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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Function Room 1, 4th Floor, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Friday, 28 September 2001 at 9.30 a.m. to transact the following business:

AGENDA

ORDINARY BUSINESS

- | | |
|--|-----------------------|
| 1. To receive and adopt the Accounts for the year ended 31 March 2001 together with the Reports of the Directors and Auditors thereto and if approved to adopt them. | Resolution (1) |
| 2. To re-elect the following retiring Directors pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election: | |
| (i) Tan Sri Dato' Ahmad Sabki Bin Jahidin | Resolution (2) |
| (ii) Dato' Mustapha Bin Buang | Resolution (3) |
| 3. To re-elect Tan Sri Dato' Lim Cheng Pow who retires pursuant to paragraph 7.28 of the Listing Requirements of Kuala Lumpur Stock Exchange. | Resolution (4) |
| 4. To re-appoint Messrs PricewaterhouseCoopers as auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Resolution (5) |

SPECIAL BUSINESS

- | | |
|--|-----------------------|
| 5. 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 Annual General Meeting of the Company". | Resolution (6) |
| 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 Annual General Meeting 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 (7) |

6.

Proposed adoption of new Articles of Association of the Company:

Resolution (8)
- “THAT the new Articles of Association of the Company as set out in Appendix I attached together with the Year 2001 Annual Report of the Company be and is hereby adopted in substitution for and to the exclusion of all existing Articles of Association thereof.”
7.

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
6 September 2001

Note :

1.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote in his stead. A proxy need not be a member of the Company. The instruments appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney duly authorised.
2.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3.

The instrument appointing a proxy and the power of attorney or other authority under which it is signed, shall be deposited at the registered office of the Company at Level 7, Dynasty Hotel, 218 Jalan Ipoh, 51200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment at which the persons named in such instrument proposed to vote.

Explanatory notes to Special Businesses

- (a)

Resolution Pursuant to Section 132D of the Companies Act, 1965 (Resolution 6)
In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares pertaining to the conversion of warrants, and any expansion and diversification proposals, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company. This authority will expire at the next Annual General Meeting of the Company.
- (b)

Resolution Pursuant to Section 132E of the Companies Act, 1965 (Resolution 7)
Section 132E of the Companies Act, 1965 ("the Act"), prohibits a company from entering into any arrangements or transactions with its directors or persons connected with such directors in respects of the acquisition from or disposal to such persons any non-cash assets of the "requisite value" without prior approval of the Company in General Meeting. According to the Act, a non-cash asset is considered to be of the "requisite value" if, at the time of the arrangement or transaction, its value is greater than Ringgit Malaysia two hundred and fifty thousand or 10% of the Company's net asset, subject to minimum of Ringgit Malaysia ten thousand. The proposed Resolution 7, if passed, will authorised the Company and each of its subsidiaries to acquire from or dispose to its directors or connected persons products, services or any other non-cash assets of the Company or its subsidiaries which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on normal commercial terms.
- (c)

Proposed adoption of new Articles of Association of the Company
The proposed Resolution 8 is to adopt the new Articles of Association of the Company to comply with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

Statement accompanying Notice of Annual General Meeting pursuant to paragraph 8.28(2) of the Listing Requirements of Kuala Lumpur Stock Exchange.

Particulars of attendance of the Directors standing for re-election at Board Meeting held during the financial year ended 31 March 2001.

Ybhg Tan Sri Dato' Ahmad Sabki Bin Jahidin
Attended Board Meetings held on 27 May 2000 (at 11.30 a.m.), 29 August 2000 (at 11.00 a.m.), 29 November 2000 (at 11.00 a.m.) and 27 February 2001 (at 11.00 a.m.) at Level 7, Dynasty Hotel, 218, Jalan Ipoh, 51200 Kuala Lumpur.

Ybhg Dato' Mustapha Bin Buang
Attended Board Meetings held on 27 May 2000 (at 11.30 a.m.), 29 August 2000 (at 11.00 a.m.) and 29 November 2000 (at 11.00 a.m.) at Level 7, Dynasty Hotel, 218, Jalan Ipoh, 51200 Kuala Lumpur.

Ybhg Tan Sri Dato' Lim Cheng Pow
Attended Board Meetings held on 27 May 2000 (at 11.30 a.m.), 29 August 2000 (at 11.00 a.m.), 29 November 2000 (at 11.00 a.m.) and 27 February 2001 (at 11.00 a.m.) at Level 7, Dynasty Hotel, 218, Jalan Ipoh, 51200 Kuala Lumpur.

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Datuk Rahim Bin Baba**
- Executive Chairman
- **Tan Sri Dato' Lim Cheng Pow**
- Managing Director
- **Leow Thang Fong**
- Executive Director
- **Lim Sue Beng**
- Executive Director
- **Lim Bee Ling**
- Executive Director
- **Tan Sri Dato' Ahmad Sabki Bin Jahidin**
PSM, DPMP, DIMP, JMN, KMN, SAR, PMP, PJK
- Non-Executive Director
- **Dato' Mustapha Bin Buang**
- Non-Executive Director
- **Lim Soo Kok**
- Non-Executive Director

PRINCIPAL GROUP BANKERS

- **Aseambankers Malaysia Berhad**
- **Maybank Berhad**
- **Bumiputra-Commerce Malaysia Berhad**
- **Affin Bank Berhad**
- **Alliance Bank Berhad**
- **OCBC Bank (Malaysia) Berhad**
- **HSBC Bank Malaysia Berhad**

SOLICITORS

- **Onn Hussien & Yee**
2nd Floor, Wisma Transcomm,
301 & 302, 2¼ Miles,
Jalan Ipoh,
51200 Kuala Lumpur.
- **Lee Choon Wan & Co.**
No. 12, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur.

COMPANY SECRETARY

- **Lim Bee Khim** (MIA 16196)

AUDIT COMMITTEE

- **Tan Sri Dato'Ahmad Sabki Bin Jahidin**
PSM, DPMP, DIMP, JMN, KMN, SAR, PMP, PJK
- Independent Non-Executive Director
(Chairman of the Audit Committee)
- **Dato' Mustapha Bin Buang**
- Independent Non-Executive Director
(Member)
- **Leow Thang Fong**
-Executive Director
(Member)

REGISTERED OFFICE

Level 7, Dynasty Hotel,
218, Jalan Ipoh, 51200 Kuala Lumpur
Tel: 03-40442828
Fax: 03-40446688, 03-40452933

REGISTRAR

**Signet Share Registration Services
Sdn. Bhd**
10th & 11th Floor, Tower Block,
Kompleks Antarabangsa,
Jalan Sultan Ismail, P. O. Box 12547,
50782 Kuala Lumpur.
Tel: 03-21454337
Fax: 03-21421353

AUDITORS

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

STOCK EXCHANGE LISTING

The Kuala Lumpur Stock Exchange
Main Board

BOARD OF DIRECTORS

YBhg Datuk Rahim bin Baba, aged 51, was appointed as the Executive Chairman of the Company on 27 July 1996. 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. He sits on the board of a few private companies whose business activities include construction, property development and advertising. He was the Chairman of MARA Holdings Sdn Bhd from 1990 to 1993. He was the senior Private Secretary for the then Deputy Prime Minister (Honourable Tun Ghafar Baba) from 1986 to 1988.

YBhg Tan Sri Dato Lim Cheng Pow, aged 59, was appointed as the Managing Director of the Company on 4 March 1996. He migrated to Malaysia in the late fifties and joined his uncle in the construction business. To date, he has been involved in the construction industry for more than 30 years. In 1965, he set up his own construction company, Amoy Construction Co (“Amoy”). Amoy undertook few sub-contracting works under the Government contracts. His break 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 seventies and the Semenyih Water Supply Scheme in Selangor in the early eighties. Tan Sri Dato’ Lim Cheng Pow also sits on the board of several private companies.

Mr. Lim Sue Beng, aged 36, was appointed as an Executive Director of the Company on 4 March 1996. He holds a Bachelor Degree in Civil Engineering (London) and a Master Degree in Business Administration from Cranfield School of Management, England. After graduation in 1986, he joined the family business and manages the banking and corporate affairs of all the companies under the Group.

Mdm. Lim Bee Ling (f), aged 34, was appointed as an Executive Director of the Company on 4 March 1996. She obtained a Bachelor Degree in Computer and Management Science (UK) and a Master Degree in Management Science in 1987 and 1988 from University of Kent, England and Imperial College, London respectively. Upon completion of her tertiary education, she joined the family business and is in charge of the day to day operations of the Group. Her biggest challenge was drawing up and finalising the concept and design of Dynasty Hotel plus the eventual operation of the hotel in December 1994.

Mr. Lim Soo Kok, aged 33, was appointed as a Director of the Company on 4 March 1996. He obtained a Bachelor of Arts with Honours degree in Law from University of Kent at Canterbury, England in 1989. In 1990, he obtained the degree of Utter Barrister Gray’s Inn, England. He was called to the Bar in Malaysia in 1991. He then joined Soo Thien Meng & Shahrizat as a legal assistant. In 1993, he set up a sole proprietor legal firm under the name Lim Soo Kok & Associates till 1999. He was appointed as a legal committee member of Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor from 1997 till present. He was also appointed as a Commissioner for Oaths by the Chief Justice of Malaysia in 1999 for 2 years tenure.

Mr. Leow Thang Fong, aged 49, was appointed as the Executive Director of the Company on 15 May 1989 following the restructuring of the company in 1989. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He was in the auditing profession for eight years finishing with Hanafiah Raslan & Mohamad until 1979. He then joined Permata Chartered Merchant Bank Berhad for a period of 5 years specialising in Corporate Finance. Thereafter he has been in the corporate sector. He also sits on the board of South Malaysia Industries Berhad and several private companies. Before joining the Company, he was the Company Secretary for Asian Pac Holdings Berhad (formerly known as Pegi Malaysia Berhad) from 1984 to 1988.

CORPORATE INFORMATION

YBhg Tan Sri Dato' Ahmad Sabki Bin Jahidin, aged 69, was appointed to the Board of GPB on 27 June 1994. He received his Bachelor of Arts (Hon) degree from University of Malaya in 1958. After graduation he joined the Public Service Department and was later promoted to District Officer in Jasin, Melaka. Subsequently he was appointed Secretary in various Government Ministries which include Ministry of Defence, Ministry of Prime Minister Department and Culture Youth & Sport Ministry. In 1980 he was appointed Chairman of the Malayan Rubber Exchange & Licensing Board. He served in this capacity for 13 years until his retirement in January 1993. He is a director of Nanyang Press Malaya Berhad, Hwang-DBS (Malaysia) Berhad, Apollo Food Holdings Berhad, Paramount Corporation Berhad, Cygal Berhad and Kemajuan Amoy Berhad. He also sits on the board of few other private companies.

YBhg Dato' Mustapha Bin Buang, aged 53, was appointed to the Board of GPB on 10 September 1990. He graduated in Economics from University of Malaya in 1972. Immediately after graduation, he joined the Economic Division of the Johor State Government as a planner and was entrusted to manage a few subsidiaries. In 1974, he left the Johor Economic Division and joined MBf Finance Berhad as a Credit Manager for two (2) years. He then moved on to Amanah International Finance Berhad as Assistant General Manager for a period of three (3) years. Subsequently he was appointed as General Manager of Kewangan Usaha Bersatu Berhad in June 1979 and served them for 11 years before taking up his position in Gula Perak Berhad. He also sits on the Board of Asian Pac Holdings Berhad (formerly known as Pegi Malaysia Berhad) and several private companies.

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

None of the Directors has had convictions for any offences within the past 10 years.

