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50100 Kuala Lumpur

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BOLTON berhad

annual report 08

Forging ahead

on a great journey . . .

BOLTON

annual report 08

Our Core Values

RESPECT

Responsive

We are innovative and creative, responding in timely manner to changes in customer and lifestyle needs

Expert

We are professional; we only work with the best and have the highest standards in our class

Socially Responsible

We respect the law and the environment – we adhere to our codes of conduct

Partners

We believe in win-win

Employee Focused

We are the employer of choice in our industry

Customer Focused

Our customers come first

Trustworthy

We keep our promises

Mission

- We develop and build properties providing our customers with best in class quality and superior value.
- We build homes and commercial properties that meet our customers' needs for security, comfort, functionality and lifestyle.
- We work with the best to develop innovative products reflecting the latest trends in quality living.

Our customers can trust us to keep our promises: to deliver a quality product on time, to help them make the buying experience memorable through excellent standards of pre-sale help, sales advice, and after sales service.

We recruit and retain the best people in our industry and select our business partners carefully so that they guarantee us an excellent standard of workmanship.

We adhere to strict code of conduct in the way we do business, respecting the law and the environment in everything we do.

We adhere to high standard of governance and transparency so that we are the partner of choice.

Our brand promise - Better Living by Design – is a reflection of our proven commitment to deliver homes and commercial properties that meets our customers' needs for lifestyle, functionality, security and comfort; offering the best in class quality and outstanding value as well as reflecting the latest trend in style and design.

Better living by design

BOLTON berhad is one of the oldest and most established property developers in Malaysia

Our current developments include **Tijani**, an elegant 42-acre development within the lush greenery of Kenny Hills and **Surin**, a high-rise development in Tanjung Bungah, Penang which provide residents with unparallel vista of the sea.

With every project, we make it our promise to reflect our commitment by incorporating the latest innovations and trends that will in turn provide quality, comfortable living.

Contents

Notice of Annual General Meeting	6
Statement Accompanying Notice of Annual General Meeting	8
Five-Year Financial Highlights	9
Corporate Structure	10
Corporate Information	11
Board of Directors	12
Chairman's Statement	20
Corporate Highlights	28
Statement on Corporate Governance	29
Statement on Corporate Social Responsibility	33
Statement on Internal Control	35
Audit Committee Report	36
Additional Compliance Information	38
Statement of Directors' Responsibility	40
Financial Statements	41
Analysis of Shareholdings	125
List of Properties Owned by the Group	128
Form of Proxy	135

BOLTON

better living by design

We have been awarded MS ISO 9001:2000 Certification for Quality Management Systems

– Development of Residential, Industrial and Commercial Properties

"We work with the best to develop innovative products reflecting the latest trends in quality living"

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 45th Annual General Meeting of the Company will be held at the Banyan, Casuarina and Dillenia Rooms, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 12 August 2008 at 10.00 a.m. for the following purposes:

Agenda

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2008 together with the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To declare a first and final dividend of 3.0 sen per share less Malaysian Income Tax of 26% for the financial year ended 31 March 2008. **Resolution 2**

3. To approve the payment of Directors' fees of RM312,000 for the financial year ended 31 March 2008. **Resolution 3**

4. To re-elect the following Directors who retire in accordance with Article 83 of the Company's Articles of Association:
   a. Abdul Sani bin Busu **Resolution 4**
   b. Lee Siew Choong **Resolution 5**

5. To re-elect Wing Kwong @ Chan Wing Kwong who retires in accordance with Article 90 of the Company's Articles of Association. **Resolution 6**

6. To re-appoint Datuk Zakaria bin Dato' Ahmad pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 7**

7. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration. **Resolution 8**

As Special Business:

To consider and if thought fit, to pass the following Ordinary Resolutions:

8. **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **Resolution 9**
   "THAT pursuant to Section 132D of the Companies Act, 1965 ("the Act"), the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company."

9. **Proposed Renewal of Authority for Purchase of Own Shares by the Company** **Resolution 10**
   "THAT subject to the Act, the rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of Bursa Securities and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital through Bursa Securities subject further to the following:

   a. The maximum number of shares which may be purchased by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, quoted on Bursa Securities;

   b. The maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the sum of the audited retained profits and the share premium of the Company of RM29.708 million and RM24.909 million respectively as at 31 March 2008;

c. The authority conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next AGM of the Company (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of Bursa Securities or any other relevant authority; and

d. Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with by the Directors in any manner as prescribed by the Act, the rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares."

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

Notice of Dividend Payment and Book Closure

NOTICE IS HEREBY GIVEN THAT the First and Final Dividend, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 16 September 2008 to depositors registered in the Record of Depositors at the close of business on 22 August 2008. A depositor shall qualify for entitlement to the dividend only in respect of:

a. Shares transferred into the depositor's securities account before 4.00 p.m. on 22 August 2008 in respect of ordinary transfers; and

b. Shares bought on the Bursa Securities on a cum entitlement basis according to the rules of the Bursa Securities.

BY ORDER OF THE BOARD

Lim Seng Yon (MAICSA 0815774)
Wong Wai Fong (MAICSA 7000896)
Secretaries

18 July 2008
Kuala Lumpur

Notes:

1. A proxy may but need not be a Member.

2. To be valid, the Form of Proxy, duly completed must be deposited at the Office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event a Member(s) duly executes the Form of Proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy. You can also appoint the Chairman of the meeting as your proxy.

3. A Member holding one thousand (1,000) ordinary shares or less may appoint one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such Member.

4. A Member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the Member specifies the proportion of his shareholding in respect of which each proxy shall represent him.

5. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act,1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.

Explanatory Notes on Special Business

Resolution No. 9

Subject to the exception provided in the aforesaid section of the Act, the Directors would have to call for a General Meeting to approve the issue of new shares even though the number involved is less than ten per centum (10%) of the issued capital. In order to avoid any delay and costs involved in convening a General Meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company.

Resolution No. 10

The resolution if passed, will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, quoted on Bursa Securities, by utilising the funds allocated which shall not exceed the audited retain profits and the share premium of the Company.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in the Statement to Shareholders dated 18 July 2008 which is despatched together with the Company's 2008 Annual Report.

Statement Accompanying Notice of Annual General Meeting

pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming 45th Annual General Meeting of the Company.

Five-Year Financial Highlights

	2003 RM'000	2004 RM'000	15 months period ended 31 March 2006 (restated) RM'000	2007 RM'000	2008 RM'000
Revenue	175,294	150,324	213,853	366,350	**299,321**
Profit/(loss) before tax	(30,358)	35,846	(213,385)	84,124	**62,492**
Profit/(loss) after taxation attributable to shareholders of the Company	(36,179)	26,826	(218,423)	61,921	**46,704**
Total assets	1,001,669	1,020,836	798,113	834,310	**753,525**
Shareholders' funds	606,836	587,395	307,848	375,705	**401,495**
Paid-up capital	320,343	320,343	320,343	320,815	**320,815**
Earning/(loss) per share (sen)	(11.50)	8.40	(63.37)	19.53	**15.34**
Gross dividend per share (sen)					
– Interim	–	35.50	–	–	**–**
– Final	1.00	2.50	–	2.50	**3.00**
Net dividend proposed/paid	2,301	49,709*	–	5,652	**6,785**
Return on shareholders' funds (%)	(5.96)	4.57	(70.95)	16.48	**11.63**
Dividend cover (times)	(15.72)	0.54	N/A	10.96	**6.88**
Net assets per share (RM)	1.89	1.83	0.96	1.21	**1.36**

* Including interim dividend in specie of one (1) Ordinary 'A' share of RM0.10 each in Symphony House Berhad for every seven (7) ordinary shares of RM1.00 each held in the Company amounting to RM43,958,000.

Corporate Structure

Principal Subsidiaries and Jointly Controlled Entities

BOLTON

Property Development

Bcom Holdings Sdn. Bhd.	100%
Bolton Land Sdn. Bhd. (formerly known as Noble Midah Sdn. Bhd.)	100%
GLM Property Development Sdn. Bhd.	100%
Kejora Harta Bhd.	100%
Kejora Harta Properties Sdn. Bhd.	100%
Senawang Mewah Sdn. Bhd.	100%
Tijani (Bukit Tunku) Sdn. Bhd.	100%
Vista-Prisma Sdn. Bhd.	100%
Winmin Builders Sdn. Bhd.	100%
Alpine Return Sdn. Bhd.	50%
Prima Nova Harta Development Sdn. Bhd.	50% + 1 Share
Continental Estates Sdn. Bhd.	15.81%

Property Investment & Property Management

Bolton Management Service Sdn. Bhd.	100%
Bolton Marketing Sdn. Bhd. (formerly known as Midah Management Sdn. Bhd.)	100%
Bolton Projects Sdn. Bhd. (formerly known as Beribu Sukma Sdn. Bhd.)	100%
Goldenprop Management Sdn. Bhd.	100%
Langkawi Fair Sdn. Bhd.	100%
Lim Thiam Leong Realty Sdn. Bhd.	100%
Midah Jaya Realty Sdn. Bhd.	100%

Investment Holdings

Cahadinar Sdn. Bhd.	100%
Kenneison Brothers Sdn. Bhd.	100%
Majestic Focus Sdn. Bhd.	100%
Noble Senawang Sdn. Bhd.	100%

Quarrying, Engineering & Construction

Kenneison Brothers Construction Sdn. Bhd.	100%
Kenneison Builders Sdn. Bhd.	100%
Kenneison Engineering Sdn. Bhd.	100%
Kenneison Quarries Sdn. Bhd.	100%

