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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“AGM”) of the Company will be held at Function Room 1, Level 4, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Wednesday, 22 September 2004 at 10.00 a.m. to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 March 2004 together with Directors’ and Auditors’ Reports thereto. **Resolution (1)**
2. To approve the payment of Directors’ Fees for the financial year ended 31 March 2004. **Resolution (2)**
3. To re-elect the following Directors who retire pursuant to Article 89 of the Company’s Articles of Association and being eligible, offer themselves for re-election:
 - (i) Lim Sue Beng **Resolution (3)**
 - (ii) Leow Thang Fong **Resolution (4)**
 - (iii) Tan Sri Dato’ (Dr) Elyas bin Omar **Resolution (5)**
4. To approve a resolution that pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato’ Ahmad Sabki bin Jahidin be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next AGM. **Resolution (6)**
5. To re-elect Tan Sri Dato’ Lim Cheng Pow who retires pursuant to Article 87 of the Company’s Articles of Association and being eligible, offers himself for re-election. **Resolution (7)**
6. To re-appoint Messrs Deloitte KassimChan 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 (8)**

SPECIAL BUSINESS

7. To consider and if thought fit, pass with or without any modifications, the following ordinary resolution pursuant to Section 132D and Section 132E of the Companies Act, 1965:
 - (a) “THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and to issue shares in the Company from time to time at such price, upon such terms and conditions for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued does not exceed 10% of the issued capital of the Company for the time being and such authority shall continue in force until the conclusion of the next AGM of the Company.” **Resolution (9)**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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

Resolution (10)

8. Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature Involving Gula Perak Berhad and its subsidiaries (“the Group”)

Resolution (11)

THAT approval be and is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, for the Group to enter into any transactions falling within the types of Recurrent Related Party Transactions with the related parties, particulars of which are set out in Section 2.3 of the Circular to Shareholders dated 30 August 2004 (“the Circular”), provided that such transactions are:-

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

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

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

whichever is earlier;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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

9. 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
30 August 2004

Note :

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

Explanatory Notes to Special Business

1. Resolution Pursuant to Section 132D of the Companies Act, 1965 (Resolution 9)

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

2. Resolution Pursuant to Section 132E of the Companies Act, 1965 (Resolution 10)

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

The proposed Resolution 10, if passed, will authorise the Company and each of its subsidiaries to acquire from or dispose to its directors or connected persons products, services or any other non-cash assets of the Company or its subsidiaries which may fall within the definition of "requisite value", provided that such acquisitions or disposals are on normal commercial terms.

3. Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature (Resolution 11)

The proposed Ordinary Resolutions 11, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of the Listing Requirements of Bursa Malaysia Securities Berhad. The details of this proposal are set out in the Circular to Shareholders dated 30 August 2004.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION :

Lim Sue Beng
 Leow Thang Fong
 Tan Sri Dato' (Dr) Elyas bin Omar
 Tan Sri Dato' Ahmad Sabki bin Jahidin
 Tan Sri Dato' Lim Cheng Pow

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETING :

The details of attendance of each Director at board meetings are set out on page 14 of the Annual Report.

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

The Annual General Meeting of the Company will be held at Function Room 1, Level 4, Dynasty Hotel, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Wednesday, 22 September 2004 at 10.00 a.m.

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

NAME	LIM SUE BENG	LEOW THANG FONG	TAN SRI DATO' (DR) ELYAS BIN OMAR
Age	39	53	67
Nationality	Malaysian	Malaysian	Malaysian
Designation	Executive Director	Executive Director	Independent, Non-Executive Director
Qualification, working experience and occupation	Refer to Profile of Directors on page 9 of this annual report	Refer to Profile of Directors on page 10 of this annual report	Refer to Profile of Directors on page 11 of this annual report
Directorship of other public companies	Kemajuan Amoy Berhad, Port Klang Golf Resort Management Berhad and Taylor's Education Berhad	South Malaysia Industries Berhad	Mepro Holdings Berhad and Sri Hartamas Berhad
Family relation with any Director and/ or major shareholder of the Company	Son of Tan Sri Dato' Lim Cheng Pow and sibling to Lim Bee Ling and Lim Soo Kok	None	None
Securities holdings in the Company and its subsidiaries (As at 30 July 2004)	8,505,000	60,000	5,282,000
Conflict of interest with the Company	None	None	None
List of convictions for offences within the past 10 years other than traffic offences	None	None	None