DIRECTORS ATTENDANCE CHART

Name	Board of Directors' Meeting held during the year				Attendance
	1/2000 27 May	2/2000 29 Aug	3/2000 29 Nov	4/2001 27 Feb	
Datuk Rahim Bin Baba	✓	✓	✓	✓	4 of 4
Tan Sri Dato' Lim Cheng Pow	✓	✓	✓	✓	4 of 4
Tan Sri Dato' Ahmad Sabki Bin Jahidin	✓	✓	✓	✓	4 of 4
Dato' Haji Megat Najmuddin Bin Dato' Seri (Dr) Haji Megat Khas	X	X	✓	X	1 of 4
Leow Thang Fong	✓	✓	✓	✓	4 of 4
Lim Sue Beng	✓	✓	✓	✓	4 of 4
Lim Bee Ling	✓	✓	✓	✓	4 of 4
Dato' Mustapha Bin Buang	✓	✓	✓	✓	3 of 4
Lim Soo Kok	X	X	X	X	0 of 4

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE	
Name	Designation
■ Tan Sri Dato' Ahmad Sabki Bin Jahidin <i>Independent Non-Executive Director</i>	Chairman
■ Leow Thang Fong <i>Executive Director</i>	Member
■ Dato' Mustapha Bin Buang <i>Independent Non-Executive Director</i>	Member
■ Lim Bee Khim Secretary	
Terms of Reference For The Audit Committee	

COMPOSITION

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

MEETINGS

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

AUTHORITY

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

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

AUDIT COMMITTEE REPORT

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 :
 - 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 ATTENDANCE CHART

Name	Audit Committee Meetings held during the year				Attendance
	1/2000 27 May	2/2000 29 Aug	3/2000 22 Nov	4/2001 22 Feb	
Tan Sri Dato' Ahmad Sabki Bin Jahidin	✓	✓	✓	✓	4 of 4
Leow Thang Fong	✓	✓	✓	✓	4 of 4
Dato' Mustapha Bin Buang	✓	✓	✓	✓	4 of 4

AUDIT PLAN

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

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

2001 REVIEW

During the year, four Audit Committee meetings were held. The Audit Committee reviewed a total of four audit reports. Summary of activities of the Group Internal Audit function during the year ended 31 March 2001 were as follows:

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

OTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to paragraph 15.27(a) of the Listing Requirement of Kuala Lumpur Stock Exchange, the Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flow of the Group and the Company for the financial year.

The Directors are satisfied that the financial statements of the Group for the financial year ended 31 March 2001 is in compliance with the applicable approved accounting standard in Malaysia and the provision of the Companies Act, 1965.

2. DISCLOSURE ON THE REMUNERATION OF DIRECTORS

Pursuant to paragraph 9.25(1) of the Listing Requirements of The Kuala Lumpur Stock Exchange, the details of the remuneration for Directors of the Company for the financial year ended 31 March 2001 are as follows:

- (i) Aggregate remuneration of directors categorised into appropriate components:

	Salaries	Fees	Total
<i>Executive</i>	<i>900,000</i>	<i>0</i>	<i>900,000</i>
<i>Non-Executive</i>	<i>0</i>	<i>186,000</i>	<i>186,000</i>

- (ii) The number of directors of the Company whose total remuneration fall within the following bands:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
<i>Less than RM50,000</i>	<i>0</i>	<i>2</i>
<i>RM50,000 to RM100,000</i>	<i>1</i>	<i>2</i>
<i>RM100,001 to RM150,000</i>	<i>0</i>	<i>0</i>
<i>RM150,001 to RM200,000</i>	<i>3</i>	<i>0</i>
<i>RM200,001 to RM250,000</i>	<i>0</i>	<i>0</i>
<i>RM250,001 to RM300,000</i>	<i>1</i>	<i>0</i>

3. STATUS OF UTILISATION OF PROCEEDS FROM ISSUANCE OF REPLACEMENT WARRANTS 2000/2005

The Company had, on 18 June 2001, issued 60,780,153 Replacement Warrants 2000/2005 to replace the existing Warrant 2000/2005 at an issue price of five (5) sen per Replacement Warrant 2000/2005.

The total proceeds from the issuance amounting to RM3,039,007 was used to settle short term revolving credit of RM1.95 million and for the Company's working capital purposes.

4. 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	Cash settlement	Common Directors
16/9/1994	GPB and Interdev	Project developments – Consultant Fees	6% on total construction cost	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
22/1/1996, 19/1/1996 and 12/8/1996	GPB and Kemajuan Amoy Berhad	Purchase of property units	RM14.8 million	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

5. MATERIAL CONTRACT RELATED TO LOAN

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

The above contract is unsecured, interest free and with no fix term of repayment.

OTHER INFORMATION ■ ■

OTHER INFORMATION

4. RECURRING RELATED PARTIES TRANSACTIONS OF A REVENUE NATURE

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

- a) Dynawell Corporation Sdn. Bhd ("Dynawell") – A wholly owned subsidiary of Gula Perak Berhad ("The Company or GPB")

<i>Related parties involved with Dynawell</i>	<i>Type of Transactions</i>	<i>Aggregate value of the Transactions RM'000</i>
Kemajuan Amoy Berhad ("KAB"), a company which has common directors and common substantial shareholders with GPB.	Dynawell provided rooms and food & beverages services to KAB.	93
Leisure Group Hotel & Resorts Sdn Bhd ("LGHR SB"), a company which has common directors and common substantial shareholders with GPB.	i) Management fee (2% on revenue of Dynawell) charged by LGHR SB.	358
	ii) Rental & rooms, food and beverages services charged by Dynawell.	491
KSB Requirements & Rest Sdn Bhd ("KSB"), a subsidiary company of GPB and is also of common directors with GPB.	The transfer of goods such as food and beverages to/from Dynawell.	44
Taylor's Education Bhd. and its wholly owned subsidiary ("Taylor's"), companies which has common directors and common substantial shareholders with GPB.	Dynawell provided rooms and food & beverages services to Taylor's.	158

- b) KSB Requirements & Rest Sdn Bhd ("KSB") – A 70% owned subsidiary of GPB

<i>Related parties involved with KSB</i>	<i>Type of Transactions</i>	<i>Aggregate value of the Transactions RM'000</i>
GPB	KSB provided rooms and food & beverages services to GPB.	**
KAB, a company which is of common directors and common substantial shareholders with GPB.	KSB provided rooms and food & beverages services to KAB.	**
LGHR SB, a company which has common directors and common substantial shareholders with GPB.	i) Management fee (2% on revenue of KSB) charged by LGHR SB.	105
	ii) Rooms, food and beverage services charged by KSB.	**
Konsortium Sepang Bhd ("Konsortium"), which is a substantial shareholder of KSB Requirements & Rest Sdn. Bhd. and has common directors with Konsortium.	KSB provided rooms, food and beverage services to Konsortium.	**

** - The aggregate value for the above transactions amount to RM16,412.70

12 OTHER INFORMATION

C) GPB

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

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

7. SHARE BUYBACK

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

8. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, 165,000 option were exercised under the Employees' Share Option Scheme.

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

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

10. 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.

11. NON-AUDIT FEE

The amount of non-audit fees paid by the Company to the external auditors for the financial year amounted to approximately RM78,000.00.

12. PROFIT ESTIMATION, FORECAST OR PROJECTION

The difference between the audited results for the financial year ended 31 March 2001 and unaudited result announced previously does not exceed 10%.

13. PROFIT GUARANTEES

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

14. REVALUATION OF LANDED PROPERTIES

Save as disclosed in Note 13 (Hotel Properties) of the Notes to the Financial Statement, the Company does not have a revaluation policy on landed properties.

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of The Board of Directors, I am pleased to present to you the Annual Report and Accounts of the Company and the Group for the financial year ended 31st March 2001.

FINANCIAL PERFORMANCE

The Group continues to encounter a difficult and challenging year. For the financial year under review, the Group recorded a pre-tax loss of RM82.58 million on a turnover of RM25.64 million. The loss was mainly attributable to high restructuring cost incurred in respect of a debt restructuring scheme for the settlement of a term loan totaling RM67.92 million.

In tandem with the economic slowdown, the Group achieved a lower turnover. The non- residential property markets are still suffering from a supply overhang and the palm oil prices remain depressed from excess stockpile.

OPERATIONS OVERVIEW

Hotel Division

The Group's hotel business achieved marginal improvements in profit before tax of RM0.599 million compared to a profit of RM0.324 million last year. The hotel division attained better room rates and some improvements in the average room rates. Over supply of rooms combined with stiff price competition caused room rates to remain low.

In year 2000 tourist arrivals increased from 7.48 million to 10.2 million, largely due to the governments efforts in promoting tourism. Events such as the FI, Citrawarna and the Mega Carnival Sales helped boost the overall hotel occupancy in KL.

However, the hotel industry has to be cautiously optimistic that the business will pick up, as we are experiencing global slowdown in the economy. It is expected that the hotel industry's growth will be curtailed by increase in operation cost such as high fuel prices, labour cost and higher utilities cost. . The "glut" of hotel rooms still remains, hence the hotel has to price itself competitively in this market conditions and also try to manage its overheads efficiently and effectively.

Plantation Division

The palm oil plantation generated a turnover of RM2.44 million. Despite higher yields, lower Crude Palm Oil (CPO) prices and lower production of Fresh Fruit Bunches (FFB) contributed to the lower turnover. Proactive measures such as replanting activities, innovation of palm oil usage and extension of duty free CPO exports undertaken by the government helped stabilize the depressed palm oil prices.

In view of the replanting incentive scheme introduced, The Company has plans to replant 230 hectares of its mature palms. The plantation should enjoy higher production and higher yield of FFB from the continuous replanting program it has undertaken since year 1995.

Property and Trading Division

The construction sector in Malaysia achieved a growth of 1.1% in year 2000, a major rebound compared to year 1999 where the construction sector contracted by 5.6%. Growth in this sector concentrated mainly in the residential property market whereby house buyers enjoyed low interest rates.

There were no further expansionary developments in both Kampung Jawa and Batang Berjuntai projects due to weak market sentiments in the non residential properties. Like many other developers, we were hesitant to execute new projects since there is still a huge overhang of non residential properties in the market. Whereas in the condominium properties, response from the buyers were not very encouraging. In addition, banks have also put a freeze on bridging loan financing for property development in excess of RM250,000 per unit.

On the whole, the sentiment in the property market has been affected by the sluggish performance in the stock market and the slowdown in the US economy. The pre emptive measures taken by the government such as the RM3 billion stimulus package, stamp duty waiver and relaxation of rules on foreign ownership should help boost GDP and enhance the growth in the construction and property sector. The Group expects to benefit from these initiatives.

CORPORATE DEVELOPMENTS

Sinking Fund and Redemption of RM150,000,000 nominal value of 3% Redeemable Bank Guaranteed Bonds 1995/2000 (Redeemable Guaranteed Bonds)

On 12th July 2000 and 23rd August 2000 approvals were obtained from Securities Commission (SC) and The Bondholders respectively to waive the Company's obligation of the sinking fund requirements.

The Company did not have sufficient funds to secure the redemption of the Redeemable Guaranteed Bonds due on 21st December 2000 and as a consequence, the bank guarantors for the Redeemable Guaranteed Bonds have been invoked for repayment to the Bondholders. The principal sum of the Bonds together with a one (1) year interest payment was paid to the respective Bondholders on 26th December 2000.

The Company has proposed a debt-restructuring scheme for the aforesaid Bonds.

Proposed Debt Restructuring of Redeemable Guaranteed Bonds, Revolving Credit Facility and Syndicated Term Loan

On 14th July 2000, 22nd September 2000 and 20th February 2001, The Company made the following announcements, which are subject to the approvals from the lenders and shareholders of the Company the following:-

The proposed debt restructuring scheme with its lenders to settle Redeemable Guaranteed Bonds, RM25 million revolving credit facility and RM21 million syndicated term loan by way of proposed issuance of RM277.833 million five (5) year Redeemable Convertible Secured Notes (RCSN). Subsequently, a proposed restricted offer for sale by the lenders to the shareholders of the Company will be implemented.

On 5th March 2001, 15th March 2001 and 26th July 2001 approvals from Bank Negara Malaysia, Foreign Investment Committee (FIC) and SC were obtained.

The loan settlement proposal will ease the cash flow position of the Group and will allow the Group to focus on its operations.

CHAIRMAN'S STATEMENT

Replacement Warrants

The company undertook an exercise to issue 74,211,200 Replacement Warrants to replace its existing 74,211,200 1995/2005 warrants at an issue price of 5 sen per Replacement Warrant. On 12th July 2000 and 30th October 2000, the Company secured the following approvals from the SC and Shareholders respectively. A prospectus was subsequently issued on 29th March 2001 to all warrant holders for the subscription of the Replacement Warrant. All proceeds from the exercise was used to repay the Company's bank borrowings and for general working capital purposes.