Corporate Information

Board of Directors

Dato' Mohamed Azman bin Yahya
Non-Independent Executive Chairman

Wing Kwong @ Chan Wing Kwong
Non-Independent Executive Director

Tan Sri Nik Mohamed bin Nik Yaacob
Independent Non-Executive Director

Datuk Zakaria bin Dato' Ahmad
Independent Non-Executive Director

Dato' Robert Teo Keng Tuan
Independent Non-Executive Director

Chin Jit Pyng
Non-Independent Non-Executive Director

Abdul Sani bin Busu
Independent Non-Executive Director

Lee Siew Choong
Independent Non-Executive Director

Audit Committee
Dato' Robert Teo Keng Tuan (Chairman)
Datuk Zakaria bin Dato' Ahmad
Abdul Sani bin Busu
Lee Siew Choong

Secretaries
Lim Seng Yon (MAICSA 0815774)
Wong Wai Fong (MAICSA 7000896)

Auditors
Messrs. Ernst & Young (AF No.: 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
T 603 7495 8000
F 603 2095 5332

Registered Office
6th Floor, Campbell Complex
98 Jalan Dang Wangi
50100 Kuala Lumpur
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F 603 2692 7707
www.bolton.com.my

Share Registrar
Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
T 603 2721 2222
F 603 2721 2530

Principal Bankers
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad

Stock Exchange Listing
Main Board
Bursa Malaysia Securities Berhad
Stock Code: Bolton
Stock No.: 1538

Dato' Azman Yahya
Non-Independent Executive Chairman

Wing Kwong @ Chan Wing Kwong
Non-Independent Executive Director

Board of Directors

Dato' Azman Yahya

Non-Independent Executive Chairman
Malaysian, Age 44

Dato' Azman Yahya is the Executive Chairman of the Company, having first joined the Board on 23 June 2005. He graduated with a first class honours degree in Economics from the London School of Economics and Political Science and is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and a fellow of the Malaysian Institute of Banks.

Prior to this, Dato' Azman was appointed by the Government of Malaysia in 1998 to set-up and head Danaharta, the national asset management company and subsequently became its Chairman until 2003. He was also the Chairman of the Corporate Debt Restructuring Committee (CDRC) which was set-up by Bank Negara Malaysia to mediate and assist in the debt restructuring of viable companies until its closure in 2002.

His previous career appointments include auditing with KPMG in London, finance with the Island & Peninsular Group and investment banking with Amanah Merchant Bank as the Chief Executive.

Outside his professional engagements, Dato' Azman is active in public service. He sits on the boards of a number of Government Linked Corporations namely Khazanah Nasional Berhad, the investment arm of the Malaysian Government, Malaysian Airline System Berhad, Pharmaniaga Berhad and PLUS Expressways Berhad. Dato' Azman also serves as a member of Bursa Malaysia Securities Market Consultative Panel, the National Council for Scientific Research and Development, the National Innovation Council and the Special Taskforce to Facilitate Business (PEMUDAH). He is also the Chairman of the Motorsports Commission of Malaysia.

Dato' Azman is the Group Chief Executive of Symphony House Berhad and Director of Scomi Group Berhad.

He attended all the six (6) meetings of the Board held in the financial year ended 31 March 2008.

Wing Kwong @ Chan Wing Kwong

Non-Independent Executive Director
British/Permanent Resident of Malaysia, Age 52

Mr. Wing Kwong @ Chan Wing Kwong was appointed to the Board on 1 December 2007. He obtained his Bachelor of Science in Civil Engineering from University of Houston, Texas, USA. He has over twenty-six (26) years of experience and has been exposed to a wide range of industries.

Mr. Chan started his career as design engineer in the oil and gas sector in USA. Upon his return from USA, he joined the construction sector and worked on prestigious projects such as the prestigious thirty-eight (38) storey LUTH Building, Pusat Islam and Medan Mara.

He was appointed as the Group Executive Director of Salcon Engineering Sdn. Bhd. from 1994 to 1998, a wholly-owned subsidiary of Kumpulan Emas Berhad, the leading water engineering company in Malaysia. Mr. Chan joined the Company as Chief Operating Officer ("COO") in November 2000. On 1 January 2004, he joined Kejora Harta Bhd. ("Kejora"), a then 32% associated company of the Company as COO and was subsequently appointed to Kejora's Board as an Executive Director on 15 April 2004. Mr. Chan was re-appointed as the COO of the Company on 1 April 2007.

He attended one (1) meeting of the Board held in the financial year ended 31 March 2008 subsequent to his appointment as Director.

Tan Sri Nik Mohamed bin Nik Yaacob
Independent Non-Executive Director

Datuk Zakaria bin Dato' Ahmad
Independent Non-Executive Director

Tan Sri Nik Mohamed bin Nik Yaacob

Independent Non-Executive Director
Malaysian, Age 59

Tan Sri Nik Mohamed bin Nik Yaacob was appointed to the Board on 14 July 2005. Tan Sri Nik holds an Engineering degree from Monash University and a Master in Business Management from the Asian Institute of Management.

He served as the Group Chief Executive of Sime Darby Berhad from 1993 until his retirement in June 2004 and during this period, he also served on the Boards of the Sime Darby group of companies. He was a Director of Supercomal Technologies Berhad until November 2007.

Other Malaysian public companies in which he is a Director are Perbadanan Nasional Berhad, Scomi Group Berhad, Guocoland (Malaysia) Berhad and Scomi Marine Berhad. Tan Sri Nik is also an Executive Director of Yayasan Kepimpinan Perdana (Perdana Leadership Foundation).

He attended five (5) out of the six (6) meetings of the Board held in the financial year ended 31 March 2008.

Datuk Zakaria bin Dato' Ahmad

Independent Non-Executive Director
Malaysian, Age 73

Datuk Zakaria bin Dato' Ahmad was appointed to the Board on 4 December 2000. He is a member of the Audit and Nominating Committees of the Company. Datuk Zakaria holds a certificate from the Institute of Management (Intan) Kuala Lumpur and passed the Federal Law in 1970.

Datuk Zakaria was attached to the Ministry of Defence from 1961 to 1970 and has served as a Personal Secretary to the Deputy Prime Minister from 1964 to 1970 and Private Secretary to the Prime Minister from 1970 to 1975 before being appointed as Head of the Ceremonial & Protocol for the Prime Minister Department from 1975 to 1978. He also held various positions with the Government such as the Malaysian Trade Commissioner to Thailand under the Ministry of International Trade and Industry, and as Consul General to Thailand under the Ministry of Foreign Affairs.

He attended all the six (6) meetings of the Board held in the financial year ended 31 March 2008.

Dato' Robert Teo Keng Tuan
Independent Non-Executive Director

Chin Jit Pyng
Non-Independent Non-Executive Director

Board of Directors (cont'd)

Dato' Robert Teo Keng Tuan

Independent Non-Executive Director
Malaysian, Age 58

Dato' Robert Teo Keng Tuan was appointed to the Board on 8 April 2004. He is the Chairman of the Audit and Nominating Committees and a member of the Remuneration Committee of the Company. Dato' Robert Teo is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants and fellow member of the Institute of Chartered Accountants in England and Wales.

Dato' Robert Teo is presently the managing partner of RSM Robert Teo, Kuan & Co., a professional public accounting firm, which is a member of RSM International. He has approximately thirty (30) years experience in taxation matters and his main area of specialisation is in corporate tax consultancy work in addition to audit and financial matters. He has also undertaken Special Administrator appointments by Pengurusan Danaharta Nasional Berhad for certain public listed companies and is also involved in the restructuring of corporations including some of which are listed on the Bursa Malaysia Securities Berhad. He served as a Director on the Board of Kejora Harta Bhd. from 2004 until its delisting in 2006.

He attended all the six (6) meetings of the Board held in the financial year ended 31 March 2008.

Chin Jit Pyng

Non-Independent Non-Executive Director
Malaysian, Age 52

Mr. Chin Jit Pyng was appointed to the Board on 28 March 2001. He was re-designated as Senior Executive Director on 26 April 2002 in charge of Information Technology Division and was subsequently re-designated as Non-Executive Director of the Company on 1 April 2007. Mr. Chin obtained his Bachelor of Science degree majoring in Computer Studies from Brighton Polytechnic, UK.

Mr. Chin was professionally engaged with IBM for more than thirteen (13) years, where he was responsible for a number of strategic project implementations, including projects for the national telecommunications company as well as the biggest commercial bank in Malaysia gaining specifically, in-depth knowledge of electronic banking services and branch automation and generally, knowledge on the banking and finance applications software sector. He currently serves as a Director on the Board of PanGlobal Berhad and Silver IMP-ACT Berhad.

He attended all the six (6) meetings of the Board held in the financial year ended 31 March 2008.

Abdul Sani bin Busu
Independent Non-Executive Director

Lee Siew Choong
Independent Non-Executive Director

Abdul Sani bin Busu

Independent Non-Executive Director
Malaysian, Age 57

Encik Abdul Sani bin Busu was appointed to the Board on 24 September 1998. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees of the Company. Encik Abdul Sani graduated with a Diploma in Banking Studies from Institute Teknologi MARA (UITM) and proceeded to pursue his degree in Bachelor of Science (Finance) from Syracuse University, USA. and Master in Business Administration (Finance) from Central Michigan University, USA.

He started his career as a lecturer in Institute Teknologi MARA (UITM) in 1979. He left the teaching profession in 1980 to pursue a career in merchant banking and joined Asian International Merchant Bankers Berhad (the present Public Merchant Bank Berhad) as a Banking Officer. He remained at Public Merchant Bank Berhad, in the Corporate Banking Department, for slightly more than seventeen (17) years and left the organisation in 1997. His last position at the merchant bank was that of General Manager, Corporate Banking where his main responsibility was to manage the Corporate Banking and Capital Market Divisions.