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NAME	TAN SRI DATO'AHMAD SABKI BIN JAHIDIN	TAN SRI DATO'LIM CHENG POW
Age	72	62
Nationality	Malaysian	Malaysian
Designation	Independent, Non-Executive Director	Managing Director
Qualification, working experience and occupation	Refer to Profile of Directors on page 10 of this annual report	Refer to Profile of Directors on page 9 of this annual report
Directorship of other public companies	Cygal Berhad, Hwang-DBS (Malaysia) Berhad, Paramount Corporation Berhad, Zaitun Berhad, Apollo Food Holdings Berhad, Nanyang Press Berhad, Hwang-DBS Unit Trust Berhad and Kemajuan Amoy Berhad	Kemajuan Amoy Berhad and Taylor's Education Berhad
Family relation with any Director and/ or major shareholder of the Company	None	Father of Lim Sue Beng, Lim Bee Ling and Lim Soo Kok
Securities holdings in the Company and its subsidiaries (As at 30 July 2004)	Nil	32,598,000
Conflict of interest with the Company	None	None
List of convictions for offences within the past 10 years other than traffic offences	None	None

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Rahim bin Baba
~ Executive Chairman

Leow Thang Fong
~ Executive Director

Lim Bee Ling
~ Executive Director

Tan Sri Dato' Ahmad Sabki bin Jahidin
PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK
~ Independent, Non-Executive Director

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

Tan Sri Dato' Lim Cheng Pow
~ Managing Director

Lim Sue Beng
~ Executive Director

Lim Soo Kok
~ Executive Director

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

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

CORPORATE INFORMATION (CONT'D)

PRINCIPAL BANKERS

Aseambankers Malaysia Berhad
Maybank Berhad
Alliance Bank Berhad
Affin Bank Berhad

REGISTERED OFFICE

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

SOLICITORS

Onn Hussein & Yee
2nd Floor, Wisma Transcomm
301 & 302, 2 1/4 Miles
Jalan Ipoh
51200 Kuala Lumpur

M/s Faizah Lim & Associates
LG-001, Dynasty Hotel
Dynasty Shoppers Alley
218, Jalan Ipoh
51200 Kuala Lumpur

REGISTRAR

Signet Share Registration Services Sdn Bhd
Level 26 Menara Multi-Purpose
Capital Square
No 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-27212222
Fax : 03-27212530/31
(ceased as at 30 June 2004)

Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-40416522
Fax : 03-40426352
(effective as at 1 July 2004)

COMPANY SECRETARY

Lim Bee Khim (MIA 16196)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Board

AUDITORS

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

PROFILE OF BOARD OF DIRECTORS

DATUK RAHIM BIN BABA - Executive Chairman

Datuk Rahim bin Baba, Malaysian, aged 54, was appointed to the Board of Gula Perak Berhad (“GPB” or “the Company”) on 31 January 1989. He graduated from University of Malaya in 1973 from the faculty of Economics and Administration majoring in Statistics. He was a Member of Parliament Upper House from 1991 - 1997. He is a director of My-Infotech (M) Berhad and sits on the board of a few private companies whose business activities include construction, property development and advertising. He was the Chairman of MARA Holdings Sdn Bhd from 1990 to 1993. He was the senior Private Secretary for the then Deputy Prime Minister (Honourable Tun Ghafar Baba) from 1986 to 1988.