The Replacement Warrants were listed on the Kuala Lumpur Stock Exchange on 10th July 2001.

Completed Debt Restructuring Scheme – RM190 Million Revolving Term Loan

During the year, the Company completed a debt-restructuring scheme pursuant to a loan settlement agreement dated 8th October 1999 with a financial institution for the settlement of RM190 million revolving term loan. The settlement of the RM190 million term loan and outstanding interest and other related incidental cost amounting to RM24.581 million were implemented as follows:-

- (i) On 1st September, 2000, the Company issued RM192.375 million nominal value Irredeemable Convertible Secured Loan Stocks (ICSLS) 2000/2005 at an offer price of 74 sen per ICSLS to settle RM142.5 million revolving term loan. The ICSLS were listed on the Kuala Lumpur Stock Exchange 26th September 2000.
- (ii) On 18th December, 2000, the Company issued RM90.124 million nominal value of 3% Redeemable Secured Bond – 2000/2005 to settle the balance of RM47.5 million revolving term loan together with RM24.581 million outstanding interest and other related incidental cost. The Bonds are not listed on the Stock Exchange.

Trade Debt Settlement

The Company entered into an arrangement with Zilatmas Sdn Bhd (ZSB) for the settlement of debt of RM79.834 million owing by ZSB to the Company through the payment in kind of the entire paid up share capital in Rumpun Dahlia Sdn Bhd (RDSB) comprising of 80,000,000 ordinary shares of RM1.00 each. The approvals from the settlement of debt were obtained on 27th September 2000 and 21st November 2000 from the shareholders and FIC, respectively.

RDSB is principally a property developer which has a wholly owned subsidiary, Cartel Properties Sdn Bhd (CPSB), CPSB is involved in the construction and development of a hotel project known as Empress Hotel Kuala Lumpur..

PROSPECTS

The softening of the Asian regional economies and the US economy, will test the resilience of the Group's performance in the upcoming financial year. As the Group is currently undergoing a debt restructuring exercise of its bonds and loans, the Group's financial results for the current financial year will bear the effects of the write off of financial expenses and costs relating to the proposed debt restructuring exercise.

In the mean time, we shall endeavour to strive and manoeuvre the Company from its net loss position into the black. We believe that the Group is heading for a healthier set of financial statements once all restructuring exercises are completed. Concurrently, we shall continue to look for new business opportunities to enhance shareholders value.

DIVIDEND

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

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend my sincere appreciation to the members of our management and staff for their commitment, hard work and invaluable contributions to the growth of the Company and its subsidiaries.

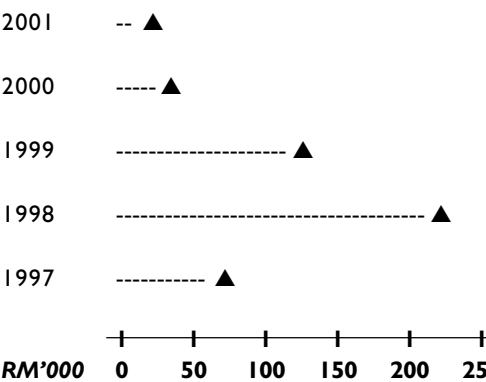
I would also like to thank all our Valued Customers, Business Partners and Associates, Financiers, Suppliers and Shareholders for the continuous support given to us.

Datuk Rahim Bin Baba
Executive Chairman

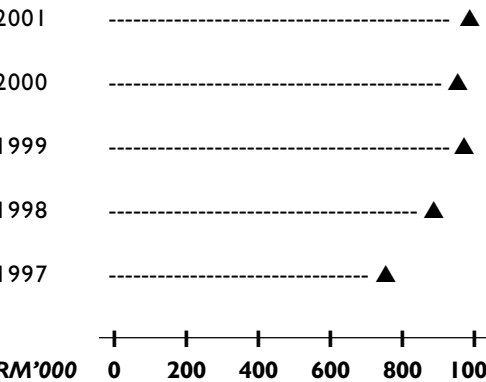
27 July 2001 ■—————

FINANCIAL HIGHLIGHTS

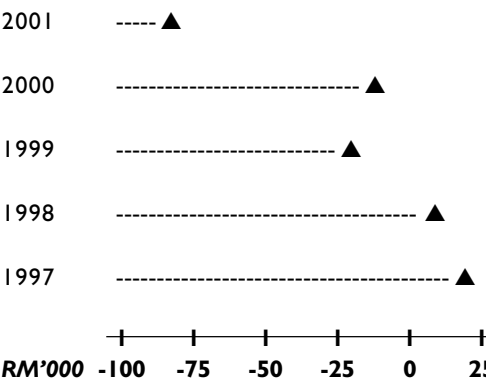
TURNOVER



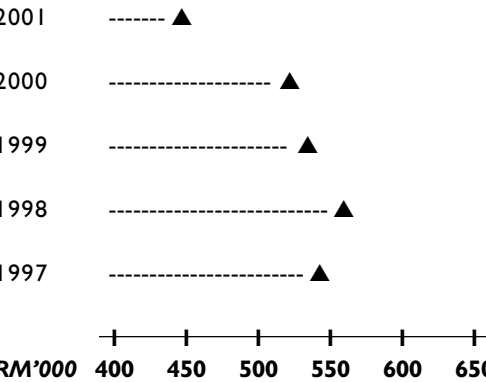
TOTAL ASSETS



PROFIT BEFORE TAX



SHAREHOLDERS' FUNDS





FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2001

The Directors hereby submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company are cultivation of oil palm, construction works, trading in construction materials and property development.

The principal activities of the Group consist of hotel operations and management, service apartment operations and management and property development.

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

FINANCIAL RESULTS

	The Group (RM'000)	The Company (RM'000)
<i>Loss after taxation</i>	82,579	83,206
<i>Minority interests</i>	-	-
<i>Loss attributable to the shareholders</i>	<u>82,579</u>	<u>83,206</u>

In the opinion of the Directors, the results of the Group's and the Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature except for the restructuring costs of RM67.918 million as disclosed in Note 5 to the financial statements.

DIVIDENDS

No dividend has been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend payment of dividend for the financial year ended 31 March 2001.

RESERVES AND PROVISIONS

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

ISSUE OF IRREDEEMABLE CONVERTIBLE SECURED LOAN STOCKS

On 1 September 2000, the Company issued RM192,375,000 Irredeemable Convertible Secured Loan Stocks 2000/2005 ("ICSLS") at nominal value to fully settle RM142.5 million revolving term loan from a financial institution under a debt restructuring scheme pursuant to a loan settlement agreement dated 8 October 1999.

The principal terms of the ICSLS are as follows:

- Nominal value: RM192,375,000;
- Coupon: Zero coupon interest rate;
- Tenure: 5 years from date of issue;
- Maturity: The date preceding the fifth anniversary of the date of issue of ICSLS;
- Conversion to ordinary shares: The ICSLS shall only be converted into new ordinary shares after the expiry of the third year from the issue date of the ICSLS; and
- Conversion rate: The conversion price for the ICSLS shall be RM1.20 per new ordinary share.

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

ISSUE OF 3% REDEEMABLE SECURED BONDS 2000/2005

On 18 December 2000, the Company issued RM90,124,000 nominal value 3% Redeemable Secured Bonds 2000/2005 ("the Bonds") to fully settle the balance of RM47.5 million revolving term loan together with the RM24.581 million outstanding interest and other related incidental cost under a debt restructuring scheme pursuant to a loan settlement agreement dated 8 October 1999.

The principal terms of the Bonds are as follows:

- (a) Face value: RM90,124,000;
- (b) Coupon: Coupon on the Bonds will accrue at 3% per annum based on the face value and shall be paid in arrears on each of the first four anniversaries of the issue date. The last payment will be made on the maturity date;
- (c) Tenure: 5 years from the date of issue;
- (d) Maturity date: The date preceding the fifth anniversary of the date of issue of the bonds;
- (e) Purchase and redemption: The Company shall not be at liberty to redeem the Bonds except in accordance with
 - (i) Purchases - the Company or any of its subsidiaries may at any time purchase the Bonds by private treaty,
 - (ii) Mandatory redemption - Unless previously redeemed and cancelled, the Bond 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 ICSSL holders in relation to the assets secured; and
- (g) Listing: The Bonds will not be listed on the KLSE.

EMPLOYEES' SHARE OPTION SCHEME

The Gula Perak Berhad Employees' Share Option Scheme ("The Share Option Scheme") was approved by the shareholders at an Extraordinary General Meeting held on 23 November 1995 and final approval was obtained from the Registrar of Companies on 20 March 1996.

The main features of The Share Option Scheme that expired on 19 March 2001 are:

- (a) The total number of shares to be offered shall not exceed 10% of the issued share capital of the Company at any point of time during the existence of The Share Option Scheme which was in force for a period of five years from 20 March 1996.
- (b) Eligible persons are employees of the Group who have been confirmed in the employment of the Group and have been in the employment of the Group for at least one year for Malaysian employees and five years for non-Malaysian employees on or prior to the offering date, the date when an offer is made in writing to an employee to participate in The Share Option Scheme. The eligibility for participation in The Share Option Scheme shall be at the discretion of The Share Option Scheme's Committee.
- (c) The option price for each RM1.00 ordinary share shall be the average of the mean market quotation of the shares as shown in the Daily Diary issued by the Kuala Lumpur Stock Exchange for the five market days preceding the date of offer or at par value of the shares, whichever is higher.
- (d) The options granted do not confer any dividend or other distribution declared to the shareholders as at a date which precedes the date of exercise of the option and will be subject to all the provisions of the Articles of Association of the Company.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2001

During the year, 165,000 options were exercised under The Share Option Scheme. No additional options were granted under The Share Option Scheme.

DIRECTORS

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

YBhg Datuk Rahim Bin Baba
 YBhg Tan Sri Dato' Lim Cheng Pow
 Leow Thang Fong
 Lim Sue Beng
 Lim Bee Ling
 YBhg Tan Sri Dato' Ahmad Sabki Bin Jahidin
 YBhg Dato' Mustapha Bin Buang
 Lim Soo Kok
 YBhg Dato' Haji Megat Najmuddin Bin Dato' Seri (Dr) Haji Megat Khas - (resigned on 4 July 2001)

DIRECTORS' INTERESTS IN SHARES

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

Direct interest	No. of ordinary shares of RM1.00 each			
	Balance as at 1.4.2000	Addition	Disposal	Balance as at 31.3.2001
YBhg Datuk Rahim Bin Baba	1,661,000	-	-	1,661,000
YBhg Tan Sri Dato' Lim Cheng Pow	44,206,000	-	-	44,206,000
Leow Thang Fong	60,000	-	-	60,000
Lim Sue Beng	14,800,000	-	-	14,800,000
Lim Bee Ling	14,800,000	-	-	14,800,000
YBhg Tan Sri Dato' Ahmad Sabki Bin Jahidin	1,000,000	-	-	1,000,000
YBhg Dato' Haji Megat Najmuddin Bin Dato' Seri (Dr) Haji Megat Khas	1,025,432	-	-	1,025,432
YBhg Dato' Mustapha Bin Buang	2,389,595	-	-	2,389,595
Indirect interest				
YBhg Datuk Rahim Baba *	34,922,000	-	-	34,922,000

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

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or by 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, except certain Directors are shareholders of the companies which act as the main contractor and project manager for the Group's hotel property and property development projects as disclosed in Note 35 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

In the opinion of the Directors, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the year in which this report is made.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2001

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 18 June 2001, the Company's 60,795,653 Existing Warrants representing 81.92% of the Existing Warrants were surrendered by the holders of Existing Warrants and was substituted with 60,795,653 Replacement Warrants. The total proceeds received from the subscription of the Replacement Warrants amounted to RM3,039,783.

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

AUDITORS

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

In accordance with a resolution of the Board of Directors dated 27 July 2001.