He attended all the six (6) meetings of the Board held in the financial year ended 31 March 2008.

Lee Siew Choong

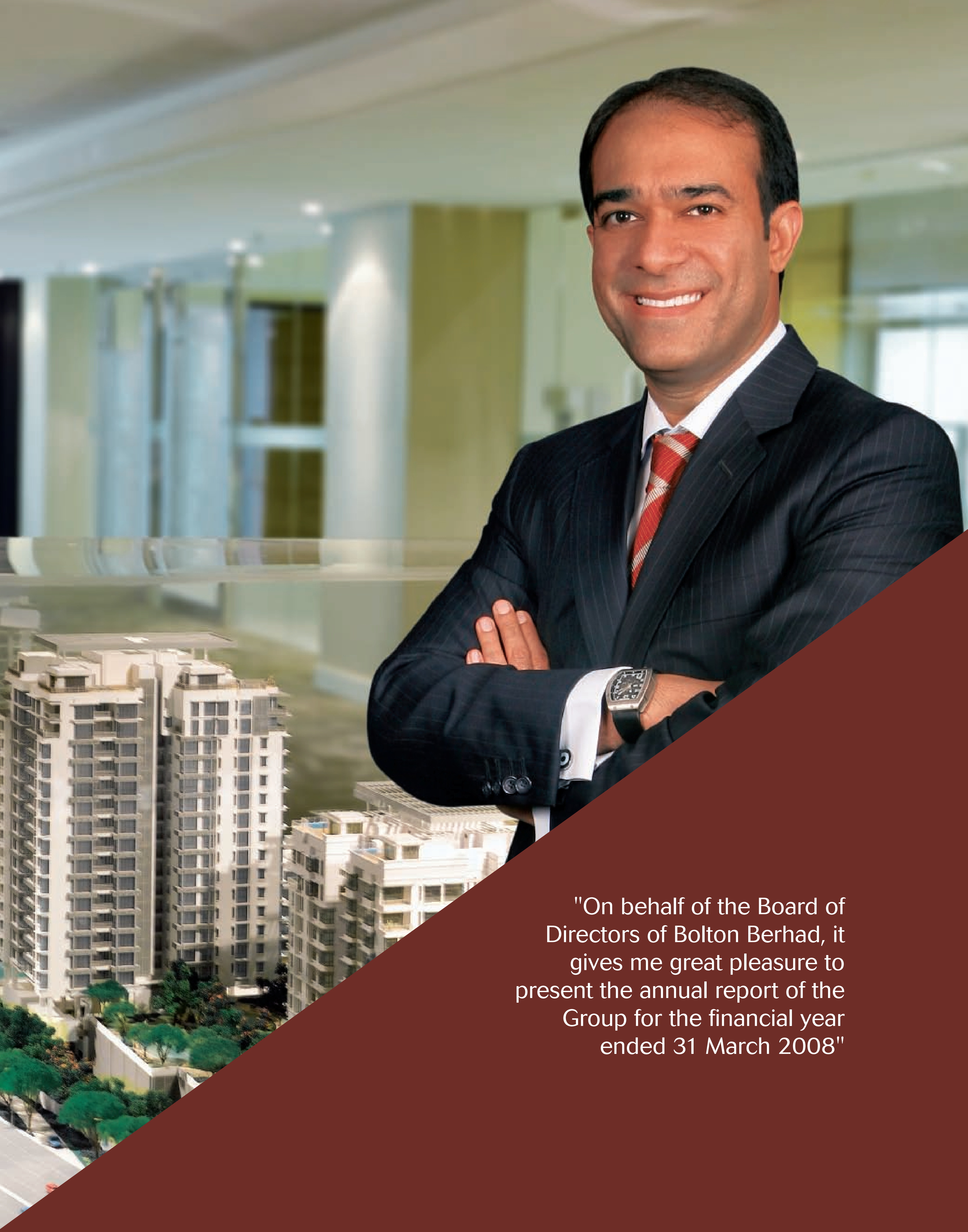
Independent Non-Executive Director
Malaysian, Age 66

Mr. Lee Siew Choong was appointed to the Board on 23 June 2005. He is a member of the Audit Committee. Mr. Lee obtained his Bachelor of Laws (Honours) Degree from Singapore and was called to the Malaysian Bar in 1968. He also serves as a Director on the Board of KAF-Seagroatt & Campbell Berhad, Amanah Millenia Fund Berhad, KAF Trustee Berhad, Center for Marketplace Leadership Bhd. and KAF Investment Bank Berhad.

He attended five (5) out of the six (6) meetings of the Board held in the financial year ended 31 March 2008.

None of the Directors of the Company has:

- any family relationship with any director and/or major shareholder of the Company;
- any conflict of interest with the Company; and
- any conviction for offences within the past ten (10) years other than traffic offences, if any.



"On behalf of the Board of Directors of Bolton Berhad, it gives me great pleasure to present the annual report of the Group for the financial year ended 31 March 2008"

Chairman's Statement

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

After three years of strict adherence to the turnaround plan which was put in place when I joined the Group in 2005, I am proud to announce that the Group is now on a sound financial footing with a leaner and more robust balance sheet which puts us in a strong position to invest for the future.

For the financial year ended 31 March 2008, the Group registered a pre-tax profit and profit after tax and minority interest of RM62.5 million and RM46.7 million respectively, on a turnover of RM299.3 million. Excluding the one-off sale of the Mayang land to Alpine Return Sdn. Bhd. during the previous financial year, the current year's operating results shows a marked improvement over the previous year's results.

More importantly for the Group during this turnaround phase, the Group generated more than RM146.5 million in net cash inflow from operating and investing activities and reduced borrowings from RM288.9 million to RM185.3 million for the financial year in review, resulting in a healthy gearing ratio of 0.46 times.

In recognition of the continuing strong performance of the Group, the Board has recommended a first and final dividend of 3.0 sen per share amounting to RM6.8 million, subject to shareholders' approval. This payout represents a 20% increase from the previous year's dividend payout.

Before I take you through the operational performance of the Group, I would like to share with our members the painstaking processes and steps undertaken in the last three years that has propelled the Group to be in the position it now enjoys.

THE "TURNAROUND PLAN"

When I joined the Group in June 2005 I realised that a strategy needed to be put in place to turn the Group from an unfocused and lethargic collection of diverse businesses into a focused and dynamic entity, thus the birth of the Turnaround Plan, which involved strict adherence to an execution map aimed at refocusing the Group's activities to property development and building a sound platform for the Group to progress into the future.

Critical to the survival of the Group is the foundation in which it stands on and the Board believes that it is extremely important to get the Group to refocus itself into doing what it does best, and that is property development, and that the business has to be run professionally with a constant focus on returns on the assets and resources employed by the Group. This "regrouping" needed to be put in place before the Group can even consider, if and when appropriate, to diversify its business to complement property development in the future.

Thus the pillars that formed the Turnaround Plan entailed the cleaning up of the balance sheet, the setting up of a more efficient resource and capital management system, the restructuring of the Board and key personnel, the disposal of non-core and low yielding assets and the increase in project pipeline.

The Turnaround Plan has clearly yielded positive results not only from the financial standpoint but also in terms of market recognition of Bolton as an established and accomplished property developer with a stronger balance sheet, stronger borrowing capacity, a return-focused management team and a strong relationship with equity partners such as the Dubai Investment Group Limited.

Balance Sheet Clean-up

During the financial year, the Group needed to make only minor provisions and impairments as the asset valuations of the Group are already reflective of current valuations, due mainly to the provisions and impairments made in the previous two financial years.

Active Capital Management

The management undertook to efficiently manage capital and the available resources including actively buying back our shares to increase shareholders' value and to secure better rates and terms for its banking lines while retiring the more expensive ones thereby not only reducing borrowings but also lowering the cost of borrowings.

Restructure Board & Management

The restructuring efforts saw the appointment of several notable corporate figures to the Board to give the Board added experience and credibility. Fresh management talent was also brought in to manage the Group's businesses.

Disposal of Non-Core and Low Yielding Assets

During the financial year, the Group disposed of the following assets:

1. Quarry and Premix business for a net cash consideration of RM20.0 million while retaining the rights over accounts receivables of RM15.0 million and a guaranteed tribute payment of RM3.0 million a year for the next eleven years;

2. Hotel Midah for the sum of RM26.0 million; and

3. 5.77 percent shareholding in Symphony House Berhad through an offer for sale exercise which yielded RM11.4 million.

Adding the above to the assets already disposed of in the previous two years, the Group has managed to realise a total amount of more than RM340.0 million which was used for working capital and to reduce borrowings from a high of RM523.0 million in September 2006 to the current level of RM185.3 million.

Increase Project Pipeline

During the financial year, the Group has evaluated no less than RM3.0 billion worth of potential projects to invest into. Even though most of these projects did not meet the Group's strict investment criteria, the Business Development Unit has identified several interesting ones. One such project, which culminated in our purchase of the land, is "Surin" development in Penang. This project was identified to have met two of our main criteria which are the profitability and time-to-market criteria. In short, the Group managed to offer Surin, initially to private customers, within three months of completion of the Sale and Purchase Agreement for the land and the project is currently showing encouraging sales and at prices higher than we had earlier expected.

The Turnaround Plan has clearly yielded positive results not only from the financial standpoint but also in terms of market recognition of Bolton as an established and accomplished property developer with a stronger balance sheet, stronger borrowing capacity, a return-focused management team and a strong relationship with equity partners such as the Dubai Investment Group Limited.