He has attended all the six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 1,661,000 and indirect shareholding of 3,964,000 ordinary shares of RM1.00 each in GPB. Datuk Rahim bin Baba has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

TAN SRI DATO’ LIM CHENG POW - Managing Director

Tan Sri Dato’ Lim Cheng Pow, Malaysian, aged 62, was appointed to the Board of GPB on 4 March 1996. Tan Sri Dato’ Lim migrated to Malaysia in the late 1950s and joined his uncle in the construction business. He has now 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 contracting works under the Government contracts. The turning point in his business career came through when his company was awarded the Government turnkey contracts to construct reservoirs and other infrastructure projects, all of which were successfully completed on schedule and within budget. His company has successfully completed the Durian Tunggal Water Supply Scheme in Malacca in the 1970s and the Semenyih Water Supply Scheme in Selangor in the early 1980s. He is a director of Kemajuan Amoy Berhad and Taylor’s Education Berhad and sits on the board of several private companies.

He has attended all the six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 32,598,000 ordinary shares of RM1.00 each in GPB. Tan Sri Dato’ Lim Cheng Pow is the father of Lim Sue Beng, Lim Bee Ling and Lim Soo Kok. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

MR. LIM SUE BENG - Executive Director

Lim Sue Beng, Malaysian, aged 39, was appointed to the Board of GPB on 4 March 1996. He holds a Bachelor degree in Civil Engineering (King’s College, University of London) and a Master degree in Business Administration from Cranfield School of Management, England. After graduating in 1986, he joined the family business and manages the banking and corporate affairs of the companies under the Group. He is a director of Kemajuan Amoy Berhad, Port Klang Golf Resort Management Berhad and Taylor’s Education Berhad. He also sits on the board of several private companies.

He has attended all the six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 9,675,000 ordinary shares of RM1.00 each in GPB. Lim Sue Beng is the son of Tan Sri Dato’ Lim Cheng Pow and sibling to Lim Bee Ling and Lim Soo Kok. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

MDM. LIM BEE LING - Executive Director

Lim Bee Ling, Malaysian, aged 37, was appointed to the Board of GPB on 4 March 1996. She obtained a Bachelor of Science degree (Hons) in Computer Science and Management Science (UK) in 1987 and a Master degree in Management Science in 1988 from Keele University, England and Imperial College, London respectively. Upon completion of her education, she joined the family business and is in charge of the daily operations of the Group. Her biggest challenge was drawing up and finalising the concept and design of Dynasty Hotel plus the eventual operation of the hotel in December 1994. She is a director of Kemajuan Amoy Berhad and Port Klang Golf Resort Management Berhad. She also sits on the board of several private companies.

PROFILE OF BOARD OF DIRECTORS (CONT'D)

MDM. LIM BEE LING - Executive Director (cont'd)

She has attended five out of the total six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, she has direct shareholding of 21,152,000 ordinary shares of RM1.00 each in GPB. Lim Bee Ling is the daughter of Tan Sri Dato' Lim Cheng Pow and sibling to Lim Sue Beng and Lim Soo Kok. She has no conflict of interest in any business arrangement involving the Company. She also has no convictions for any offences within the past 10 years.

MR. LEOW THANG FONG - Executive Director

Leow Thang Fong, Malaysian, aged 53, was appointed to the Board of the GPB on 15 May 1989. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He was in the auditing profession for nine years finishing with Messrs. Hanafiah Raslan & Mohamad in 1979. He then joined Permata Chartered Merchant Bank Berhad for a period of 5 years specialising in Corporate Finance. Thereafter he has been in the corporate sector. He also sits on the board of South Malaysia Industries Berhad and several private companies. Before joining the Company, he was the Company Secretary for Asian Pac Holdings Berhad (formerly known as Pegi Malaysia Berhad) from 1984 to 1988.

He has attended all the six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 60,000 ordinary shares of RM1.00 each in GPB. Leow Thang Fong has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

MR. LIM SOO KOK - Executive Director

Lim Soo Kok, Malaysian, aged 36, was appointed to the Board of GPB on 4 March 1996. He obtained a Bachelor of Arts with Honours degree in Law from University of Kent at Canterbury, England in 1989. In 1990, he obtained the degree of Utter Barrister Gray's Inn, England. He was called to the Bar in Malaysia in 1991. He then joined Soo Thien Meng & Shahrizat as a legal assistant. In 1993, he set up a sole proprietor legal firm under the name Lim Soo Kok & Associates till 1999. He was appointed as a legal committee member of Chinese Chamber of Commerce & Industry of Kuala Lumpur and Selangor in 1997 and was also appointed as a Commissioner for Oaths by the Chief Justice of Malaysia in 1999 till present.