DATUK RAHIM BIN BABA

Director

LIM SUE BENG

Director

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	Note	The Group		The Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	4	25,637	40,179	2,442	18,558
Cost of sales		(9,262)	(20,061)	(1,539)	(13,300)
Gross profit		16,375	20,118	903	5,258
Other operating income		1,683	6,269	1,174	6,262
Administrative expenses		(18,241)	(17,077)	(5,724)	(5,931)
Others - restructuring costs	5	(67,918)	-	(67,918)	-
(Loss)/profit from operations	6	(68,101)	9,310	(71,565)	5,589
Finance cost	8	(14,478)	(21,606)	(11,641)	(19,083)
Loss before taxation		(82,579)	(12,296)	(83,206)	(13,494)
Taxation	9	-	262	-	262
Loss after taxation		(82,579)	(12,034)	(83,206)	(13,232)
Minority interests		-	774	-	-
Loss attributable to the shareholders		(82,579)	(11,260)	(83,206)	(13,232)
Loss per share:					
- Basic	10	32.3 sen	4.4 sen		

The above income statements are to be read in conjunction with the notes to the financial statements on pages 31 to 50.

BALANCE SHEETS

AS AT 31 MARCH 2001

		The Group		The Company	
	Note	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non-current assets					
Real property assets	11	83,018	83,018	83,018	83,018
Property, plant and equipment	12	23,782	18,644	20,094	16,754
Hotel properties	13	749,501	652,612	-	-
Subsidiary companies	14	-	-	661,075	581,068
Deferred expenditure	15	-	1,316	-	-
		856,301	755,590	764,187	680,840
Current assets					
Development property and expenditure	16	71,303	71,145	71,303	71,145
Inventories	17	475	594	8	31
Trade receivables	18	38,874	118,568	17,158	100,214
Amount due from a subsidiary company	19	-	-	1	-
Other receivables, deposits and prepayments	20	22,083	24,900	1,547	4,630
Deposits with licensed banks	21	944	922	755	726
Cash and bank balances	21	623	455	17	73
		134,302	216,584	90,789	176,819
Less: Current liabilities					
Trade payables		8,828	6,327	4,403	4,328
Amount owing to a director	22	746	100	746	100
Amount owing to a subsidiary company	19	-	-	5,691	4,743
Other payables and accruals	23	19,834	12,213	6,294	3,450
Borrowing interest payable		5,340	26,133	5,340	26,133
Hire purchase creditors	24	2,907	4,080	22	-
Short term borrowings	25	186,267	221,068	182,033	218,068
3% Guaranteed Redeemable Bonds 1995/2000	26	-	150,000	-	150,000
Taxation		630	539	406	316
		224,552	420,460	204,935	407,138
Net current liabilities		(90,250)	(203,876)	(114,146)	(230,319)

BALANCE SHEETS (CONTINUED)

AS AT 31 MARCH 2001

	Note	The Group		The Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Less: Non-current liabilities					
Term loans	28	28,400	18,000	-	-
Irredeemable Convertible Secured Loan Stocks 2000/2005	29	192,375	-	192,375	-
3% Redeemable Secured Bonds 2000/2005	30	90,124	-	90,124	-
Hire purchase creditors	24	7,409	5,334	62	-
Deferred taxation	31	7,598	7,500	-	-
		<u>325,906</u>	<u>30,834</u>	<u>282,561</u>	<u>-</u>
		<u>440,145</u>	<u>520,880</u>	<u>367,480</u>	<u>450,521</u>
Capital and reserve					
Share capital	32	255,888	255,723	255,888	255,723
Share premium		205,949	205,949	205,949	205,949
(Accumulated losses)/ retained earnings		(53,079)	29,500	(94,357)	(11,151)
Revaluation reserve		1,854	-	-	-
Reserve on consolidation		29,533	29,708	-	-
		<u>440,145</u>	<u>520,880</u>	<u>367,480</u>	<u>450,521</u>

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 31 to 50.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

		Issued and fully paid ordinary shares of RM1 each		Non-distributable			Distributable	
	Note	Number of shares '000	Nominal value RM'000	Share premium RM'000	Reserves on consolidation RM'000	Revaluation reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total RM'000
At 1 April 1999		255,435	255,435	205,949	29,708	-	40,760	531,852
Issue of shares pursuant to The Share Option Scheme	32	288	288	-	-	-	-	288
Loss for the year		-	-	-	-	-	(11,260)	(11,260)
At 31 March 2000		255,723	255,723	205,949	29,708	-	29,500	520,880
At 1 April 2000		255,723	255,723	205,949	29,708	-	29,500	520,880
Issue of shares pursuant to The Share Option Scheme	32	165	165	-	-	-	-	165
Surplus on revaluation of hotel property	13(a)	-	-	-	-	1,854	-	1,854
Goodwill on acquisition of a subsidiary company	37	-	-	-	(175)	-	-	(175)
Loss for the year		-	-	-	-	-	(82,579)	(82,579)
At March 2001		255,888	255,888	205,949	29,533	1,854	(53,079)	440,145

The above statement of change in equity is to be read in conjunction with the notes to the financial statements on pages 31 to 50.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

		Issued and fully paid ordinary shares of RM1 each		Non- distributable	Distributable	Total RM'000
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Retained earnings/ (accumulated losses) RM'000	
At 1 April 1999		255,435	255,435	205,949	2,081	463,465
Issue of shares pursuant to the Share Option Scheme	32	288	288	-	-	288
Loss for the year		-	-	-	(13,232)	(13,232)
At 31 March 2000		<u>255,723</u>	<u>255,723</u>	<u>205,949</u>	<u>(11,151)</u>	<u>450,521</u>
At 1 April 2000		255,723	255,723	205,949	(11,151)	450,521
Issue of shares pursuant to the Share Option Scheme	32	165	165	-	-	165
Loss for the year		-	-	-	(83,206)	(83,206)
At 31 March 2001		<u>255,888</u>	<u>255,888</u>	<u>205,949</u>	<u>(94,357)</u>	<u>367,480</u>

The above statement of change in equity is to be read in conjunction with the notes to the financial statements on pages 31 to 50.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

	The Group		The Company	
Note	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash flows from/(used in) operating activities				
Cash receipts from customers	29,866	33,541	9,712	14,975
Cash paid to suppliers, employees and for operating expenses	(15,108)	(26,595)	(3,258)	(12,661)
Cash flow from operations	14,758	6,946	6,454	2,314
Interest paid	(6,190)	(9,063)	(3,353)	(6,486)
Taxation refund	189	801	90	578
	(6,001)	(8,262)	(3,263)	(5,908)
Net cash from/(used in) operating activities	8,757	(1,316)	3,191	(3,594)
Cash flows (used in)/from investing activities				
Investment in subsidiary company 37(a)	-	-	(2)	-
Proceeds from disposal of investment	-	386	-	386
Purchase of property, plant and equipment	(5,157)	(2,297)	(4,474)	(1,891)
Proceeds from disposal of property, plant and equipment	-	434	-	402
Interest received	56	161	43	161
Additions to hotel property	(1,498)	(8)	-	-
Proceeds from disposal of real property assets	-	3,047	-	2,605
Net cash (used in)/from investing activities	(6,599)	1,723	(4,433)	1,663
Cash flows used in financing activities				
Proceeds from issuance of shares	165	288	165	288
Repayment to hire purchase creditors	(2,283)	(2,708)	(3)	(387)
Repayment of term loan	(1,819)	(2,531)	(624)	(2,531)
Advance from a director	646	100	646	100
Advance from subsidiary companies	-	-	942	727
Net cash used in financing activities	(3,291)	(4,851)	1,126	(1,803)
Decrease in cash and cash equivalents	(1,133)	(4,444)	(116)	(3,734)
Cash and cash equivalents at beginning of the financial year	728	5,172	150	3,884
Cash and cash equivalents at end of the financial year 21	(405)	728	34	150

The above consolidated and Company cash flow statement is to be read in conjunction with the notes to the financial statements on pages 31 to 50.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

I GENERAL INFORMATION

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

The number of employees at the end of the financial year amounted to 598 (2000: 608) employees in the Group and 81 (2000: 85) employees in the Company.

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

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

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The Company did not have sufficient funds to secure the redemption of the RM150 million 3% Guaranteed Redeemable Bonds 1995/2000 ("Guaranteed Bonds") due on 21 December 2000 and as a consequence, the bank guarantee for the Guaranteed Bonds has been invoked for repayment to the bondholders. The Company is currently undertaking a proposed debt restructuring scheme referred to in Note 27(b) to the financial statements to repay the Guarantor banks and also certain other borrowings of the Company and the Group. The Directors are confident that the proposed debt restructuring scheme will be successfully implemented.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and the Company on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or classification of liabilities that may be necessary if the Group and the Company are unable to continue as a going concern.

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Accounting convention

The financial statements are prepared under the historical cost convention, modified by the revaluation of the hotel property.

(b) Basis of consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are incorporated in the Group financial statements. Any differences between the cost of investment and the net assets of the subsidiary companies that remains after the valuation is shown in the balance sheet as goodwill or reserve on consolidation.

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

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation.

Freehold land is not depreciated. On other assets, depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned. The annual rates are as follows:-

	%
Leasehold land	Amortised over the leasehold period of 46 years
<i>Office equipment</i>	<i>10 - 25</i>
<i>Plant, machinery and equipment</i>	<i>10 - 20</i>
<i>Renovations</i>	<i>15</i>
<i>Furniture and fittings</i>	<i>10 - 15</i>
<i>Motor vehicles</i>	<i>20</i>

(d) Hotel properties

Hotel properties are stated at cost, or if subsequently revalued, at Directors' valuation based on independent professional valuation on an open market value basis. Additions subsequent to the date of valuation are stated at cost. It is the Group's policy to appraise the hotel properties once in every five years, by independent professional valuers based on its open market value. Any surplus or deficit arising therefrom will be dealt with in the Revaluation Surplus account. A deficit is set-off against the Revaluation Surplus account only to the extent of a surplus credited from the previous revaluation of the hotel properties and the excess of the deficit is charged to the income statement.

No depreciation is provided on hotel properties. It is the Group's policy to maintain the properties in such condition that the residual values are so high that depreciation would be insignificant. The related maintenance expenditure is dealt with in the income statement.

(e) Real property assets

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

(f) Development property and expenditure

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

(g) Revenue recognition

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

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

Revenue from hotel operations, plantation and trading of construction materials are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow moving stocks. Cost is determined on a weighted average basis.

(i) Subsidiary companies

A subsidiary company is a company in which the Group owns, directly or indirectly, more than 50% of the equity share capital and has control over its financial and operating policies so as to obtain benefits from its activities.

(j) Investments

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

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

Short-term investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

(k) Deferred taxation

Provision is made, by the liability method, for taxation deferred in respect of all timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

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

(l) Receivables

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

(m) Pre-cropping expenditure

Expenditure incurred on new planting and replanting are capitalised and included in the fixed assets under pre-cropping expenditure and are amortised on a straight line basis over the useful lives of the rootstocks or over the period of the lease, whichever is shorter.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

(n) Capitalisation of borrowing costs

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

(o) Currency translations

Foreign currency transactions in Group companies are accounted for at exchange rates ruling at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange difference arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

(p) Cash and cash equivalents

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

(q) Comparative

Comparative figures have been extended to comply with the additional disclosure requirements of the 13 new MASB Standards that are applicable for the financial year ended 31 March 2001.

There are no changes in accounting policy that affect net loss attributable to shareholders as a result of the adoption of the applicable standards in these financial statements, as the Company was already following the recognition and measurement principles in those standards.

4 REVENUE

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Hotel operations	23,195	21,621	-	-
Construction and property development	-	12,150	-	12,151
Cultivation of oil palm	2,442	4,572	2,442	4,571
Trading in construction materials	-	1,836	-	1,836
	<u>25,637</u>	<u>40,179</u>	<u>2,442</u>	<u>18,558</u>

5 RESTRUCTURING COSTS

During the year, the Company completed a debt restructuring scheme pursuant to a loan settlement agreement dated 8 October 1999 with a financial institution for the settlement of the RM190 million revolving term loan as set out in Note 27(a).