With this strong platform to build upon, the management sat down to chart the business for the next three years. In February 2008, the Board approved a set of strategies to transform the Group into a leading property developer, hence the birth of the "Transformation Plan" which covers the period from 1 April 2008 to 31 March 2011.

The Board also approved the Group's new Mission and Core Value Statement which can be found on the inside cover of this report.

THE "TRANSFORMATION PLAN"

The Management and the Board has agreed to focus on several initiatives or thrusts which would give the Group a sustainable growth for the future. Amongst these thrusts are:

Landbank Acquisition

We believe this is absolutely critical for the success and sustainability of our business. As a result, we created a Business Development Unit and equipped it with resources to seek and evaluate opportunities.

Selling and Marketing

We believe that in order to sell our properties at a premium, it is not just about the location and the design of our products but we also need marketing strategies to complement our sales efforts. Hence, we strengthened our sales and marketing unit and turned it into a division reporting to the Executive Director.

Customer Management and Retention

We see that generally this aspect of the business is sometimes overlooked by developers in the country and as a responsible developer we have taken the necessary steps to manage our customers better to provide excellent service before, during and after sales. By being customer-centric and customer-friendly, the management believes the benefits of repeat sales, recommendations and referrals will enhance the take-up rate of our products and improve our selling prices.

In conjunction with the Transformation Plan, the Board also approved a re-branding exercise for the Group and on 1 April 2008 a new corporate identity was launched. The Group's refreshed identity began with a new logo:

BOLTON
better living by design

The typeface chosen, in capital letters, reflects the stability, strength and consistency of Bolton – a quality expected from a trusted property developer. This clean-cut, vibrant new logo was created to encapsulate these qualities into the minds of our valued customers. The choice of colour, Auburn, is deliberate, because it represents warmth, trustworthy and security – the desired feelings to satisfy our customers when buying a Bolton property.

This new logo will be carried on all of the Group's stationeries, collaterals and marketing materials to reinforce our branding exercise. Management has also launched a refreshed website which showcases the latest properties by the Group.

OPERATIONS HIGHLIGHTS

The Property Development and Investment Division continues to contribute the bulk of the revenue (81.0%) and profits (80.7%), which is in line with the Group's refocusing on property development activities.

Property Development

- **Tijani, Bukit Tunku, Kuala Lumpur**

  Tijani, which means "crown" in Arabic, continues to be the jewel in the crown for the Group, registering sales of RM131.2 million for the financial year.

  Management has seen an increase in the average selling price per square foot for the condominium and duplex units from RM650 per square foot ("psf") when it was initially launched three years ago to the current price of RM1,150 psf, giving the earliest buyers a capital gain of close to 80% during the construction period.

  Tijani Block D, comprising 24 units of condos and 4 units of penthouses is expected to be released in August 2008. The selling price for these units is expected to start from RM1,200 psf or about RM3.4 million for the smallest 2,800 sq. ft. unit. We expect to sell the units and realise the sales during the current financial year ending 31 March 2009.

- **Taman Tasik Prima, Puchong**

  Our 212 acre development along the shores of Puchong's largest lake, Taman Tasik Prima continues to show an impressive performance with encouraging sales registered for the new launches, lead by the launch of the Biz-Hub comprising 114 strata units of 3 and 4-storey shoplots in October 2007 where all but 4 of the units have since been sold. Demand has also been very good for the double-storey terrace houses and management is planning more launches during the current financial year.

  For the financial year ended 31 March 2008, Taman Tasik Prima registered sales of RM45.6 million. Planned launches for the near future includes more commercial properties and the popular double-storey terrace houses.

- **Bandar Amanjaya, Sungai Petani**

  Our development in Sungai Petani, which is part of the Bandar Amanjaya township, is notable for offering quality homes at affordable prices and the impressive revenue of RM22.9 million recorded during the financial year is testament to this. The single-storey terrace houses remains the best seller here where brisk sales were recorded for the Spice and Sutera homes which were launched with a price tag of between RM80,000 to RM100,000 per unit.

  Management has planned to launch more of the popular Spice and Sutera type homes for the near future while devising new strategies to dispose of the unsold commercial units and parcels of vacant land within this development to generate cash.

- **Surin, Penang**

  Surin development was soft-launched within three months of completion of the purchase of the land. The speed in which we turnaround a raw piece of land into a development project is a critical factor in our investment decision as a short lead time eliminates many project risks.

  Since its initial soft-launch in November 2007, Surin has registered encouraging sales of more than 65% of the 198 units of the first tower on offer. Contribution to the Group's revenue will be significant in the next two financial years.

- **Lavender Heights, Senawang**

  Sales at our English Countryside-themed Lavender Heights in Senawang, Negeri Sembilan remained relatively subdued due mainly to the intense competition from surrounding developments, registering sales of RM11.2 million for the financial year. However, the Group sees an encouraging response to the competitively-priced double-storey terrace houses where about 45% of the 136 units on offer have been sold.

  Management is currently looking at various options to increase revenue from this development including the sale of land on a piecemeal basis to better realise cash.

- **Others**

  The other smaller developments within the Group have performed to expectations, registering positive contributions in terms of operating profits and cashflows.

Property Investments

- **Campbell Complex, Kuala Lumpur**

  Our 36-year old retail and office building along Jalan Dang Wangi, Kuala Lumpur has performed largely to expectations with an EBITDA yield of 4.7% from an occupancy rate of about 84%. Management is actively looking to dispose of this property at the right price to realise cash that will be invested in development projects.

- **Langkawi Fair, Langkawi**

  Langkawi Fair, the largest shopping centre in Langkawi, has performed better registering an EBITDA yield of about 5.4% from an occupancy rate of 84%. Despite the intense competition from newer retail centres offering cheaper rentals, Langkawi Fair remains the premier shopping destination for tourists in Langkawi due to the varied mix of tenants that includes local household names and international brands not found elsewhere on the island.

Quarry & Premix

As briefly mentioned above, the quarry and premix businesses were sold to Batu Tiga Quarry Sdn. Bhd. ("BTQ"), a unit of the YTL Group, for a net cash consideration of RM20.0 million while retaining our rights to the accounts receivables which stood at about RM15.0 million at that time. On top of this, BTQ will pay the Group a tribute payment based on the amount of quarry products extracted from the quarry subject to a minimum of RM3.0 million per annum for the next eleven years.

This disposal made a lot of sense for the Group as it realised good value for its quarry and premix business and is now able to concentrate fully on property development and enjoy any upsides over and above the minimum extraction rate for the quarry products by BTQ while still maintaining ownership of the quarry land for possible future use.

WHAT'S IN STORE FOR THE FUTURE?

The Group has an exciting array of future developments planned for launches in the next twelve months. With a combined Gross Development Value ("GDV") of nearly RM3.0 billion, the next two to three years will see a period of growth for the Group with the inclusion of these projects.

- **Mayang**
  This RM2.5 billion ultra high end condominium development is a 50:50 joint venture with UM Land on a 4.3 acre piece of freehold land located along Jalan Mayang, a mere five minutes walk from KLCC. This iconic development is expected to be launched in the 2nd half of 2009 and will permanently change the Kuala Lumpur skyline once it is completed in 2012.

- **Bolton Court**
  The redevelopment of our 30-year old condominium block in Bukit Ceylon is also expected to commence in the 2nd half of 2009. This luxury serviced apartment development with a GDV of about RM150 million is targeted for completion in 2012 and to contribute positively to the Group's performance in the financial years 2011 and 2012.

- **Tijani 3**
  The last piece of the Tijani development is not exactly part of Tijani but is located on a parcel of land next to it along Jalan Kuching. Thus the pricing for the 110 units of condominium will be relatively more affordable compared to Tijani but with the same quality and design that can be expected from a Bolton development. The GDV for this project is estimated to be about RM100 million and is expected to be launched in the 1st half of 2009.

The Group has an exciting array of future developments planned for launches in the next twelve months. With a combined Gross Development Value ("GDV") of nearly RM3.0 billion, the next two to three years will see a period of growth for the Group with the inclusion of these projects.

MOVING FORWARD

The outlook for the property sector is expected to be more competitive with margins being affected by the rise in the prices of raw materials including fuel and steel and the more cautious attitude adopted by consumers and investors due to deteriorating market conditions brought about by the spiraling cost of living. These factors will have a negative impact on margins for the Group's new projects, especially for the medium and low-end properties.

However, we are encouraged by the recent measures adopted by the government on taxes and home-ownership by foreigners and the Employee Provident Fund's relaxation of rules to withdraw contributor's savings that we hope will continue to stimulate the property market. Furthermore, the bulk of the contribution to the Group's bottom line for the next three financial years will be from our high-end developments where the margins are expected to remain healthy, if not increasing.

I am confident that with the renewed strength from a more robust balance sheet, the numerous strategies we have put in place and the line of future product launches, the Group's performance for the near future will continue to be strong.

APPRECIATION

To my colleagues on the Board, I extend my sincere appreciation for their continued support of the Group. Their vast experience, depth of knowledge, critical insight and business acumen have provided management with valuable advice and guidance at our Board meetings.

To the management team and employees, my utmost gratitude for their diligent and untiring efforts to implement the strategies we have put in place to allow us to be in the strong position we are now in. I call on them to maintain the same high levels of professionalism and enthusiasm in their work to help create a Group that we can all identify with and be proud of.

Finally to our shareholders, your loyalty and belief in us is humbling and will undoubtedly spur us to work harder to create more shareholders value. We hope that our proposal for an increased dividend payout for the financial year ended 31 March 2008 will have gone some way to reward you for your confidence in us and we hope this confidence continues throughout the years ahead.

Until next year, I humbly remain.

