	111,540	111,540
Financial Liabilities					
Hire purchase payables	28	1,878	1,871	143	136
Borrowings (secured and interest bearing)	29	89,408	87,223	83,729	82,346

31st March, 2007	Note	The Group		The Company	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets					
Advances to subsidiary companies	19	-	-	123,474	123,474
Financial Liabilities					
Hire purchase payables	28	4,860	4,739	201	187
Borrowings (secured and interest bearing)	29	120,548	116,125	110,739	110,739

(i) Hire-purchase payables and bank borrowings

The fair value is determined using discounted cash flow analysis based on current borrowing rates for similar types of borrowings arrangements.

(ii) Cash and cash equivalents, trade and other receivables, trade and other payables, amount owing to a director, redeemable convertible secured notes 2003/2008 and inter-company indebtedness

The carrying amounts approximate fair values because of the short maturity of these assets and liabilities.



GULA PERAK BERHAD (Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **GULA PERAK BERHAD** state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31st March, 2008 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

DATUK RAHIM BIN BABA

DATUK LIM SUE BENG

Kuala Lumpur,
29th July, 2008

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LIM BEE KHIM**, the Officer primarily responsible for the financial management of **GULA PERAK BERHAD**, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, cash flows and changes in equity 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 by the abovenamed
LIM BEE KHIM at **KUALA LUMPUR** this 29th day of
July, 2008.

Before me,

COMMISSIONER FOR OATHS
T.THANAPALASINGAM
(W036)

Analysis of Shareholdings

as at 8 August 2008

Size of Shareholdings	Number of Holders	%	Number of Shares Held	%
1 - 99	367	3.68	15,700	0.00
100 - 1,000	685	6.87	369,465	0.06
1,001 - 10,000	5,268	52.81	26,502,136	4.11
10,001 - 100,000	3,101	31.08	111,831,034	17.35
100,001 - 32,219,850 (*)	554	5.55	418,202,749	64.90
32,219,851 and above (**)	1	0.01	87,475,951	13.57
	9,976	100.00	644,397,035	100.00

Remak: * Less than 5 % of issued shares

** 5% and above of issued shares

Thirty (30) Largest Shareholders

	Number of Shares Held	% of Issued Capital
1 AMSEC Nominees (Tempatan) Sdn Bhd AM Bank (M) Berhad (CQ0041)	87,475,951	13.57
2 Town Hang Securities Co. Limited	32,000,000	4.97
3 Aspire Assets Sdn Bhd	25,535,400	3.96
4 Lim Cheng Pow	17,767,500	2.76
5 AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Sim Bee	17,085,700	2.65
6 Low Pak Tong	13,705,500	2.13
7 Chong Sim Bee	8,000,000	1.24
8 CIMB Group Nominees (Tempatan) Sdn Bhd Kemajuan Amoy Bhd for Lim Hok Lian (49546 HKIU)	7,770,000	1.21
9 United Overseas Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Soo Ka (MKL)	6,877,500	1.07
10 TASEC Nominee (Tempatan) Sdn Bhd TA Securities (HK) Limited for George Ngoh Hung Onn	6,317,500	0.98
11 Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koperasi Polis DiRaja Malaysia Bhd (514011315674)	6,027,000	0.94
12 CIMSEC Nominees (Asing) Sdn Bhd Exempt AN for CIMB-GK Securites Pte Ltd (Retail Clients)	5,319,075	0.83
13 AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Cheng Seng	5,000,000	0.78
14 AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kesenta Development Sdn Bhd	4,953,250	0.77



Analysis of Shareholdings

as at 8 August 2008 (Cont'd)

Thirty (30) Largest Shareholders (Cont'd)