The total restructuring costs incurred therefore amounted to RM67.918 million.

6 (LOSS)/PROFIT FROM OPERATIONS

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
(Loss)/profit from operations is stated after charging/(crediting):-				
Amortisation of deferred expenditure	-	544	-	-
Deferred expenditure written off	1,323	-	-	-
Depreciation of property, plant and equipment	1,758	1,705	1,211	1,379
Staff cost	10,740	9,688	2,851	2,893
Auditors' remuneration:				
- statutory audit fees	65	54	25	25
- over provision in prior year	7	-	-	30
- non statutory audit fees	95	48	78	3
Bad debts written off	-	3	-	-
Provision for doubtful debts	-	767	-	-
Loss on disposal of property, plant and equipment	-	42	-	42
Property, plant and equipment written off	-	13	-	13
Pre-cropping expenditure written off	10	16	10	16
Foreign exchange loss (realised)	14	-	-	-
Loss on disposal of subsidiary companies	-	-	-	11
Interest income	(57)	(101)	(44)	(101)
Gross dividends received from quoted investment	-	(25)	-	(25)
Gain from disposal of investment	-	(81)	-	(81)
Rental income from shoplots	(4,448)	(4,331)	-	-
Gain on disposal of real property assets	-	(749)	-	(749)

7 DIRECTORS' REMUNERATION

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Fees	13	-	-	-
Other emoluments	1,232	1,148	1,086	917
	1,245	1,148	1,086	917

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

8 FINANCE COST

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest expenses	12,036	18,811	9,680	16,328
Bank guarantee commission	1,958	2,701	1,958	2,701
Others	484	94	3	54
	<u>14,478</u>	<u>21,606</u>	<u>11,641</u>	<u>19,083</u>

9 TAXATION

	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current year taxation	-	(5)	-	(5)
Over provision in respect of previous year	-	267	-	267
	<u>-</u>	<u>262</u>	<u>-</u>	<u>262</u>

The amount of unabsorbed tax losses of the Group and Company for which the related tax effects have not been included in the net income amounted to RM38,464,000 (2000: RM29,916,000) and RM33,424,000 (2000: RM24,877,000) respectively as at 31 March 2001.

The amount of tax saving in the Group for which credit is taken during the financial year end as a result of the realisation of tax loss carryforward that had not been accounted for in the year of loss is RM1,411,000 (2000: RM1,411,000).

10 LOSS PER SHARE

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

	2001	2000
Loss attributable to shareholders (RM'000)	82,579	11,260
Weighted average number of ordinary shares in issue ('000)	255,881	255,627
Basic loss per share (sen)	<u>32.3</u>	<u>4.4</u>

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

11 REAL PROPERTY ASSETS

	The Group and the Company	
	2001	2000
Freehold land, at cost	<u>83,018</u>	<u>83,018</u>

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

36 ■ NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

12 PROPERTY, PLANT AND EQUIPMENT

	Short-term leasehold land RM'000	Office equipment RM'000	Plant, machinery and equipment RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Pre-cropping expenditure RM'000	Total RM'000
The Group								
Cost								
1 April 2000	13,000	2,559	1,007	398	1,244	4,225	7,520	29,953
Additions	-	21	1,772	169	556	99	4,289	6,906
Written-off	-	-	-	-	(6)	-	(138)	(144)
31 March 2001	13,000	2,580	2,779	567	1,794	4,324	11,671	36,715
Accumulated depreciation								
1 April 2000	3,510	1,595	210	269	706	3,340	1,679	11,309
Charge during the year	283	130	341	56	231	484	233	1,758
Written-off	-	-	-	-	(6)	-	(128)	(134)
31 March 2001	3,793	1,725	551	325	931	3,824	1,784	12,933
Net book value								
31 March 2001	9,207	855	2,228	242	863	500	9,887	23,782
The Group								
Cost								
1 April 1999	13,000	2,492	1,875	398	1,170	4,277	5,760	28,972
Additions	-	170	158	-	74	65	1,830	2,297
Disposals/transfer	-	(103)	(1,026)	-	-	(117)	(70)	(1,316)
31 March 2000	13,000	2,559	1,007	398	1,244	4,225	7,520	29,953
Accumulated depreciation								
1 April 1999	3,227	1,400	734	218	528	2,843	1,466	10,416
Charge during the year	283	236	149	51	178	541	267	1,705
Disposals/transfer	-	(41)	(673)	-	-	(44)	(54)	(812)
31 March 2000	3,510	1,595	210	269	706	3,340	1,679	11,309
Net book value								
31 March 2000	9,490	964	797	129	538	885	5,841	18,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Short-term leasehold land RM'000	Office equipment RM'000	Plant, machinery and equipment RM'000	Renovations RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Pre-cropping expenditure RM'000	Total RM'000
The Company								
Cost								
1 April 2000	13,000	1,521	129	398	670	3,221	7,520	26,459
Additions	-	3	-	169	1	99	4,289	4,561
Written-off	-	-	-	-	(6)	-	(138)	(144)
31 March 2001	13,000	1,524	129	567	665	3,320	11,671	30,876
Accumulated depreciation								
1 April 2000	3,510	1,229	111	269	411	2,496	1,679	9,705
Charge during the year	283	120	5	56	97	417	233	1,211
Written-off	-	-	-	-	(6)	-	(128)	(134)
31 March 2001	3,793	1,349	116	325	502	2,913	1,784	10,782
Net book value								
31 March 2001	9,207	175	13	242	163	407	9,887	20,094

The Company								
Cost								
1 April 1999	13,000	1,524	1,155	398	670	3,338	5,760	22,845
Additions	-	61	-	-	-	-	1,830	1,891
Disposals/transfer	-	(64)	(1,026)	-	-	(117)	(70)	(1,277)
31 March 2000	13,000	1,521	129	398	670	3,221	7,520	26,459
Accumulated depreciation								
1 April 1999	3,227	1,134	690	218	312	2,083	1,466	9,130
Charge during the year	283	132	90	51	99	457	267	1,379
Disposals	-	(37)	(669)	-	-	(44)	(54)	(804)
31 March 2000	3,510	1,229	111	269	411	2,496	1,679	9,705
Net book value								
31 March 2000	9,490	292	18	129	259	725	5,841	16,754

12 PROPERTY, PLANT AND EQUIPMENT (*CONTINUED*)

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

	<i>The Group</i>		<i>The Company</i>	
	<i>2001 RM'000</i>	<i>2000 RM'000</i>	<i>2001 RM'000</i>	<i>2000 RM'000</i>
<i>Cost</i>	2,019	270	99	-
<i>Accumulated depreciation</i>	(391)	(162)	(10)	-
<i>Net book value</i>	1,628	108	89	-

The short term leasehold land has been charged to a financial institution to secure a term loan granted to the Company.

13 HOTEL PROPERTIES

	<i>The Group</i>			
	<i>Hotel property at valuation RM'000</i>	<i>Hotel property at cost RM'000</i>	<i>Hotel property work in progress RM'000</i>	<i>Total RM'000</i>
<i>At 1 April 2000</i>	480,000	172,612	-	652,612
<i>Revaluation</i>	65,000	-	-	65,000
<i>Reclassification upon revaluation</i>	-	(63,049)	-	(63,049)
<i>Acquisition of subsidiary companies (Note 37 (b))</i>	-	-	93,537	93,537
<i>Addition</i>	-	-	1,401	1,401
<i>At 31 March 2001</i>	545,000	109,563	94,938	749,501

- (a) Hotel property of a subsidiary company was revalued on 20 July 2000 by the Directors based on a valuation carried out by an independent firm of professional valuers on an open market value basis. The revaluation represent a surplus of RM1,951,207 over the reported carrying value of RM543,048,793 as at 31 March 2000. The surplus dealt with in the revaluation reserve account is net of deferred tax effect of approximately RM97,560.

The property has been charged to several licensed financial institutions to secure the RM154,500,000 Syndicated term loan II (Note 25) obtained by the Company; and the RM192,375,000 Irredeemable Convertible Secured Loan Stocks 2000/2005 (Note 29) and RM90,124,000 3% Redeemable Secured Bonds 2000/2005 (Note 30) issued by the Company.

Included in the hotel property at valuation are assets acquired under instalment purchase plans amounting to RM21,884,349 (2000: RM26,884,349).

The net book value of the hotel property at valuation is RM329,961,754 (2000: RM329,961,754) should the hotel property be stated at cost.

- (b) The hotel property at cost has been charged to a consortium of financial institutions to secure the Syndicated term loan I of RM21,000,000 (Note 28) granted to a subsidiary company.

Included in the hotel property at cost are assets acquired under instalment purchase plans amounting to RM6,011,000 (2000: RM6,011,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

14 SUBSIDIARY COMPANIES

	<i>The Company</i>	
	2001 RM'000	2000 RM'000
Shares, at cost (unquoted)	557,984	477,982
Advances to a subsidiary company	103,091	103,086
	<u>661,075</u>	<u>581,068</u>

Advances to subsidiary company are unsecured, interest free and are not repayable within the next 12 months.

(a) The following comparative figures have been reclassified to conform with the current year's presentation:

	<i>The Company</i> RM'000
As reported previously	477,982
Reclassification of amount due from a subsidiary company	103,086
As restated	<u>581,068</u>

(b) The subsidiary companies are as follows:

Name of Company	Country of incorporation	Principal activities	Group effective interest	
			2001	2000
Held by the Company:			%	%
Dynawell Corporation (M) Sdn. Bhd.	Malaysia	Hotel and service apartment operations and management and property development	100	100
*KSB Requirements & Rest Sdn. Bhd.	Malaysia	Hotel operation and management and property development	70	70
*Gula Perak Land Sdn. Bhd.	Malaysia	Dormant	100	-
*Rumpun Dahlia Sdn. Bhd.	Malaysia	Property development and construction	100	-
Held by Rumpun Dahlia Sdn. Bhd.:				
*Cartel Properties Sdn. Bhd.	Malaysia	Property development and investment	100	100

* Not audited by PricewaterhouseCoopers.

15 DEFERRED EXPENDITURE

	<i>The Group</i>	
	2001 RM'000	2000 RM'000
The deferred expenditure, at cost	1,323	2,127
Accumulated amortisation	(1,323)	(811)
	<u>-</u>	<u>1,316</u>

16 DEVELOPMENT PROPERTY AND EXPENDITURE

	<i>The Group and The Company</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>
Freehold land, at cost	17,911	17,911
Development expenditure	96,305	96,147
	114,216	114,058
Attributable profit accrued on uncompleted projects	6,133	6,133
	120,349	120,191
Progress billings received and receivable	(49,046)	(49,046)
	71,303	71,145

Certain of the above properties with carrying value of approximately RM22,500,000 (2000: RM22,500,000) have been charged to a licensed financial institution to secure the syndicated term loan granted to the Company.

17 INVENTORIES

	<i>The Group</i>		<i>The Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At cost				
Estate consumables	8	31	8	31
Food, beverages and supplies	467	563	-	-
	475	594	8	31

18 TRADE RECEIVABLES

	<i>The Group</i>		<i>The Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade receivables	40,294	119,988	17,289	100,345
Less: provision for doubtful debts	(1,420)	(1,420)	(131)	(131)
	38,874	118,568	17,158	100,214

Included in trade receivables are the following balances arising from the normal ordinary course of the Group's and the Company's business activities:

	<i>The Group</i>		<i>The Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Amount due by Directors	245	586	245	228

The amount due by Directors arose from sales of the Company's development properties at market value and carries an interest rate of 10% per annum on the amount overdue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

19 AMOUNT DUE FROM/TO A SUBSIDIARY COMPANY

The amount due from a subsidiary company is in respect of advances and is unsecured, interest free and have no fixed terms of repayment.

The amount due to a subsidiary company is trade in nature.

20 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>The Group</i>		<i>The Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Other receivables</i>	21,493	21,498	1,266	1,462
<i>Deposits</i>	433	395	259	259
<i>Prepayments</i>	157	3,007	22	2,909
	22,083	24,900	1,547	4,630

21 CASH AND CASH EQUIVALENTS

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

	<i>The Group</i>		<i>The Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Deposits with licensed banks</i>	944	922	755	726
<i>Cash and bank balances</i>	623	455	17	73
<i>Bank overdraft (Note 25)</i>	(1,972)	(649)	(738)	(649)
	(405)	728	34	150

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

22 AMOUNT OWING TO A DIRECTOR

Amount owing to a Director is unsecured, interest free and has no fixed terms of repayment.