AZMAN YAHYA
Executive Chairman
30 June 2008

Corporate Highlights

6 June 2007

Multivenue Sdn. Bhd. completed the disposal of its entire shareholdings in BB Franchising Inc. for a total cash consideration of USD330,000.

15 June 2007

Bolton announced a First and Final Dividend of 2.50 sen per share less 27% income tax in respect of the financial year ended 31 March 2007.

10 July 2007

Kejora Harta Bhd. acquired 3.412 acre freehold land in Tanjung Bungah, Penang and the entire equity interest of GLM Property Development Sdn. Bhd. for RM25.0 million. With the acquisitions, the Group's "Surin I and II" condominiums will be developed, making it the first flagship project of the Group in Penang.

11 July 2007

The Company's 44th Annual General Meeting was held.

19 September 2007

The Company disposed of its 49% equity interest in Menara Ampang Sdn. Bhd. to Ibu Kota Developments Sdn. Bhd. for RM10.428 million.

31 October 2007

Kenneison Quarries Sdn. Bhd. ("KQSB") disposed of its quarry equipment and other assets for a total cash consideration of RM6.5 million and further disposed of its 100% equity interest in Kenneison Construction Materials Sdn. Bhd. and Kenneison Northern Quarry Sdn. Bhd. for a total consideration of RM17.5 million to Batu Tiga Quarry Sdn. Bhd. ("BTQ").

The Quarry Agreement entered into between Kenneison Brothers Sdn. Bhd. ("KBSB") and BTQ to grant BTQ the rights to occupy and operate quarry operations on the quarry lands owned by KBSB for a period of twelve (12) years ("Term") with a minimum annual guaranteed payment of RM3.0 million and the lease by KBSB of all its immovable property or assets on the quarry lands for the duration of the term for a nominal consideration of RM10 was effected today.

14 November 2007

Bolton completed the capital reduction in accordance with Section 64 of the Companies Act, 1965 to reduce the Company's share premium account by RM220.0 million and to utilise the credit arising therefrom to reduce the accumulated losses of Bolton.

31 January 2008

On 31 July 2007, Bolton announced its proposal to undertake a non-renounceable offer for sale of the ordinary shares of RM0.10 each in Symphony ("Symphony Shares") to the shareholders of Bolton on the basis of 2 Symphony Shares for every 5 ordinary shares of RM1.00 each in Bolton ("Bolton Shares"). At the Extraordinary General Meeting of the Company held on 15 November 2007, the shareholders approved the exercise. The exercise was completed on 31 January 2008 with valid acceptance of 36,901,657 Offer Shares and excess applications of 4,878 Offer Shares at an offer price of RM0.31 per Symphony Share.

31 March 2008

Completed the disposals of Noble Accord Sdn. Bhd. and Hotel Midah for total cash consideration of RM26.001 million.

Statement on Corporate Governance

The Board of Directors ("the Board") is always committed to achieving high standards of Corporate Governance as eschewed in the Principles and Best Practices on Corporate Governance as set out in the Malaysian Code on Corporate Governance (Revised 2007) ("the Code"). The Board fully embraces and understands their responsibilities in guiding the business activities of the Group to reach an equilibrium of a sound and sustainable business operation whilst ensuring transparency, accountability and compliance with all relevant rules and regulations governing the Group's businesses.

To underline this commitment, the Board has seen fit to include the "adherence to strict codes of conduct" and "high standards of governance" as fundamental points in the Group's recently launched Mission Statement and to include "Social Responsibility", specifically the respect of the law and the environment, as one of the Core Values of the Group which could be found in the cover overview of this Annual Report.

Thus, the Board is pleased to set out below how the Group has applied the principles of the Code and the extent to which the Group has complied with the best practices recommended by the Code during the financial year ended 31 March 2008.

A. BOARD OF DIRECTORS

Board Composition and Balance

The Board started the financial year with eleven (11) members comprising an Executive Chairman, two (2) Senior Executive Directors, one (1) Executive Director, one (1) Non-Independent Non-Executive Director and six (6) Independent Non-Executive Directors. However, due to several retirements, re-designation, non re-election and the appointment of the Chief Operating Officer as an Executive Director, as at the date of this statement, the Company's Board is made up of eight (8) members comprising an Executive Chairman, an Executive Director, a Non-Independent Non-Executive Director and five (5) Independent Non-Executive Directors. The current Board composition, where more than 60% of its members are Independent Board members, is well within the prescribed requirement of Paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements of Bursa Securities") which stipulates that at least two (2) Directors or one third (1/3) of the Board of Directors, whichever is higher, must be independent.

There is a clear division of responsibilities in the Group. The Executive Chairman represents the Board to shareholders and investors and provides Board leadership and direction on policy formation and decision making. He is assisted by the Executive Director who is responsible for implementing the policies and decisions of the Board in the day-to-day operations of the Group.

As all major decisions and key issues involving the Group are referred to the Board for consideration and approval, the role of Non-Executive Directors is crucial in upholding the virtues of good corporate governance. The current Non-Executive Directors are of varied experience and technical background including legal, accounting, government and business administration and corporate stewardship at the highest levels. This diversity in experience coupled with the calibre and dynamism of each individual director provides not only the necessary balance of power and authority to the Board but also provides unbiased and independent views, valuable advice and unwavering judgement, taking into consideration the interests of all stakeholders.

A brief write-up of the background of the members of the Board as at the date of this statement is represented from pages 12 to 19 of this Annual Report.

Board Meetings

During the financial year ended 31 March 2008, six (6) Board meetings were held and a summary of attendance of each director at these meetings is as follows:

Directors	Designation	Meetings Attended
Dato' Azman Yahya	Executive Chairman	6/6
Wing Kwong @ Chan Wing Kwong (appointed on 1 December 2007)	Executive Director	1/1
Tan Sri Nik Mohamed bin Nik Yaacob	Independent Non-Executive Director	5/6
Chin Jit Pyng (re-designated on 1 April 2007)	Non-Independent Non-Executive Director	6/6
Datuk Zakaria bin Dato' Ahmad	Independent Non-Executive Director	6/6
Dato' Robert Teo Keng Tuan	Independent Non-Executive Director	6/6
Abdul Sani bin Busu	Independent Non-Executive Director	6/6
Lee Siew Choong	Independent Non-Executive Director	5/6
Lim Yen Kong (retired w.e.f. 1 April 2007)	Non-Independent Executive Director	0/0
Lim Yen Haat (retired w.e.f. 1 May 2007)	Non-Independent Senior Executive Director	0/1
Wu Sor Hwa (resigned on 3 May 2007)	Independent Non-Executive Director	1/1
Tan Sri Amin Shah bin Haji Omar Shah (not re-elected at the last AGM on 11 July 2007)	Non-Independent Non-Executive Director	0/2

All the present Directors have complied with the attendance requirement as stipulated under Paragraph 15.05 of the Listing Requirements of Bursa Securities.

Appointment to the Board

The Nominating Committee has been entrusted with the responsibilities for proposing and recommending the right candidates to the Board for appointments. In addition, the Nominating Committee also has the function of assessing the effectiveness of the Board, reviewing the skills and competencies of individual Directors and the composition of the various committees of the Board.

On 10 November 2007, the Nominating Committee proposed the appointment of Wing Kwong @ Chan Wing Kwong as an Executive Director, which was duly approved by the Board and took effect on 1 December 2007.

Retirement and Re-election of Directors

Article 83

This article of the Company's Articles of Association ("Articles") provides that at least one third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.

At the forthcoming AGM, Abdul Sani bin Busu and Lee Siew Choong retire under this Article and have agreed to offer themselves for re-election.

Article 90

Under this Article, all Directors who are appointed by the Board may only hold office until the first AGM subsequent to their appointment and shall then be eligible for re-election by shareholders at that AGM.

At the forthcoming AGM, Wing Kwong @ Chan Wing Kwong retires under this Article and has agreed to offer himself for re-election.

Section 129 of the Companies Act, 1965

Section 129(6) of the Companies Act, 1965 requires Directors over the age of seventy (70) years to submit themselves for re-appointment at every AGM.

At the forthcoming AGM, Datuk Zakaria bin Dato' Ahmad retires under this Section and has agreed to submit himself for re-appointment.

Directors' Training

Apart from attending the Mandatory Accreditation Programme and the Continuing Education Programme accredited by Bursa Securities, all Directors are encouraged to continue to attend training programmes and seminars to further enhance their skills as well as to keep abreast with amendments in regulatory guidelines and changes in the business environment.

During the financial year, all Directors, together with Senior Management, attended a one day course on "From Good Governance to Great Branding" organised by RAM. This session was also used to jumpstart the corporate re-branding initiative which culminated in the formation of a Corporate Strategy up to the financial year ending 31 March 2011 and the Business Transformation Plan that were presented to the Board on 28 February 2008. From time to time, the Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Company's business.

Supply of Information

All Directors are given ample notice for each Board meeting and are provided with an agenda and a set of Board papers prior to each meeting. Detailed briefings are done at the Board meetings by management. Where necessary, professional and independent opinion have also been made available to the Directors either in the form of written opinions or the physical presence of the professionals, by invitation, at Board meetings to field any queries the Directors may have on the issues at hand. This ensures that Directors have comprehensive understanding of the issues to be deliberated at Board meetings and to facilitate informed decision-making. The Board also has full and timely access to complete information pertaining to the Group's activities, with complete financial and non-financial information.

Minutes of every Board meeting are circulated to each Director prior to confirmation of the Minutes at the following Board meeting. The Board also receives Minutes of all sub-committee meetings and is briefed on the issues raised at the respective committee meetings to ensure that all Directors are kept informed of the committees' activities.

The Directors also have access to the advice and services of the Company Secretaries for updates on the latest regulatory requirements.