He has attended all the six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 1,010,000 ordinary shares of RM1.00 each in GPB. Lim Soo Kok is the son of Tan Sri Dato' Lim Cheng Pow and sibling to Lim Sue Beng and Lim Bee Ling. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

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

Tan Sri Dato' Ahmad Sabki bin Jahidin, Malaysian, aged 72 was appointed to the Board of GPB on 27 June 1994. Tan Sri graduated from University of Malaya with a Bachelor of Arts (Honours) degree in 1958. He also obtained a Diploma in International Relations from the Institute of Social Studies, The Hague in 1967. He commenced his career in 1958 as an Administrative Officer in Malayan Civil Services. He was the Assistant State Secretary of Malacca from 1960 to 1962, District Officer of Jasin from 1962 to 1963 before his transfer to the Ministry of Defence as Principal Assistant Secretary from 1964 to 1967. He then served as Under Secretary in the Prime Minister Department from 1967 to 1972 before joining the Ministry of Culture, Youth & Sports. In 1974, he was appointed Secretary General of the said Ministry. Thereafter, he was seconded to the Malaysian Rubber Exchange and Licensing Board from 1977 to 1993 and served as Chairman of the Board from 1980 to 1993. He also held the position of Chairman of the International Rubber Association from 1984 to 1993 and also as Chairman of the Buffer Stock Committee of the International Natural Rubber Organisation from 1984 to 1986. He was the Vice Chairman of the Malaysian National Shippers Council from 1980 to 1993.

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

PROFILE OF BOARD OF DIRECTORS (CONT'D)

TAN SRI DATO' AHMAD SABKI BIN JAHIDIN - Independent, Non-Executive Director (cont'd)

Tan Sri has attended five out of the total six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, Tan Sri has direct shareholding of 40,000 ordinary shares of RM1.00 each in GPB. Tan Sri Dato' Ahmad Sabki bin Jahidin has no family relationship with any directors and/or major shareholders of GPB. Tan Sri Dato' Ahmad Sabki bin Jahidin has no conflict of interest in any business arrangement involving the Company. He has not been convicted for offences within the past 10 years.

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

Tan Sri Dato' (Dr) Elyas bin Omar, Malaysian, aged 67, was appointed to the Board of GPB on 28 December 2001. He graduated with a Bachelor of Arts (Hons) from University of Malaya in Singapore and MPA from University of Pittsburgh USA. Tan Sri Elyas was also awarded an Hon. LLD from University of Science of Malaysia and Hon. PhD from United States Sports Academy. Tan Sri Elyas held various official positions in the Government of Malaysia from 1960 to 1992. He was the Mayor of Kuala Lumpur from 1981 to 1992. He also held several positions in the United Nations and other international bodies, NGOS' and Sport Organisations. He is currently the Chairman and director of Mepro Holdings Berhad and Executive Chairman and director of Sri Hartamas Berhad. He also sits on the Board of several private companies.

He has attended four out of the total six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 5,282,000 ordinary shares of RM1.00 each in GPB. Tan Sri Dato' (Dr) Elyas bin Omar has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

DATO' MUSTAPHA BIN BUANG - Independent, Non-Executive Director

Dato' Mustapha bin Buang, Malaysian, aged 56, 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 also entrusted to manage ice and fish meal subsidiaries. In 1974, he left the Johor Economic Division and joined MBf Finance Berhad as a Credit Manager for two (2) years. He then moved on to Amanah International Finance Berhad as Assistant General Manager for a period of three (3) years. Subsequently he was appointed as General Manager of Kewangan Usaha Bersatu Berhad in June 1979 and served them for 11 years before taking up his position in GPB. He also sits on the Board of Asian Pac Holdings Berhad and several private companies.