23 OTHER PAYABLES AND ACCRUALS

	<i>The Group</i>		<i>The Company</i>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Other payables</i>	13,289	6,885	4,530	1,975
<i>Accruals</i>	4,192	3,103	764	667
<i>Deposits received from customers</i>	2,353	2,225	1,000	808
	19,834	12,213	6,294	3,450

24 HIRE PURCHASE CREDITORS:

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
<i>Minimum hire purchase payments:</i>				
- not later than 1 year	3,688	4,907	27	-
- later than 1 year and not later than 5 years	9,213	6,752	78	-
	12,901	11,659	105	-
<i>Future finance charges on hire purchase creditors:</i>	(2,585)	(2,245)	(21)	-
<i>Present value of hire purchase creditors</i>	10,316	9,414	84	-
<i>Representing hire purchase creditors:</i>				
- current	2,907	4,080	22	-
- non-current	7,409	5,334	62	-
	10,316	9,414	84	-

25 SHORT TERM BORROWINGS

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
<i>Unsecured:</i>				
Revolving credit (Note a)	1,950	1,950	1,950	1,950
<i>Secured:</i>				
Syndicated term loan I (Note b)	3,000	3,000	-	-
Syndicated term loan II (Note c)	154,500	-	154,500	-
Revolving credit (Note d)	24,845	25,469	24,845	25,469
Bank overdraft (Note e)	1,972	649	738	649
Revolving term loan (Note 27 (a))	-	190,000	-	190,000
	186,267	221,068	182,033	218,068

- (a) The unsecured revolving credit carried interest at rates which ranged from 4.05% to 5.15% (2000: 4.05% to 7.95%) per annum.
- (b) The Syndicated term loan I is obtained from a consortium of financial institutions and carried interest at rates which ranged from 7.15% to 9.3% (2000: 7.25% to 10.55%) per annum during the financial year. The loan is secured by a first legal charge over a subsidiary company's hotel property and jointly and severally guaranteed by certain directors of the subsidiary company and a third party.
- (c) The Syndicated term loan II was from Guarantor banks to redeem the RM150,000,000 nominal value of 3% Guaranteed redeemable bonds 1995/2000 upon its maturity on 21 December 2000 and carried interest at rates which ranged from 7.00% to 10.45% (2000: Nil) per annum during the financial year. The loan is secured by legal charges over the Company's certain developed properties and a subsidiary company's hotel property.

This loan is subject to the proposed debt restructuring scheme as set out in Note 27(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

- (d) The revolving credit facilities granted to the Company are secured against certain of the Company's real property assets and carried interest at rates which ranged from 6.40% to 6.50% (2000: 6.40% to 9.5%) per annum.

This loan is subject to the proposed debt restructuring scheme as set out in Note 27(b).

- (e) The bank overdraft facilities granted to the Company carried interest at rates which ranged from 8.30% to 9.30% (2000: 8.3% to 10.15%) per annum. The facilities are secured by first party fixed deposits in the financial institutions.

Bank overdraft facility granted to a subsidiary company carried interest at 9.3% (2000: Nil) per annum. The facility is secured by a first legal charge over the subsidiary company's hotel property, first fixed and floating charges on all assets and undertaking of the subsidiary company; and jointly and severally guaranteed by certain directors of the subsidiary company.

26 GUARANTEED REDEEMABLE BONDS WITH DETACHABLE WARRANTS

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

The main features of the Guaranteed Bonds and Warrants are as follows:

- (a) The Guaranteed Bonds carry a coupon interest rate of 3.0% per annum payable annually in arrears.
- (b) Unless previously redeemed, repurchased or cancelled, the Company shall redeem the Guaranteed Bonds in cash at their nominal value on maturity on 21 December 2000.
- (c) The warrants are transferable and are quoted on the Kuala Lumpur Stock Exchange.
- (d) Holders of the warrants have the right to subscribe in cash at any time during the exercise period which will expire on 21 December 2005 at the exercise price of RM2.18 per new ordinary share. The exercise price may be adjusted in accordance with the provisions contained in the Deed Poll dated 11 December 1995.
- (e) The Company is required to set up a sinking fund to capture all proceeds from the conversion of the warrants to secure the due redemption of the full amount of the Guaranteed Bonds outstanding on the maturity date as stipulated in the Trust Deed constituting the Guaranteed Bonds. The total contributions in the sinking fund as at a date six months prior to the maturity date of the Guaranteed Bonds must be sufficient to redeem the entire principal value of the Guaranteed Bonds.

The Company did not have sufficient funds to secure the redemption of the RM150 million 3% Guaranteed Redeemable Bonds 1995/2000 due on 21 December 2000 and as a consequence, the bank guarantee for the Guaranteed Bonds has been invoked for repayment to the bondholders. The Company is currently undertaking a proposed debt restructuring scheme as set out in Note 27(b) to the financial statements to repay the Guarantor banks and also certain borrowings of the Company and the Group.

As at 31 March 2001, 74,211,200 (2000: 74,211,200) warrants remained unexercised.

27 DEBT RESTRUCTURING SCHEMES

- (a) Completed Debt Restructuring Scheme

During the year, the Company completed a debt restructuring scheme pursuant to a loan settlement agreement dated 8 October 1999 with a financial institution for the settlement of the RM190 million revolving term loan.

The settlement of principal amounting to RM190 million and outstanding interest and other related incidental cost amounting to RM24.581 million were carried out as follows:

- (i) On 1 September 2000, the Company issued RM192.375 million Irredeemable Convertible Secured Loan Stocks 2000/2005 at nominal value (Note 29) to fully settle RM142.5 million revolving term loan.
- (ii) On 18 December 2000, the Company issued RM90.124 million nominal value of 3% Redeemable Secured Bond 2000/2005 (Note 30) to fully settle the balance of RM47.5 million revolving term loan together with the RM24.581 million outstanding interest and other related incidental cost.

(b) Proposed Debt Restructuring Scheme

The current Proposed Debt Restructuring Scheme which the Company announced on 14 July 2000, involves the following lenders:

- (i) the Syndicated term loan II (Note 25(c)), from the guarantor banks for settlement of the outstanding amount of RM154.5 million, the interest from the period 22 December 2000 to 31 December 2000 upon invocation of the bank guarantee proposed to be capitalised of approximately up to RM450,000 together with the bank guarantee fees of approximately RM2.704 million pursuant to the Guaranteed Bonds;
- (ii) the revolving credit (Note 25(d)) lenders for settlement of an outstanding amount of RM25 million together with the interest up to 31 December 2000 proposed to be capitalised of approximately up to RM2.3 million; and
- (iii) the Syndicated term loan I (Note 25(b)) lenders for settlement of an outstanding amount of RM21 million together with the interest up to 31 December 2000 of approximately RM3.5 million proposed to be capitalised.

The proposed debt-restructuring scheme of the aforesaid Debts are as follows:

- (i) proposed issuance of up to RM248.438 million nominal value of five (5) year Redeemable Convertible Secured Notes ("RCSN") by the Company to the Lenders as settlement for the Debts ("Proposed RCSN Issue");
- (ii) proposed restricted offer for sale by the Lenders the entire up to RM248.438 million nominal value of RCSN to the shareholders of the Company on a non-renounceable basis at an offer price of approximately 81.24 sen per RCSN or any other amount to be approved by the relevant authorities ("Proposed Restricted Offer for Sale"). The Proposed Restricted Offer for Sale will not be underwritten i.e. any unsubscribed RCSN will be retained by the Lenders proportionately.
- (iii) proposed put and call options as follows:
 - At the request of the Lenders, YBhg Tan Sri Dato' Lim Cheng Pow ("Tan Sri Dato' Lim"), the Managing Director and a substantial shareholder of the Company, will grant the Lenders a put option whereby the Lenders shall have the right to sell to Tan Sri Dato' Lim a total of RM47.8 million nominal value of the RCSN or whatever amount of RCSN retained by them after the Proposed Restricted Offer for Sale, whichever is the lower, proportionately to all Lenders; and
 - Simultaneously, the Lenders will grant Tan Sri Dato' Lim a call option whereby Dato' Lim shall have the right to purchase from the Lenders a total of RM47.8 million nominal value of the RCSN or whatever amount of RCSN retained by them after the Proposed Restricted Offer for Sale, whichever is the lower, proportionately from all Lenders.

NOTES TO THE FINANCIAL STATEMENTS

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On 22 September 2000, the Company announced that following negotiations with the Lenders, there is a proposed increase in the yield-to-maturity of the RCSN from 8% per annum to 9% per annum. Therefore, the nominal amount of RCSN to be issued to the Lenders as settlement of their respective Debts will increase to RM257.83 million nominal value of RCSN from the original RM248.438 million nominal value of RCSN as announced on 14 July 2000.

On 20 February 2001, the Company announced that after taking into consideration the estimated additional interest charges for the revolving credit, term loan and invoked bank guarantee in respect of the Guaranteed Bonds for another nine (9) months to 30 September 2001, the nominal amount of RCSN to be issued to the Lenders as settlement of their respective debts will be increased up to RM277.833 million nominal value of RCSN from the original RM257.83 million nominal value of RCSN as announced on 22 September 2000.

The above proposal is pending approval by the lenders and has been submitted to the Securities Commission and other regulatory authorities for approval.

28 TERM LOANS

	<i>The Group</i>	
	<i>2001</i>	<i>2000</i>
	<i>RM'000</i>	<i>RM'000</i>
<i>Syndicated term loan I (Note a)</i>	<i>21,000</i>	<i>21,000</i>
<i>Repayable within 12 months (Note 25 (b))</i>	<i>(3,000)</i>	<i>(3,000)</i>
	<i>18,000</i>	<i>18,000</i>
<i>Term loan (Note b)</i>	<i>10,400</i>	<i>-</i>
	<i>28,400</i>	<i>18,000</i>

- (a) The Syndicated term loan I was obtained from a consortium of financial institutions and carried interest at rates which ranged from 7.15% to 9.3% (2000: 7.25% to 10.55%) per annum during the year. The loan is secured by a first legal charge over a subsidiary company's hotel property and jointly and severally guaranteed by certain directors of the subsidiary company and a third party.

This loan is subject to the proposed debt restructuring scheme as set out in Note 27(b).

- (b) The term loan granted to a subsidiary company carried interest at 9.3% per annum during the year. The loan is secured by a third party fixed charge over the subsidiary company's landed property, first fixed and floating charges on all assets and undertaking of the subsidiary company; and jointly and severally guaranteed by certain directors of the subsidiary company.

29 IRREDEEMABLE CONVERTIBLE SECURED LOAN STOCKS 2000/2005

The Irredeemable Convertible Secured Loan Stocks 2000/2005 ("ICSLS") issued on 1 September 2000 is secured by legal charges over the Company's leasehold land and a subsidiary company's hotel property.

The principal terms of the ICSLS are as follows:

- (a) Nominal value: RM192,375,000;
- (b) Coupon: Zero coupon interest rate on the nominal value;
- (c) Tenure: 5 years from date of issue;

- (d) Maturity: The date preceding the fifth anniversary of the date of issue of ICSLS;
- (e) Conversion to ordinary shares: The ICSLS shall only be converted into new ordinary shares after the expiry of the third year from the issue date of the ICSLS; and
- (f) Conversion rate: The conversion price for the ICSLS shall be RM1.20 per new ordinary share.

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

30 3% REDEEMABLE SECURED BONDS 2000/2005

The Redeemable Secured Bonds 2000/2005 ("the Bonds") issued on 18 December 2000 is secured by legal charges over the Company's leasehold land.

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 may at any time purchase the Bonds by private treaty
 - (ii) Mandatory redemption - Unless previously redeemed and cancelled, the Bond 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 ICSLS holders in relation to the assets secured; and
- (g) Listing: The Bonds will not be listed on the KLSE.