Board Committees

The Board has established several committees, namely the Audit Committee, the Nominating Committee, the Remuneration Committee and the Risk Management Committee, with specific terms of references to support and assist the Board in discharging its fiduciary responsibilities. These committees have the authority to analyse the relevant issues and report to the Board with their proceedings and deliberations. Where committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted to the Board for approval.

An overview of each committee is set out below.

Audit Committee

The Board is assisted by the Audit Committee, whose composition, roles and functions and summary of its activities during the financial year are set out in the Audit Committee Report on pages 36 to 37 of this Annual Report.

Nominating Committee

The Nominating Committee comprises the following members during the financial year:

Dato' Robert Teo Keng Tuan (Chairman)	Independent Non-Executive Director
Datuk Zakaria bin Dato' Ahmad	Independent Non-Executive Director
Abdul Sani bin Busu	Independent Non-Executive Director

The Committee consists entirely of Non-Executive Directors, all of whom are independent. The Nominating Committee is responsible for nominating the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board.

The Board, through the Nominating Committee has implemented a process of evaluating the effectiveness and performance of the Board as a whole as well as the effectiveness and contributions of each individual Director.

During the financial year, the Committee assessed the Executive Chairman, the individual Directors, the Board Committees and the Board as a whole and is satisfied with the performance of the Board and believes that the Board reflects a good mix of skills with different professional backgrounds, knowledge, financial and business expertise, experience and qualifications to enable the Board to provide clear and effective leadership to the Group.

The Nominating Committee meets as and when necessary and can also make decisions by way of circular resolutions.

Remuneration Committee

The Remuneration Committee comprises the following members during the financial year:

Abdul Sani bin Busu (Chairman)	Independent Non-Executive Director
Dato' Robert Teo Keng Tuan	Independent Non-Executive Director
Chin Jit Pyng (appointed on 31 May 2007)	Non-Independent Non-Executive Director

The Committee is responsible for recommending to the Board the appropriate remuneration of the Executive Directors.

Individual Directors do not participate in discussions or decisions concerning their remuneration packages.

Risk Management Committee

Reporting to the Board via the Audit Committee is the Risk Management Committee, comprising representatives from the respective Division/Department and currently chaired by the Chief Financial Officer.

The objective of this Committee is to assist the Board in discharging its fiduciary duties to safeguard shareholders' investment and the Group's assets through a sound and objective system of internal control and risk management policies and processes.

The responsibilities of this Committee includes the review of the activities of the Group to identify, evaluate and manage the significant risks faced by the Group and facilitates feedback to the Board on the adequacy and completeness of the action plans by management to mitigate the identified risks. The Committee also communicates to the various divisions and business units to ensure that the risk management mindset is adopted at the most basic levels.

B. DIRECTORS' REMUNERATION

Remuneration Procedure

The Remuneration Committee is responsible for the recommendation of the salary and other benefit packages – policy and framework of Directors, including Executive Directors. However, it is nevertheless the responsibility of the Board to approve the remuneration packages of these Directors.

The remuneration packages of Executive Directors are linked to their individual performance and the Group. Any salary reviews would take into account of market salary ranges and comparable to those awarded by similar companies.

As for the Non-Executive Directors, the Board considers their responsibility and time commitments, taking into account the number of Board meetings, membership of Board committees and all additional work and contribution towards the Group.

Details of Directors' Remuneration

The aggregate remuneration of Directors, received and receivable from the Company, for the financial year ended 31 March 2008 are as follows:

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	–	1,743,163	1,743,163
Non-Executive Directors	312,000	67,500	379,500

The number of Directors whose remuneration falls into the respective bands are as follows:

Range of Remuneration (RM)	Executive	Non-Executive
50,000 and below	1	2
50,001 – 100,000	–	6
250,001 – 300,000	1	–
1,400,001 – 1,450,000	1	–
Total	3	8

C. SHAREHOLDERS

Shareholders and Investor Relations

The Board acknowledges the importance of maintaining transparency and accountability to its shareholders and its investors and to timely disseminate the Group's performance and any significant developments affecting the Group. The public announcement via Bursa Securities, namely the quarterly and final financial results provides an overview of the Group's financial performance and operations to its shareholders, institutional shareholders and investors.

At each AGM, the principal forum for dialogue with all shareholders, the Board takes pleasure in presenting the progress and performance of the Group's business. Shareholders are encouraged to participate in the Questions and Answers sessions on the proposed resolutions or about the Group's operations in general. The members of the Board as well as the External Auditors of the Company are also present to respond to the shareholders' questions raised during the meeting.

The Executive Chairman and the Executive Director also from time to time conduct briefings for business analysts, large shareholders, corporate partners and financial institutions to keep them informed of the various activities and initiatives undertaken by the Group. Exclusive and adhoc interviews are also given to the media to disseminate information to the public through the printed press.

The Group has also undertaken a full revamp of its website at www.bolton.com.my and has recently launched the brand new look to the website which now contains the latest developments within the Group. This website will be updated regularly and can be conveniently accessed by anyone.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board seeks to present a balanced, clear and understandable assessment of the Group's financial position and prospects. In presenting the annual financial statements and quarterly announcement of the Group's financial performance to shareholders, the Board is responsible for ensuring that all applicable accounting and regulatory standards have been complied with. The Directors also have the responsibilities for taking steps as are reasonably available to them to safeguard the assets of the Group and prevent any fraud or irregularities.

The Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 is set out on page 46 of this Annual Report.

Relationship with Auditors

The Audit Committee supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal control of the Group.

Key features for the relationship of the Audit Committee with both the Internal and External Auditors and summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee Report on pages 36 to 37 of this Annual Report.

Internal Control

The Board has overall responsibilities for corporate governance and the development of sound internal control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders' interest and the Group's assets.

The Group's Statement on Internal Control is set out on page 35 of this Annual Report.

Statement on Corporate Social Responsibility

As a good corporate citizen, Bolton is committed to supporting and encouraging worthy social causes as part of its contribution to society and nation building. We subscribe to the principle that our people are the main driver to our success and they remain our most valuable asset in ensuring the long term sustainability and growth of the Group.

As such, our Corporate Social Responsibility ("CSR") initiatives for the financial year ended 31 March 2008 focused on developing our people and organisation, providing a more balanced lifestyle by organising recreational activities for our employees such as sports and family orientated programmes and encouraging our employees' involvement in bringing positive and enriching impact to the community in which we are part of.

Our CSR initiatives for the financial year ended 31 March 2008 were as follows:

Employee Onboarding Programme

Our new employees were enrolled in an Onboarding Programme to facilitate a smooth transition into the new work environment and to engrain our organisation philosophy in our new employees from the very early stage of their career with us.

Structured Staff Development Programme

Our Company endorsed a comprehensive Staff Development Programme aimed at improving our organisational performance. Much of the initiatives under this programme, which focuses on embedding our organisation philosophy to our people and enhancing their level of competency, will be implemented in the current financial year.

Festival Celebrations

Throughout the year, during major festival celebrations, the Group organised eat-outs amongst our employees to foster good relationships and racial harmony amongst our multiracial employees of all races.

Family Day

On 30 January 2008, we had our Bolton Family Day at Taman Tasik Perdana where about 180 of our employees participated in the event. This annual event provides a great opportunity for our staff to build closer ties with each other and their families, which effectively fosters team spirit.

Family Day
Kids having fun playing games

Family Day
Group photo for everyone

Statement on Corporate Social Responsibility (cont'd)

Blood Donation Drive
70 donors turned up for the good cause

Charity for the Handicapped and Retarded Children Centre, Selangor
Bolton's staff outside the Home

Charity for the Handicapped and Retarded Children Centre, Selangor
Bolton's staff outside the Home

Blood Donation Drive

A Blood Donation Drive was held on 18 May 2007 at Campbell Complex. The drive was organised in conjunction with the National Blood Centre to raise awareness about the importance of and need for blood donation. It was also opened to the public. The campaign, received tremendous support from our employees where about 139 litres of blood were collected.

Special 'Buka Puasa' Treat for 50 Children
Children cheering after the meal

Special 'Buka Puasa' Treat for 50 Children
Children and Hotel Midah's staff

Special 'Buka Puasa' Treat for 50 Children

On 9 October 2007, our subsidiary, Hotel Midah threw a 'buka puasa' treat for 50 children and their mothers from Persatuan Ehsan Wanita & Anak-anak Kuala Lumpur (Pewanida). This annual event was organised to recognise the good work of Pewanida with underprivileged children. The children were also given 'duit raya' at the event.

Charity for the Handicapped and Retarded Children Centre, Selangor

Around 50 of our staff rallied together for a charity drive to help in the renovation and rectification work at The Handicapped and Retarded Children Centre Selangor in Ampang on 2 February 2008. In addition to raising money amongst themselves to meet the RM16,000 shortfall for the repair works for the Centre, members of the Bolton Sports and Social Club also assisted in the repainting and cleaning up of the Centre. Our staff also donated a computer for administrative work at the Centre and an exercise machine for use by the residents.

Contribution to the Fisherman Foundation Fund of Malaysia

In May 2007, Bolton contributed to the Fisherman Foundation of Malaysia. The fund will be used as part of a planned boat scheme to help fishermen increase their income level and to assist in providing scholarships for their children.

Statement on Internal Control

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies maintains a sound system of internal control to safeguard shareholders' investment and Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") pursuant to paragraph 15.27(b) requires the Directors of listed companies to include a statement in annual reports on the state of their internal control.

Bursa Securities' Statement of Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements.

In compliance with the aforementioned obligation, the Board of Directors ("Board") is pleased to report to the shareholders on the state of internal control of the Group during the year under review.