He has attended five out of the total six Board Meetings that were held during the financial year ended 31 March 2004. As at 31 March 2004, he has direct shareholding of 2,389,595 ordinary shares of RM1.00 each in GPB. Dato' Mustapha bin Buang has no family relationship with any directors and/or major shareholders of GPB. He has no conflict of interest in any business arrangement involving the Company. He also has no convictions for any offences within the past 10 years.

OTHER INFORMATION

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

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I would like to present to you the 35th Annual Report and audited Financial Statements of the Group and Company for the financial year ended 31 March 2004.

OVERVIEW

The year under review was another challenging and difficult year. The continuing economic and global uncertainties, the war in Iraq and the outbreak of Severe Acute Respiratory Syndrome (SARS) all combined to create an extremely testing environment for our hotel division and property sector.

Fortunately, the higher growth of world demand for oil palm products has inadvertently pushed the Crude Palm Oil (CPO) to a commendable height. The Group was able to capitalize from this buoyant sentiment and reduced some of the losses suffered by the other divisions.

PERFORMANCE REVIEW

The Group registered a loss after tax of RM65.84 million for the financial year ended 31 March 2004 compared to pre-tax loss of RM96.53 million for the preceding year. The pre-tax loss for the financial year is mainly due to the high restructuring expenses incurred for the debt restructuring of 1995/2000 Bonds, Term Loans and Revolving Credit. Other minor losses were due to outstanding interest accumulated and finance costs.

Total turnover was marginally higher due to higher revenue generated from the plantation division and property sectors, offset by a slight decline in revenue in the hotel division. The turnover improved by 10.82% to RM38.00 million from RM34.29 million previously.

OPERATIONS REVIEW

Hotel Division

The regional SARS outbreak and subdued global demand affecting international tourism as a result of the many negative travel advisories issued had adversely impacted the leisure and hospitality industry as a whole and the operations performance of the hotel division was not spared. Emphasis is being placed on innovative marketing strategies to entice local and overseas patronage to support occupancy levels. Focus is also on cost cutting measures whilst ensuring high standard of service, productivity and efficiency.

Plantation Division

Contribution from the plantation division to the Group's result remains strong given the relatively high prevailing prices of CPO and supported by higher fresh fruit bunches production resulted from the improved maturity profile and more planted areas coming to maturity.

The Group's Plantation Division recorded a slight increase in revenue to RM6.60 million compared to RM6.05 million in the preceding financial year. As a result, the Group's Plantation Division also achieved an increase in operating profit to RM4.81 million from RM3.19 million in the previous financial year.

Property Development Division

The Property Development Division again experienced a quiet period in the financial year. There was no significant improvement in the property and construction sectors, especially in respect to the non-residential property. There is still a huge overhang of supplies of industrial, commercial, office and retail space.

In respect of the KJ Techno Industrial Park and Batang Berjuntai projects, the Certificate of Fitness and Temporary Certificate of Fitness were issued respectively during the year. With this development there was keen interests shown on the KJ Techno Industrial Park properties, especially in the rental of the industrial lots. The Company anticipates an increase in sales for the remaining lots that were unsold previously.

Meanwhile, the Company entered into a Sale and Purchase Agreement on 13 February 2004 with Global Real-Time Sdn Bhd to dispose the remaining acres of the Cheras land after the compulsory acquisition by the Government. A portion of the monies received will be deposited into the Sinking Fund for the RCSN.

CHAIRMAN'S STATEMENT (CONT'D)

CORPORATE DEVELOPMENT

During the year, the Company completed its debt restructuring scheme with the issuance of RM288.821 million of Redeemable Convertible Secured Notes 2003/2008 (RCSN), which was listed on the Bursa Malaysia Securities Berhad on 15 July 2003. Due to the timing of the implementation of the scheme, the Company incurred a term loan of RM20.84 million for the outstanding interest on the RCSN.