31 DEFERRED TAXATION

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

The tax effects of debit timing differences not accounted for at the financial year end for the Company amounted to approximately RM323,000 (2000: RM215,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

32 SHARE CAPITAL

	<i>The Group and the Company</i>	
	2001	2000
	RM'000	RM'000
Ordinary shares of RM1 each:		
Authorised		
1,000,000,000 ordinary shares	1,000,000	1,000,000
Issued and fully paid		
At 1 April		
255,723,300 (2000: 255,435,300) ordinary shares	255,723	255,435
Issued during the year pursuant to The Share Option Scheme amounting to 165,000 (2000: 288,000) ordinary shares at an issue price of RM1 each	165	288
At 31 March		
255,888,300 (2000: 255,723,300) ordinary shares	255,888	255,723

33 CONTINGENT LIABILITIES (UNSECURED)

	<i>The Company</i>	
	2001	2000
	RM'000	RM'000
Corporate guarantee given to financial institution for facility granted to subsidiary company	21,000	21,000

34 SEGMENTAL ANALYSIS BY ACTIVITIES

	Operating revenue	Profit/(Loss)	Assets
	RM'000	before taxation	employed
	RM'000	RM'000	RM'000
2001			
Hotel operations	23,195	(8,436)	773,747
Construction and property development	-	-	188,301
Cultivation of oil palm	2,442	(3,873)	20,154
Trading in construction materials	-	(365)	8,371
Others	-	(1,987)	30
Restructuring costs (unallocated)	-	(67,918)	-
	25,637	(82,579)	990,603
2000			
Hotel operations	21,621	(11,319)	672,062
Construction and property development	12,151	(859)	191,000
Cultivation of oil palm	4,571	1,003	19,408
Trading in construction materials	1,836	213	88,374
Others	-	(1,334)	14
	40,179	(12,296)	970,858

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

35 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

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

The details below are transactions with related parties:

Type of transaction	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Significant related party transaction				
<i>Charged by subsidiary company</i>				
- Dynawell Corporation Sdn Bhd				
Office rental and service charges	-	-	480	480
Significant related party balances				
<i>Receivables:</i>				
- Company connected to certain directors Kemajuan Amoy Berhad				
Property and rental of tower crane	4,803	4,451	4,803	4,405
- Subsidiary companies KSB Requirements & Rest Sdn Bhd				
Advances	-	-	103,091	103,086
<i>Payables:</i>				
- Companies connected to certain directors Interdev Corporation Sdn Bhd				
Trade	1,180	1,180	1,180	1,180
- Subsidiary company Dynawell Corporation Sdn Bhd				
Office rental and service charges	-	-	5,691	4,743

36 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 18 June 2001, the Company's 60,795,653 Existing Warrants representing 81.92% of the Existing Warrants were surrendered by the holders of Existing Warrants and was substituted with 60,795,653 Replacement Warrants. The total proceeds received from the subscription of the Replacement Warrants amounts to RM3,039,783.

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

37 ACQUISITION OF SUBSIDIARY COMPANIES

(a) Gula Perak Land Sdn Bhd

During the financial year, the Company paid RM2,000 in cash to subscribe for 100% equity interest in Gula Perak Land Sdn Bhd, a company incorporated on 19 December 2000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2001

(b) Rumpun Dahlia Sdn Bhd ("RD")

Following shareholders' approval of the acquisition of 100% equity interest in RD on 27 September 2000, the Company acquired the equity interest on 21 November 2000, being the final approval from Foreign Investment Committee.

The acquisition was a debt settlement arrangement of a trade debtor through the payment-in-kind of the 80,000,000 ordinary shares of RM1.00 each in RD.

(i) Details of net asset acquired, goodwill and cash flow arising from the acquisition are as follows:

	<i>At date of Acquisition</i> <i>RM'000</i>
<i>Hotel Property-Work In Progress (Note 13)</i>	93,537
<i>Other receivables, deposit and prepayment</i>	91
<i>Cash and bank balances</i>	31
<i>Other payables</i>	(772)
<i>Hire purchase creditors</i>	(1,436)
<i>Bank overdraft</i>	(1,226)
<i>Term loan</i>	(10,400)
<i>Fair value of net assets acquired at 21 November 2000</i>	79,825
<i>Goodwill on consolidation</i>	175
<i>Total purchase consideration discharged by debt settlement</i>	80,000

No purchase consideration was discharged by cash in respect of the acquisition. There was no acquisition in the prior year.

(ii) The effect of this acquisition on the financial results of the Group during the financial year is shown below:

	<i>Year ended 31.3.2001</i> <i>RM'000</i>
<i>Other operating income</i>	28
<i>Profit from ordinary activities before and after tax</i>	28

(iii) The effect of this acquisition on the financial position of the Group at the financial year end is as follows:

	<i>31.3.2001</i> <i>RM'000</i>
<i>Hotel property-work in progress</i>	94,938
<i>Goodwill on consolidation</i>	58
<i>Sundry deposits and prepayments</i>	63
<i>Cash and bank balances</i>	12
<i>Other payables</i>	(2,329)
<i>Hire purchase creditors</i>	(1,197)
<i>Bank overdraft</i>	(1,238)
<i>Term loan</i>	(10,400)
<i>Increase in Group net assets</i>	79,907

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) TO THE COMPANIES ACT, 1965

We, Datuk Rahim Bin Baba and Lim Sue Beng, being two of the Directors of Gula Perak Berhad state that, in the opinion of the Directors, the financial statements set out on pages 8 to 42 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2001 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 27 July 2001.

Datuk Rahim Bin Baba
Director

Lim Sue Beng
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) TO THE COMPANIES ACT, 1965

I, Lim Bee Khim, being the Officer primarily responsible for the financial management of Gula Perak Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 8 to 42 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Lim Bee Khim

Subscribed and solemnly declared at Kuala Lumpur on 27 July 2001

Before me:

Maisharah Binti Abu Hasan
Commissioner for Oaths

REPORT OF THE AUDITORS

TO THE MEMBERS OF GULA PERAK BERHAD

GULA PERAK BERHAD

(Company no: 8104-X)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 8 to 42. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

IN OUR OPINION:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and the Company as at 31 March 2001 and of the results and cash flows of the Group and the Company for the year ended on that date;

and

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

Without qualifying our opinion, we draw attention to Note 2 to the financial statements. The Company did not have sufficient funds to secure the redemption of the RM150 million Guaranteed Redeemable Bonds ("Guaranteed Bonds") due on 21 December 2000 and as a consequence, the bank guarantee for the Guaranteed Bonds has been invoked for repayment to the bondholders. The Company is currently undertaking a proposed debt restructuring scheme referred to in Note 27(b) to the financial statements to repay the Guarantor banks and also certain other borrowings of the Company and the Group. The Directors are confident that the proposed debt restructuring scheme will be successfully implemented. The appropriateness of preparing the financial statements of the Group and the Company on a going concern basis is dependent upon the successful implementation of the aforementioned restructuring exercise.

The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 14 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon .

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

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

PricewaterhouseCoopers
(AF: 1146)
Public Accountants

Mohd Daruis Zainuddin
(969/03/03 (J/PH))
Partner of the firm

27 July 2001 ■—————

ANALYSIS OF SHAREHOLDINGS

AS AT 6TH AUGUST 2001

Class of Shares : Ordinary shares of RM1.00 each

Voting right : 1 Vote per share

Size of Holdings	Number of Holders	%	Number of Shares Held	%
1-999	966	11.51	254,343	0.10
1,000-10,000	6,874	81.91	20,520,568	8.01
10,001-100,000	496	5.91	11,688,746	4.57
100,001-12,794,414 *	54	0.65	147,127,643	57.50
12,794,415 ** and above	2	0.02	76,297,000	29.82
Total	8,392	100.00	255,888,300	100.00

Remark : * - Less than 5% of issued shares

** - 5% and above of issued shares

List of Thirty (30) Largest Shareholders		Number of Ordinary Shares Held	% of Issued Capital
1)	Alliance Group Nominees (Tempatan) Sdn Bhd pledged securities account for Kesenta Development Sdn Bhd	47,791,000	18.68
2)	MBf Nominees (Tempatan) Sdn Bhd pledged securities account for Tan Sri Dato' Lim Cheng Pow	28,506,000	11.14
3)	DB (Malaysia) Nominee (Tempatan) Sdn Bhd Societe Generale, Singapore Branch for Tan Sri Dato' Lim Cheng Pow	9,400,000	3.67
4)	UOBM Nominees (Tempatan) Sdn Bhd Societe Generale, Singapore Branch for Tan Sri Dato' Lim Cheng Pow	9,000,000	3.52
5)	AMSEC Nominees (Tempatan) Sdn Bhd Arab-Malaysian Finance Bhd for Tan Sri Dato' Lim Cheng Pow	9,000,000	3.52
6)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Tan Sri Dato' Lim Cheng Pow	8,250,000	3.22
7)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Lim Bee Ling	7,500,000	2.93
8)	Hong Leong Finance Bhd pledged securities account for Lim Sue Beng	7,400,000	2.89
9)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Mirage Point (M) Sdn Bhd	6,324,000	2.47
10)	RC Nominees (Tempatan) Sdn Bhd Nirwana Juara Sdn Bhd	6,190,000	2.42
11)	Southern Nominees (Tempatan) Sdn Bhd pledged securities account for Lim Hok Lian	6,000,000	2.34
12)	Bank Kerjasama Rakyat Malaysia Bhd pledged securities account for Kesenta Development Sdn Bhd	5,019,000	1.96
13)	Permodalan Nasional Berhad	5,000,000	1.95
14)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Yu Jin Min	5,000,000	1.95

List of Thirty (30) Largest Shareholders		Number of Ordinary Shares Held	% of Issued Capital
15)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Chai Kim Fah	5,000,000	1.95
16)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Tan Ang Khan @ Chan Yin Kong	4,000,000	1.56
17)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Shariffudin Bin Shawal (KAB 871012)	3,500,000	1.37
18)	Lembaga Tabung Angkatan Tentera	3,444,500	1.35
19)	Mayban Nominees (Tempatan) Sdn Bhd pledged securities account for Koperasi Polis DiRaja Malaysia Bhd	3,444,000	1.35
20)	Alliance Credit Nominees (Tempatan) Sdn Bhd pledged securities account for Yakin Tenggara Sdn Bhd	3,300,000	1.29
21)	Citicorp Nominees (Tempatan) Sdn Bhd CBHK PBGSG for Tan Sri Dato' Lim Cheng Pow	3,216,000	1.26
22)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Ng Yook Ching	3,000,000	1.17
23)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for George Hgoh Hung Onn	3,000,000	1.17
24)	Southern Nominees (Tempatan) Sdn Bhd pledged securities account for Kok Aik Kong	2,900,000	1.13
25)	Southern Nominees (Tempatan) Sdn Bhd pledged securities account for Tan Ang Khan @ Chan Yin Kong	2,600,000	1.02
26)	Alliance Group Nominees (Tempatan) Sdn Bhd pledged securities account for Adnan Bin Jaafar	2,400,000	0.94
27)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. For Yakin Tenggara Sdn Bhd	2,249,000	0.88
28)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Law Swee Kee @ Low Siew Heoh	2,200,000	0.86
29)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Bhd for Low Ah Suan	2,000,000	0.78
30)	Alliance Group Nominees (Tempatan) Sdn Bhd pledged securities account for Dato' Mustapha Bin Buang	1,800,000	0.70
		208,433,500	81.44

Substantial Shareholders	Number of Ordinary Shares Held	% of Issued Capital
Tan Sri Dato' Lim Cheng Pow	44,206,000	17.28
Datuk Rahim Bin Baba - Direct Interest	1,661,000	0.65
- Indirect Interest	34,922,000	13.65
Lim Sue Beng	14,800,000	5.78
Lim Bee Ling	14,800,000	5.78
Kesenta Development Sdn.Bhd.	34,922,000	13.65

ANALYSIS OF IRREDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("ICSLS") HOLDINGS