	Number of Shares Held	% of Issued Capital
15 United Overseas Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Ang Khan @ Chan Yin Kong (MKL)	4,814,250	0.75
16 TASEC Nominees (Tempatan) Sdn Bhd TA Securities (HK) Limited for Lim Moi Tee	4,731,000	0.73
17 Mayban Securities Nominees (Asing) Sdn Bhd Exempt AN For UOB Kay Hian Pte Ltd (A/C Clients)	4,658,500	0.72
18 Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kek Lian Lye	4,260,700	0.66
19 United Overseas Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Bee Khim (MKL)	4,135,250	0.64
20 Lembaga Tabung Angkatan Tentera	4,028,100	0.63
21 Lee Siah Sian @ Lee Hay Hian	4,000,000	0.62
22 How Teck Soon	3,760,000	0.58
23 Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Selvandran a/l Ponniah (E-KLC)	3,701,250	0.57
24 Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Kim Fah (E-KLC)	3,701,250	0.57
25 Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Wai Mun (E-KLC)	3,528,000	0.55
26 AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Soo Kok (100658)	3,150,000	0.49
27 Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mustapha Bin Buang (REM 105-Margin)	3,150,000	0.49
28 AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Soo Ka (100553)	3,032,750	0.47
29 Lee Hong Choon	3,000,000	0.47
30 Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Ah Suan (Dealer 502-STF)	2,880,575	0.45
	304,366,001	47.23

Substantial Shareholders

	Direct Number of Ordinary Shares Held	%
1 AMSEC Nominees (Tempatan) Sdn Bhd AM Bank (M) Berhad	87,475,951	13.57



Group Properties

as at 31 March 2008

DESCRIPTION	LOCATION	ACREAGE	TENURE	EXISTING USE	VALUATION/ ACQUISITION/ COMPLETION DATE	AGE OF BUILDING (YEARS)	NET BOOK VALUE (RM' MILLION)
1) Agricultural land known as Bernam Estate	PN 43178, Lot No. 11445 Mukim Durian Sebatang Hilir Perak, Perak Darul Ridzuan	3,000	Leasehold -60 years expiring 2033	Oil Palm Estate	3/3/2000	-	7.7
2) Agricultural land known as Sitiawan Estate	H.S.(D)L.P 1668, PT 1058 Mukim Durian Sebatang, Hilir Perak, Perak Darul Ridzuan	1,000	Leasehold -60 years expiring 2034	Oil Palm Estate	3/3/2000	-	
3) Land for development in Batang Berjuntai	Geran 29953 Lot 24 and Geran 32993 Lot 458 Mukim Batang Berjuntai Selangor Darul Ehsan	279.91	Freehold	Development in-progress	12/3/2008	-	
4) Land for development in Setapak known as Villa Sempurna Condominium	Geran 811 Lot 1140 Geran 526 Lot 3767 CT 15561 Lot 81 of Section 85 CT 15562 Lot 82 of Section 85 Mukim Setapak, Kuala Lumpur	2.72	Freehold	Development in-progress	16/10/2006	-	7.5
5) Dynasty Hotel Kuala Lumpur	218, Jalan Ipoh 51200 Kuala Lumpur	929,476 sq ft (Built-up)	Freehold	Hotel Building	18/6/2007	13	422.1
6) Empress Hotel Sepang	Jalan ST 1C/7 Medan 88 Bandar Baru Salak Tinggi 43900 Sepang Selangor Darul Ehsan	253,852 sq ft (Built-up)	Leasehold -99 years expiring 2092	Hotel Building	18/6/2007	10	129
7) One unit of shop office	GL-025, Block D Ground Floor, Kelana Square 17 Jalan SS7/26 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	1,400 sq ft (Built-up)	Freehold	Shop Office	14/8/2002	6	0.4



GULA PERAK BERHAD

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

FORM OF PROXY

I/We,full name as per NRIC(in capital letters)
Company No./NRIC Nonewold
of..... full address
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 **Zamrud Room, Level 10, Empress Hotel Sepang, Jalan
ST 1C/7 Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan on Wednesday, 24
September 2008 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 _____ 2008

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and 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 Mezzanine Floor, Empress Hotel Sepang, Jalan ST 1C/7 Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang, Selangor Darul Ehsan 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
Here

THE COMPANY SECRETARY

GULA PERAK BERHAD

(COMPANY No. 8104-X)

(INCORPORATED IN MALAYSIA)

Mezzanine Floor, Empress Hotel Sepang
Jalan ST 1C/7, Medan 88
Bandar Baru Salak Tinggi
43900 Sepang
Selangor Darul Ehsan

2nd FOLD HERE

1st FOLD HERE



GULA PERAK BERHAD (8104-X)
(Incorporated in Malaysia)

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