The Company on 4 March 2004 entered into a Sale and Purchase Agreement with Mirage Point (M) Sdn Bhd for the proposed acquisition of 36 units of Golden City Condominium (divided into 75 units of Hotel Rooms) situated at Jalan Ipoh, 51200 Kuala Lumpur for a total purchase consideration of RM35,010,000.00 to be satisfied by way of issuance of 22,361,280 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.25 per share. The purchase consideration was subsequently revised to RM26,745,000.00 to be satisfied with the issuance of 21,396,000 new ordinary shares due to a revision on the valuation of the properties. The Proposed Acquisition is expected to result in rental savings on the Hotel Rooms to the Group in the longer term. The Company has made the application to the relevant authorities for the proposed acquisition on 12 July 2004 and is pending approval.

35th ANNIVERSARY AND LAUNCHING OF CORPORATE LOGO OF GULA PERAK BERHAD

The Company marked its 35 years in business on 1 October 2003. In conjunction with this event, the Company officially launched its corporate logo on 3 October 2003.

PROSPECT

The global economic outlook in 2004 has improved considerably with growth expected to be more broad-based in the major industrial countries, reinforced by strong growth in the Asian region. This significant improvement in the external environment coupled with higher consumer and business confidence and strong underlying fundamentals in the Malaysian economy are anticipated to provide not only stable conditions for future growth but also curb risks.

The Malaysian palm oil industry is expected to remain bullish in 2004. The Malaysian production of CPO is estimated to increase by 2.3% to 13.66 million MT and prices are expected to remain firm in 2004. With the anticipated encouraging CPO prices in financial year 2004 and the Group's larger matured replanted areas with improved maturity profile, the Plantation Division foresees better returns.

The Group's performance is anticipated to improve from that of the financial year under review with the completion of debt restructuring exercise. In this period of continuing uncertainty, the Group's businesses will remain vigilant in their control of operating costs to achieve overall efficiency, with a relentless commitment to drive revenue growth. The unfortunate events of SARS and Iraq war did dampen our performance generally but we are confident we will be in a better financial footing in the next financial year, barring any unforeseen circumstances.

DIVIDENDS

In view of the current business climate and the overall Group performance, the Board does not recommend any dividend for the financial year under review.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to convey our sincere appreciation to our lenders, creditors, customers, suppliers, business associates, shareholders, warrant, bond, loan stock and RCSN holders for their unstinted support in a tough but significant year.

To the management and staff who have worked hard and persevered through a challenging year, I express my gratitude for their unwavering commitment and dedication. Lastly, I would like to take this opportunity to thank my fellow colleagues on the Board for their valuable contributions and guidance during the year.

DATUK RAHIM BIN BABA

Executive Chairman

23 August 2004

STATEMENT ON CORPORATE GOVERNANCE

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

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

THE BOARD OF DIRECTORS

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

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

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

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

All the Directors have attended the Mandatory Accreditation Programme. The Directors are also currently attending the CEP Programme and are encouraged to attend other programmes and seminars to keep abreast with developments in the market.

BOARD MEETINGS

The Board meets at least five (5) times a year, with additional meetings convened as and when necessary. During the financial year ended 31 March 2004, a total of six (6) Board Meetings were held. The attendance record of the Directors during the financial year is as follows:

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

SUPPLY OF INFORMATION

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

RE-ELECTION OF DIRECTORS

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

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

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

RE-ELECTION OF DIRECTORS (CONT'D)

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

BOARD COMMITTEES

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

1. Audit Committee

The Audit Committee, comprising a majority of Independent Directors, is responsible for reviewing and monitoring the work of the Group's internal audit function as well as ensuring that an objective professional relationship is maintained with external auditors. Further details of the Audit Committee are contained in the Audit Committee's Report on pages 18 to 19 of this Annual Report.

2. Nomination Committee

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

The Committee meet at least once a year and as and when required. During the financial year ended 31 March 2004, one (1) meeting was held. The members of the Nomination Committee during the financial year and their attendance at the meetings are :-

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

3. Remuneration Committee

The Remuneration Committee, comprising mainly of Non-Executive Directors is responsible for recommending to the Board the remuneration of the Executive Directors with individual directors abstaining from decision in respect of their individual remuneration.