AS AT 6TH AUGUST 2001

Size of Holdings	Number of Holders	%	Number of ICSLS Held	%
1 - 999	100	5.00	52,154	0.03
1,000-10,000	1,783	89.15	5,256,945	2.73
10,001 - 100,000	112	5.60	2,263,750	1.18
100,001 - 9,618,749 *	4	0.20	1,625,000	0.84
9,618,750 ** and above	1	0.05	183,177,151	95.22
	2,000	100.00	192,375,000	100.00

Remark : * - Less than 5% of issued ICSLS

** - 5% and above of issued ICSLS

Thirty (30) Largest ICSLS Holders		Number of ICSLS Held	% of Issued ICSLS
1)	MBF Finance Berhad	183,177,151	95.22
2)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Yakin Tenggara Sdn Bhd	807,000	0.42
3)	Juwitawan Sdn Bhd	506,000	0.26
4)	Kaoy Poon Seng	172,500	0.09
5)	Loh Eng Wah @ Loh Eng Wha	139,500	0.07
6)	Perbadanan Kemajuan Negeri Selangor	75,000	0.04
7)	Fairbanks Limited	75,000	0.04
8)	Chin Kon Chung	68,000	0.04
9)	Wong Kin Loi	67,500	0.04
10)	Tan Ang Khan @ Chan Yin Kong	53,000	0.03
11)	Ng Sok Beng	52,000	0.03
12)	Ong Giap Thye	40,000	0.02
13)	Ng Tein Sun	39,000	0.02
14)	Wah Tat Nominees (Tempatan) Sdn Bhd Chai Kiam Leong (WTB Kuching)	38,000	0.02
15)	Lai Fook Hoy	36,000	0.02

Thirty (30) Largest ICSLS Holders		Number of ICSLS Held	% of Issued ICSLS
16)	AMSEC Nominees (Tempatan) Sdn Bhd pledged securities account for Tham Ah Ngan	34,000	0.02
17)	Yap Gee Lin	34,000	0.02
18)	Kek Hai Hua	33,750	0.02
19)	Poh Gek Lang	33,000	0.02
20)	Wong Wing Heng	31,000	0.02
21)	Loo Seang Choo	30,000	0.02
22)	Seah Heng Lye	30,000	0.02
23)	Ham Kow Chung	30,000	0.02
24)	Creative Communications Sdn Bhd	30,000	0.02
25)	Foh Hong Hin	30,000	0.02
26)	Yuen Kam Wah	29,000	0.02
27)	Lim Rong Gou @ Lim Eng Ker	25,000	0.01
28)	Guan Sook Hua	25,000	0.01
29)	Selangor Industrial Corporation Sdn Bhd	23,000	0.01
30)	Lee Huat Beng	23,000	0.01
		185,786,401	96.62

ANALYSIS OF WARRANTHOLDING FOR WARRANT A

AS AT 6TH AUGUST 2001

Size of Holdings	Number of Holders	%	Number of Warrants Held	%
1 - 999	315	13.71	124,216	0.93
1,000 - 10,000	1,878	81.76	5,655,947	42.11
10,001 - 100,000	98	4.27	2,136,000	15.90
100,001 - 671,551 *	3	0.13	513,884	3.83
671,552 ** and above	3	0.13	5,001,000	37.23
	2,297	100.00	13,431,047	100.00

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

**-. 5% and above of issued Warrant A

Thirty (30) Largest Warrant Holders for Warrant A		Number of Warrants Held	% of Issued Warrant A
1)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Yakin Tenggara Sdn Bhd	2,858,000	21.28
2)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Low Shu Lan	1,143,000	8.51
3)	AMSEC Nominees (Tempatan) Sdn Bhd Arab-Malaysian Finance Berhad for Shariffudin Bin Shawal	1,000,000	7.45
4)	James Thomas Pugh	194,000	1.44
5)	Menteri Kewangan Malaysia Section 29 (SICDA)	186,884	1.39
6)	Tan Ang Khan @ Chan Yin Kong	133,000	0.99
7)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Shariffudin Bin Shawal	90,000	0.67
8)	Yu Jin Min	67,000	0.50
9)	Lim Kim Boon @ Ban Choon	60,000	0.45
10)	Yeoh Kian Chin	57,000	0.42
11)	AMSEC Nominees (Tempatan) Sdn Bhd Arab-Malaysian Credit Berhad for Chua Sook Hwa	55,000	0.41
12)	Yap Keng Hock	49,000	0.36
13)	Tan Bing Huat	46,000	0.34
14)	Chin Kon Chung	45,000	0.34

Thirty (30) Largest Warrant Holders for Warrant A		Number of Warrants Held	% of Issued Warrant A
15)	Tan Kia Loke	43,000	0.32
16)	Yap Seng Chai @ Yap Seng Heor	40,000	0.30
17)	Lim Hoay Lian	37,500	0.28
18)	Yap Siew Bee	36,000	0.27
19)	Chua Seng Wah	36,000	0.27
20)	Cheng Yan Moi	35,000	0.26
21)	Lim Geok Ai	33,000	0.25
22)	Lim Peng Kak @ Lim Beng Kok	30,000	0.22
23)	Low Hai Chuang	30,000	0.22
24)	Lee Foo Juan	30,000	0.22
25)	Lee Siew Lean	29,000	0.22
26)	Siow Khien Meng	28,000	0.21
27)	Tan Lee King	26,000	0.19
28)	Wong Cheok Fook	25,500	0.19
29)	Teo Chiew Luan @ Teo Chiew Ngoh	25,000	0.19
30)	Tan Soi Tee	25,000	0.19
		6,492,884	48.35

ANALYSIS OF WARRANTHOLDING FOR WARRANT B AS AT 6TH AUGUST 2001

Size of Holdings	Number of Holders	%	Number of Warrants Held	%
1 - 999	86	7.11	36,894	0.06
1,000-10,000	1,005	83.13	3,245,870	5.34
10,001 - 100,000	94	7.78	2,352,389	3.87
100,001 - 3,039,006 *	20	1.65	25,450,000	41.87
3,039,007 ** and above	4	0.33	29,695,000	48.86
	1,209	100.00	60,780,153	100.00

Remark : * - Less than 5% of issued Warrant B
 ** - 5% and above of issued Warrant B

Thirty (30) Largest Warrant Holders for Warrant B		Number of Warrants Held	% of Issued Warrant B
1)	Bank Kerjasama Rakyat Malaysia Berhad pledged securities account for Kesenta Development Sdn Bhd	14,244,500	23.44
2)	HDM Nominees (Tempatan) Sdn Bhd Malaysian Assurance Alliance Berhad for Tan Ang Khan @ Chan Yin Kong	7,340,000	12.08
3)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Keris Wangsa Sdn Bhd	5,000,000	8.23
4)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Low Shu Lan	3,110,500	5.12
5)	Bank Kerjasama Rakyat Malaysia Berhad pledged securities account for Kok Aik Kong	2,996,700	4.93
6)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Lim Hok Lian (KAB 871014)	2,950,000	4.85
7)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Mirage Point (M) Sdn Bhd	2,682,000	4.41
8)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Juara Sentosa Sdn Bhd	2,500,000	4.11
9)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Yu Jin Min (KAB 871013)	2,250,000	3.70
10)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Yakin Tenggara Sdn Bhd	2,234,000	3.68
11)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Shariffudin Bin Shawal (KAB 871012)	1,835,000	3.02
12)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Law Swee Kee @ Low Siew Heoh (KAB 871015)	1,770,500	2.91

ANALYSIS OF WARRANTHOLDINGS FOR WARRANT B

Thirty (30) Largest Warrant Holders for Warrant B		Number of Warrants Held	% of Issued Warrant B
13)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Low Ah Suan (KAB 871016)	1,500,000	2.47
14)	RHB Capital Nominees (Tempatan) Sdn Bhd pledged securities account for Lim Moi Tee (KAB 871017)	1,340,000	2.20
15)	KBB Nominees (Tempatan) Sdn Bhd pledged securities account for Kin Khoon & Co. Sdn Bhd (IP/RC/97/0006)	693,000	1.14
16)	Tan Ang Khan @ Chan Yin Kong	603,000	0.99
17)	Yu Jin Min	550,000	0.90
18)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Low Ah Suan	430,500	0.71
19)	HDM Nominees (Tempatan) Sdn Bhd Town Hang Securities Co. Ltd. for Lim Hock Lian	230,000	0.38
20)	Gong Chiok Sin	225,000	0.37
21)	Satria Nominees (Tempatan) Sdn Bhd pledged securities account for Daud Bin Drahman @ Daud Bin Abdul Rahman	200,000	0.33
22)	Mah King Woon Sendirian Bhd	180,000	0.30
23)	Eng Nominees (Tempatan) Sdn Bhd OCBC Securities Private Limited for Ang Guan Seng	150,000	0.25
24)	Arab-Malaysian Finance Berhad pledged securities account for Mah Sau Cheong (SMART)	130,300	0.21
25)	Toh Mee Eng	100,000	0.16
26)	U.B. Nominees (Tempatan) Sdn Bhd Bank Utama (Malaysia) Bhd	88,000	0.14
27)	AMSEC Nominees (Asing) Sdn Bhd Fraser Securities Pte Ltd for Tan Dib Jin (23/35033)	79,800	0.13
28)	Kong Sing Ng	72,000	0.12
29)	Ong Hock Lye	70,000	0.12
30)	L.G.B. Engineering Sdn Bhd	60,000	0.10
		55,614,800	91.50

GROUP PROPERTIES

AS AT 31 MARCH 2001

DESCRIPTION	ACREAGE	TENURE	EXISTING USE	VALUATION/ ACQUISITION/ COMPLETION DATE	AGE OF BUILDING (YEARS)	NET BOOK VALUE (RM' MILLION)
1) Agricultural land know as Bernam Estate <i>PN 43178, Lot No. 11445 Mukim Durian Sebatang, Hilir Perak, Perak</i>	3,000.00	Lesaehold -60 years expiring 2033	Oil Palm Estate	3/3/2000	-	9.2
2) Agricultural land know as Sitiawan Estate <i>H.S.(D) L.P 1668. PT 1058 Mukim Durian Sebatang, Hilir Perak, Perak</i>	1,000.00	Leseahold -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 <i>Mukim Batang Berjuntai Selangor</i>	284.35	Freehold	Development in-progress	21/3/2000	-	60.9
4) 4 lots of development land - H.S. (D) 1155 PT No. 2986 - H.S. (D) 1156 PT No. 2987 - H.S. (D) 1157 PT No. 2988 - H.S. (D) 1166 PT No. 2997 <i>Mukim Batang Berjuntai Selangor</i>	18.67	Freehold	Vacant	13/3/2000	-	6.3
5) Land for development in Cheras - Geran 20936 Lot 2837 - Geran 20937 Lot 2838 - Geran 20938 Lot 2839 - Mukim Cheras <i>District of Hulu Selangor Selangor</i>	28.96	Freehold	Land for development	2/3/2000	-	5.1
6) 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 <i>Mukim Setapak, Kuala Lumpur</i>	2.72	Freehold	Development in-progress	13/3/2000	-	10.7
7) Dynasty Hotel Kuala Lumpur <i>218, Jalan Ipoh, 51200 Kuala Lumpur</i>	929,476 sq ft (Built-up)	Freehold	Hotel Building	20/7/2000	6	545.0
8) Empress Hotel Sepang <i>Jalan ST1C/7, Medan 88, Bandar Baru Salak Tinggi, 43900 Sepang</i>	253,852 sq ft (Built-up)	Leasehold -99 years expiring 2092	Hotel Building	28/2/2000	3	109.6
9) Empress Hotel Kuala Lumpur <i>423, Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur.</i>	145,658 sq ft (Build up)	Freehold	Hotel Building	21/11/2000	1	94.9

GROUP PROPERTIES

GULA PERAK BERHAD

(Company no: 8104-X)

(Incorporated in Malaysia)

FORM OF PROXY

I/We _____
of _____
being a member/members of the above Company, hereby appoint
_____ of _____

or failing him/her, the Chairman of the Meeting as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Function Room 1, 4th Floor, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Friday, 28 September 2001 at 9.30 a.m. and at any adjournment thereof. 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		

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

Signed this _____ day of _____ 2001

No. of Ordinary Shares Held

.....
Signature(s)

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