The Remuneration Committee shall ensure that the Company's Directors are fairly rewarded for their individual contributions to the Company's overall performance and the level of remuneration shall be sufficient to attract and retain Directors to run the Company and Group successfully.

The Committee meet at least once a year and as and when required. During the financial year ended 31 March 2004, one (1) meeting was held. The Remuneration Committee comprises of the following members:-

Name of member	No. of Remuneration Committee meetings attended
*1. Tan Sri Dato' Ahmad Sabki bin Jahidin (Chairman)	1 / 1
*2. Dato' Mustapha bin Buang	1 / 1
3. Leow Thang Fong	1 / 1

* Independent, Non-Executive Directors.

DIRECTORS' REMUNERATION

The remuneration of the Directors is determined based on the responsibility, contribution and performance of each Director. No Director is involved in deciding his or her own remuneration. The aggregate remuneration of the Directors of the Company categorized into the appropriate components and analyzed into bands of RM50,000 for the financial year ended 31 March 2004 is set out below:

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

DIRECTORS' REMUNERATION (CONT'D)

	Salaries (RM)	Fees (RM)	Total (RM)
Executive	1,052,000	-	1,052,000
Non-Executive	-	93,000	93,000

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

SHAREHOLDERS

The shareholders and investors are kept informed of major developments of the Company through Quarterly Financial Results, Annual Reports and Circulars and Press Releases that are made to the Bursa Malaysia Securities Berhad.

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

ACCOUNTABILITY AND AUDIT

The Audit Committee oversees the financial reporting and internal control system of the Group. The Audit Committee comprises three Independent, Non-Executive Directors and one Executive Director. The primary responsibilities of the Audit Committee are set out in the Audit Committee Report on pages 18 to 19.

FINANCIAL REPORTING

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

INTERNAL CONTROL

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

RELATIONSHIP WITH AUDITORS

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

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

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

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

STATEMENT OF INTERNAL CONTROL

INTRODUCTION

Paragraph 15.27(b) of the Listing Requirements of the Bursa Malaysia Securities Berhad (“BMSB”) requires the Board of Directors of a listed company to include in its annual report a Statement of Internal Control which outlines the nature and scope of internal control of the Group during the financial year. The Bursa Malaysia’s Internal Control : Guidance for Directors of Public Listed Companies provides guidance for compliance with the requirements. Set out below is the Board’s Internal Control Statement, which has been prepared in accordance with the Guidance.

BOARD RESPONSIBILITY

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

RISK ASSESSMENT

The Board has made risk assessment an on-going exercise to effectively manage and mitigate significant risk faced or likely to be faced by the Group. The Board delegated its role on risk management to its senior management at all operational level to achieve such objective. Management from each operating unit will identify significant risks, probability of its occurrence, its impact and consider various possible actions to effectively manage such risks. This process will be subjected to regular review by the Board.

KEY PROCESSES

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

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

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

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

Statement made in accordance with the resolution approved by the Board of Directors on 3 August 2004.

AUDIT COMMITTEE REPORT

MEMBERS OF THE COMMITTEE

	Designation	No. of meetings attended
• Tan Sri Dato' Ahmad Sabki bin Jahidin Independent, Non-Executive Director	Chairman	7/7
• Tan Sri Dato' (Dr) Elyas bin Omar Independent, Non-Executive Director	Member	4/7
• Dato' Mustapha bin Buang Independent, Non-Executive Director	Member	7/7
• Leow Thang Fong Executive Director	Member	7/7
• Lim Bee Khim	Secretary	7/7

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

Composition

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

Meetings

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

Authority

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

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

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.

AUDIT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE (CONT'D)

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.

INTERNAL AUDIT PLAN

Regular audits of the Company and each of its subsidiaries are compulsory at least once a year under the Annual Audit Plan. The priorities of the audits are determined via a risk assessment exercise in which subsidiaries of high-risk categories are given greater priority in the planned audit, although considerable emphasis is also given 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.

2004 REVIEW

During the year, seven Audit Committee meetings were held. The Audit Committee reviewed a total of seven audit reports. Summary of activities of the Group Internal Audit function during the year ended 31 March 2004 were as follows:

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

OTHER INFORMATION

1. MATERIAL CONTRACTS

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

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

2. MATERIAL CONTRACT RELATED TO LOAN

Lender & Borrower		Relationship	Purpose of loan	Amount RM Million
Lender	:	Gula Perak Berhad	To finance the construction and operations of hotel property	133.011
Borrower	:	KSB Requirements and Rest Sdn Bhd		

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

3. RECURRING RELATED PARTIES TRANSACTIONS OF A REVENUE NATURE

Pursuant to Practice Note 12/2001 issued by the Bursa Malaysia Securities Berhad, the aggregate value of recurrent transactions made during the financial year among the following related parties are set below:

a) Dynawell Corporation Sdn. Bhd (“Dynawell”)

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

OTHER INFORMATION (CONT'D)

3. RECURRING RELATED PARTIES TRANSACTIONS OF A REVENUE NATURE (CONT'D)

a) Dynawell Corporation Sdn. Bhd ("Dynawell") (cont'd)

Related parties involved with Dynawell	Type of Transactions	Aggregate value of the Transactions RM'000
• Kemajuan Amoy Berhad ("KAB"), a company which has common directors and common substantial shareholders with GPB.	Dynawell provided rooms and food & beverages services to KAB.	67
• 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. ii) Rental & rooms, food and beverages services charged by Dynawell.	376 458
• KSB Requirements & Rest Sdn Bhd ("KSB"), a subsidiary company of GPB and is also of common directors with GPB.	The trading of goods such as food and beverages to/from Dynawell.	5
• 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.	65
• Faizah Lim & Associates ("FLA"), a company which a partner is a director and shareholder of GPB	Dynawell provided rooms and food & beverages services to FLA	14

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

A 70% owned subsidiary of GPB

Related parties involved with KSB	Type of Transactions	Aggregate value of the Transactions RM'000
• GPB	KSB provided rooms and food & beverages services to GPB.	-
• KAB, a company which is of common directors and common substantial shareholders with GPB.	KSB provided rooms and food & beverages services to KAB.	-
• LGHR SB, a company which has common directors and common substantial shareholders with GPB.	i) Management fee (2% on revenue of KSB) charged by LGHR SB. ii) Rooms, food and beverage services charged by KSB.	71 -
• Konsortium Sepang Bhd ("Konsortium"), which is a substantial shareholder of KSB Requirements & Rest Sdn. Bhd. and has common directors with Konsortium.	KSB provided rooms, food and beverage services to Konsortium.	9

OTHER INFORMATION (CONT'D)

3. RECURRING RELATED PARTIES TRANSACTIONS OF A REVENUE NATURE (CONT'D)

c) GPB

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

4. UTILISATION OF PROCEEDS

The Company issued RM288.821 million nominal value 5 years Redeemable Convertible Secured Note 2003/2008. The proceeds from the exercise was used for repayment to bank guarantee lenders, revolving credit lenders and term loan lenders.

5. SHARE BUYBACK

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

6. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

During the financial year, the issued and fully paid up share capital of the Company was increased from 255,888,300 ordinary shares of RM1.00 each to 257,629,687 ordinary shares of RM1.00 each by the issue of 1,741,387 new ordinary shares RM1.00 each arising from the conversion of RM2,023,550 nominal amount of Irredeemable Convertible Secured Loan Stocks 2000/2005 (ICSLS 2000/2005).

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

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

8. IMPOSITION OF SANCTIONS/PENALTIES

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

9. VARIATION IN RESULTS

There were no material variances between the audited results and the unaudited results announced for the financial year ended 31 March 2004.

10. NON-AUDIT FEE

The amount of non-audit fees paid by the Company to the external auditors for the financial year amounted to approximately RM16,000.00.

11. PROFIT GUARANTEES

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

12. REVALUATION OF LANDED PROPERTIES

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