Board Responsibilities

The Board recognises the importance of sound internal controls and risk management practices towards implementation of good corporate governance. The Board affirms its overall responsibilities for maintaining a sound system of internal control, quality risk management practices and for reviewing the reliability of these systems. The principal function of the internal control system is to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objectives. The Board is of the view that the system of internal controls in place is sound and sufficient to safeguard the Group's assets.

The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Hence, these systems can only provide reasonable but not absolute assurance against material misstatement or losses.

Risk Management

The Board regards risk management as an integral part of the Group's business operations and has established on-going reviews to be carried out for identifying, evaluating and managing significant risks faced by the Group. These reviews are constantly monitored to ensure that risks are actively updated to reflect current issues and controls are effectively managed. The Board, through the Risk Management Committee and the direct involvement of the division and business unit heads, facilitates feedback to the Board on the adequacy and completeness on the significant existing and potential risks the Group faces and Management's action plans to manage these risks.

Risk Assessment

The Group adopts a risk assessment framework, which all division and business unit heads uses to establish their key business processes and to identify and document related risks that have significant effect to its business operations and objectives. The key principals of this framework are:

- To highlights all significant risks faced by each division and business units;
- To develop action plans to mitigate these risks;
- To measure the applicability of these risks in terms of likelihood and consequences (impact); and
- To identify specific individuals to manage these risks.

The Risk Management Committee conduct meetings with the division and business unit heads so that significant operational and financial risks are constantly monitored and appropriate actions are promptly taken. The meetings also reviewed other general risks such as those relating to compliance with authorities and regulations.

Apart from this risk assessment framework, other control processes implemented during the year are as follows:

- Regular and systematic reviews of the business processes and systems of internal control of the Group by the internal audit unit to assess the effectiveness and adequacy of internal controls. It regularly highlights significant issues and submits its report to the Audit Committee for review on a quarterly basis. Internal controls cover those of an operational and compliance nature, as well as financial controls.
- Annual business plan and budgets are prepared by the divisions and business units and submitted to the Board for approval.
- Management meetings are conducted on a monthly basis to review financial and operational performance.
- Regular visits to the divisions and business units by members of the Board and Senior Management.
- Clear organisation structure with defined reporting lines.
- Defined level of authorities and lines of responsibilities from divisions and business units up to the Board level to ensure accountabilities for risk management and control activities.

State of Internal Control

For the financial year under review, the Board is satisfied with the adequacy of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified nor would require separate disclosure.

The Board, together with Management has been continuously taking measures to strengthen the control environment.

This review does not include associate companies or joint venture companies for which the Group does not have management control over the operations.

Pursuant to Paragraph 15.24 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement and the Board of Directors approved it on 29 May 2008.

Audit Committee Report

The Board of Directors of Bolton Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2008.

Membership and Meetings

The Audit Committee presently comprises of four (4) members of the Board, of which all are Independent Non-Executive Directors. The Chairman of the Audit Committee is a Chartered Accountant by profession and is an active member of several accounting bodies, both local and international. The Audit Committee meetings are appropriately structured based on agendas and Committee papers are distributed to the members with sufficient notification. The Audit Committee held a total of four (4) meetings during the financial year ended 31 March 2008. The members of the Audit Committee and their details of attendance are as follows:

Directors	Status of Directorship	Meetings Attended
Dato' Robert Teo Keng Tuan (Chairman)	Independent Non-Executive Director	4/4
Datuk Zakaria bin Dato' Ahmad	Independent Non-Executive Director	4/4
Abdul Sani bin Busu	Independent Non-Executive Director	4/4
Lee Siew Choong*	Independent Non-Executive Director	2/2

* Appointed w.e.f. 28 August 2007

The Company Secretary was present by invitation together with representatives of the External Auditors, the Head of Internal Audit and certain members of the Senior Management.

In addition to the above meetings, independent members of the Committee held two (2) separate meetings with the External Auditors without the presence of Management and Executive Directors.

Terms of Reference

The Committee was established to act as a Committee of the Board of Directors and is governed by its terms of reference as follows:

1. Membership

   The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. All members of the Committee must be Non-Executive Directors and at least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and experience as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

   The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

   The quorum shall consist of two (2) members and a majority of the members present must be Independent Directors.

   If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Reporting Procedure

   The Company Secretary shall be the Secretary responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to the meeting.

   The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board.

3. Frequency of Meetings

   Meetings shall be held not less than four (4) times a year and Head of Finance and representatives of the Internal and External Auditors shall normally attend such meetings. Other members of the Board and employees may also attend upon the invitation of the Committee. At least twice a year, the Committee shall meet the External Auditors without the presence of the executive Board members and employees.

4. Authority

   The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the Internal and External Auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

5. Functions

   The functions of the Committee are:

   i. To consider the appointment or re-appointment of External Auditors, the audit fee and any question of resignation or dismissal;

   ii. To review and discuss with the External Auditors:

      - the nature and scope of the audit;
      - the External Auditors' evaluation of the system of internal controls, their management letter and audit report;
      - problems and reservations arising from the interim and final audits and any matter the External Auditors may wish to discuss (in the absence of Management, where necessary); and
      - the External Auditors' management letter and Management's response.

iii. To review and discuss with the Internal Auditors:

- the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work; and
- the internal audit programme process, the results of the internal audit process, process of investigations undertaken and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function.

iv. To review and assess the performance of the internal audit function as a whole.

v. To approve the appointment or termination of senior staff members, and review any appraisal or assessment of the performance of members, of the internal audit function and to keep itself informed of any resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning.

vi. To review the quarterly and year-end financial statements, prior to the approval by the Board, focusing particularly on:

- changes in or implementation of major accounting policy changes;
- significant and unusual events;
- the going concern concept; and
- compliance with accounting standards and other legal requirements.

vii. To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity.

viii. To report to Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

Summary of Activities

The activities undertaken by the Audit Committee during the financial year ended 31 March 2008 in discharging their duties and responsibilities were as follows:

a. Reviewed the quarterly unaudited financial results of the Group and Company prior to the submission to the Board for their consideration and approval.

b. Reviewed the Audited Financial Statements of the Group and Company prior to submission to the Board for their consideration and approval. This review was to ensure that the Audited Financial Statements were in compliance with the provisions of the Companies Act, 1965, the applicable Financial Reporting Standards (FRS) and MASB Approved Accounting Standards in Malaysia (MASB). Any significant issues resulting from the audit of the financial statements by the External Auditors were deliberated.

c. Consider and recommend to the Board for approval of the audit fees payable to the External Auditors.

d. Reviewed the External Auditors' scope of work and audit plans for the year prior to commencement of audit.

e. Reviewed with the External Auditors, the results of the audit and the audit report.

f. Reviewed the annual internal audit plan, the internal audit reports, which highlighted the audit issues, recommendations and Management's response. Discussed with Management, actions taken to improve the system of internal control based on recommendations identified in the internal audit reports.

g. In respect of the quarterly and year end financial statements, reviewed the Company's compliance with the Listing Requirements of Bursa Securities, FRS, MASB and other relevant legal and regulatory requirements.

h. Reviewed the related party transactions and conflict of interest situation to ensure compliance with relevant regulatory requirements.

Internal Audit Function

The Group has established an Internal Audit Department, which reports directly to the Audit Committee and undertakes the necessary activities to assist the Audit Committee to discharge its functions effectively. The principal roles of the Internal Audit Department are:

- To undertake independent, regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such a system continues to operate satisfactorily and effectively.
- To ensure that a systematic disciplined approach in evaluating and improving the effectiveness of risk management, internal control and governance process is adopted.
- To carry out investigations and special audit reviews requested by Management or the Audit Committee.

The internal audit function is independent of the activities or operations of other operating units. The Internal Audit Department also provides the Audit Committee with independent and objective reports on the adequacy and integrity of the systems of internal control of the Group. The internal audit team undertakes the internal audit functions based on the internal audit plan approved by the Audit Committee. The audit plan covers a review of operational controls, quality of assets, Management efficiencies, the effectiveness of Management in identifying and managing principal risks, compliance with relevant statutory requirements, Group's established policies and procedures.

The internal audit reports including any audit findings and recommendations for improvements were presented to the Audit Committee for deliberation and thereafter for action by Management.

Additional Compliance Information

To comply with the Listing Requirements of Bursa Securities, the following additional information is provided:

i. **Material Contracts**

During the financial year ended 31 March 2008, there were no material contracts outside the ordinary course of business entered into by the Company and its subsidiary companies, involving Directors and major shareholders.

ii. **Utilisation of Proceeds**

During the year, the Company made a non-renounceable offer for sale ("OFS") of part of the Company's interest in Symphony House Berhad ("Symphony") to the shareholders of the Company on the basis of 2 Symphony ordinary shares of RM0.10 each for every 5 ordinary shares of RM1.00 each held in the Company. The OFS was completed on 31 January 2008 with a total of 36,906,535 shares sold. The total sale proceeds of RM11.441 million has been utilised to defray expenses related to the OFS, repay bank borrowings and for working capital purposes.

iii **Share Buybacks**

During the financial year, the Company repurchased 4,221,100 ordinary shares of RM1.00 each from the open market at an average price of RM0.989 per share. The shares repurchased were retained as treasury shares. As at 31 March 2008, a total of 14,786,000 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

The details of the shares bought back during the financial year were as follows:

Monthly Breakdown	No. of Shares Purchased	Purchase Price per Share (RM) Lowest	Highest	Average Price (RM)	Consideration Paid (RM)
May 2007	42,000	0.935	0.940	0.938	39,687
June 2007	495,000	0.945	1.100	1.023	505,694
Aug 2007	1,429,800	0.910	1.090	1.000	1,417,448
Sep 2007	845,100	1.040	1.100	1.070	911,481
Nov 2007	5,000	1.120	1.120	1.120	5,642
Feb 2008	526,500	0.920	1.000	0.960	499,338
Mar 2008	877,700	0.840	0.950	0.895	793,689
	4,221,100				**4,172,979**

iv Options, Warrants or Convertible Securities

The Company has not issued any options, warrants or convertible securities in respect of the financial year ended 31 March 2008.

v American Depository Receipt (ADR) or Global Depositor Receipt (GDR) Programme

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

vi Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

vii Non-audit Fees

The amount of non-audit fees paid or payable to the External Auditors, Ernst & Young by the Company and its subsidiaries for the financial year ended 31 March 2008 is RM93,000.

viii Profit Estimate, Forecast or Projection

There is no material variance between the results for the financial year and the unaudited results previously announced by the Company. The Company did not issue any profit estimate, forecast or projection for the financial year.

ix Profit Guarantee

There is no profit guarantee received by the Company during the financial year.

x Revaluation of Landed Properties

The Company does not adopt a policy of regular revaluation of landed properties. However, certain land and buildings have been revalued in 1983 and the surplus on revaluation has been incorporated in the financial statements.

xi Recurrent Related Party Transaction of Revenue or Trading Nature

The list of recurrent related party transactions of a revenue or trading nature entered into by the Bolton Group is disclosed in the Notes to the Financial Statements. For the financial year ended 31 March 2007, no shareholders' mandate was required for the recurrent related party transactions of a revenue or trading nature entered into by the Bolton Group pursuant to Paragraph 10.09(1)(b) of the Listing Requirements of Bursa Securities.

Statement of Directors' Responsibility

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Company Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are prudent and reasonable;
- Ensured applicable approved accounting standards have been followed.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

Financial Statements

Directors' Report	42
Statement by Directors	46
Statutory Declaration	46
Report of the Auditors	47
Income Statements	48
Balance Sheets	49
Consolidated Statement of Changes in Equity	51
Statement of Changes in Equity	52
Cash Flow Statements	53
Notes to the Financial Statements	56

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property development, property investment and investment holding.

The principal activities of the subsidiaries and associates are set out in Notes 22 and 23 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year except as disclosed in Note 14 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation from continuing operations	43,867	6,161
Profit after taxation from discontinued operations	4,588	–
Profit for the year	48,455	6,161
Attributable to:		
Equity holders of the Company	46,704	6,161
Minority interests	1,751	–
	48,455	6,161

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than:

a. The effect arising from the disposal of subsidiaries resulting in a gain of approximately RM12,732,000 in respect of the Group as disclosed in Notes 10 and 22(b) to the financial statements; and

b. The effect arising from the disposal of associates resulting in a loss of RM982,000 and a gain of RM10,776,000 in respect of the Group and of the Company respectively, as disclosed in Notes 10 and 23 to the financial statements.

DIVIDENDS

The amount of dividend paid by the Company since 31 March 2007 was as follows:

	RM'000
In respect of the financial year ended 31 March 2007 as reported in the directors' report for that year:	
First and final dividend of 2.5 sen less 27% taxation, on 309,713,260 ordinary shares, declared on 11 July 2007 and paid on 8 August 2007	5,652

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 March 2008 of 3.0 sen less 26% taxation on 305,628,090 ordinary shares, amounting to RM6,784,944 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2009.

EMPLOYEE SHARE TRUST SCHEME

The Employee Share Trust Scheme ("ESTS" or "Scheme") was approved by the Board of Directors on 31 July 2007 to purchase up to 15 million issued ordinary shares ("ESTS Shares") of Bolton Berhad ("Bolton" or "Company"). The commencement date of the ESTS was 1 October 2007 and shall be in force for a period of 3 years ("ESTS Period").

The ESTS would provide an opportunity for eligible employees who had contributed to the growth and development of the Group to participate in the equity of the Company.

The main features of the ESTS, inter-alia, are as follows:

a. Beneficiaries of the ESTS are eligible employees who are full-time employees under the category of executives of the Group which may include executive directors of the Company who have been in employment with the Company for at least 6 months and are on the payroll of the Company and its subsidiaries during the ESTS Period.

b. The aggregate number of shares to be acquired under ESTS shall not exceed 15 million of the issued ordinary shares of the Company for the time being and the amount required to purchase the first tranche of 10 million issued ordinary shares of the Company shall not exceed RM14 million.

c. The Scheme shall be in force for a period of 3 years, effective from 1 October 2007.

d. The beneficiaries shall be entitled to any distribution rights (including but not limited to dividends, bonus and rights issues but shall exclude cash capital repayments) in relation to the ESTS Shares.

e. The beneficiaries shall not be entitled to any voting rights in relation to the ESTS Shares as the voting rights lie with the appointed Trustee who shall take into consideration the recommendations of the advisor appointed by the ESTS Committee before voting.

f. The award to the beneficiaries is through the realisation of any gains arising from the disposal of the ESTS Shares held in the Trust. The net gains from such disposal are to be allocated to the beneficiaries based on the beneficiaries' achievement of their respective Performance Targets determined by the Company.

The Company appointed OSK Trustees Berhad as the Trustee of the Scheme and entered into a Trust Deed on 24 September 2007.

During the financial year, the Trustee acquired 9,991,800 issued ordinary shares of the Company from the open market at prices ranging from RM0.97 to RM1.24 per share, for a total consideration of RM11,418,000.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Mohamed Azman bin Yahya	
Tan Sri Nik Mohamed bin Nik Yaacob	
Datuk Zakaria bin Dato' Ahmad	
Dato' Robert Teo Keng Tuan	
Chin Jit Pyng	
Abdul Sani bin Busu	
Lee Siew Choong	
Wing Kwong @ Chan Wing Kwong	(appointed on 1 December 2007)
Tan Sri Amin Shah bin Haji Omar Shah	(not re-elected on 11 July 2007)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 42 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the shares of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1 April 2007	During the Year Bought	During the Year Sold	31 March 2008
The Company				
Direct Interest				
Dato' Mohamed Azman bin Yahya	1,500,000	2,000,000	–	3,500,000
Chin Jit Pyng	9,571,606	–	–	9,571,606
Wing Kwong @ Chan Wing Kwong	200,000*	63,000	(125,000)	138,000
Indirect Interest				
Dato' Mohamed Azman bin Yahya	58,500,000	–	(12,000,000)	46,500,000
Dato' Robert Teo Keng Tuan	10,000	–	–	10,000
Chin Jit Pyng	8,000,000	–	–	8,000,000
Wing Kwong @ Chan Wing Kwong	209,700*#	–	(100,000)	109,700

* Held at the date of appointment as director
# Pursuant to Section 134(12)(c) of the Companies Act, 1965

By virtue of his interest in the shares of the Company, Dato' Mohamed Azman bin Yahya is deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in the shares of the Company or its related corporations during the financial year.

TREASURY SHARES

During the current financial year, the Company repurchased 4,221,100 of its issued and paid up share capital of RM1 each from the open market at an average price of RM0.99 per share. The total consideration paid for the shares purchased, including transaction costs was RM4,173,000. The shares purchased are retained as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 March 2008, the Company retained a total of 14,786,000 of its 320,815,190 issued and paid up share capital of RM1 each as treasury shares. These treasury shares are held at a carrying amount of RM13,023,000 and further relevant details are as disclosed in Note 31(b) to the financial statements.

OTHER STATUTORY INFORMATION

a. Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

   i. To ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   ii. To ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

b. At the date of this report, the directors are not aware of any circumstances which would render:

   i. The amount written off for bad debts or the amount of the provision for doubtful debts in these financial statements inadequate to any substantial extent; and

   ii. The values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (cont'd)

c. At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

   i. Any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   ii. Any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

f. In the opinion of the directors:

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 43 to the financial statements.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Details of subsequent events are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 May 2008.

Dato' Mohamed Azman bin Yahya

Wing Kwong @ Chan Wing Kwong

Kuala Lumpur, Malaysia

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

We, **Dato' Mohamed Azman bin Yahya and Wing Kwong @ Chan Wing Kwong**, being two of the directors of Bolton Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 48 to 124 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 May 2008.

Dato' Mohamed Azman bin Yahya | **Wing Kwong @ Chan Wing Kwong**

Statutory Declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, **Hazurin bin Harun**, being the officer primarily responsible for the financial management of Bolton Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 48 to 124 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed Hazurin bin Harun)
at Kuala Lumpur in the Federal Territory)
on 29 May 2008.)

Hazurin bin Harun

Before me,

Soh Ah Kau, AMN
W315
Commissioner for Oaths

Report of the Auditors

to the Members of Bolton Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on pages 48 to 124. These financial statements are the responsibility of the Company's directors.

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

We conducted our audit in accordance with applicable Approved Standards on Auditing 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 the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

a. the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

    i. the financial position of the Group and of the Company as at 31 March 2008 and of the results and the cash flows of the Group and of the Company for the year then ended; and

    ii. the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

b. the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

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

Ernst & Young
AF: 0039
Chartered Accountants

Low Khung Leong
No. 2697/01/09(J)
Partner

Kuala Lumpur, Malaysia
29 May 2008

Income Statements

for the year ended 31 March 2008

		Group		Company	
			Restated		
		2008	2007	2008	2007
	Note	RM'000	RM'000	RM'000	RM'000
Continuing Operations					
Revenue	3	293,787	325,326	12,797	136,345
Cost of sales	4	(202,167)	(212,713)	(3,090)	(46,226)
Gross Profit		91,620	112,613	9,707	90,119
Other income	5	11,811	12,172	11,115	16,481
Employee benefits expense	6	(17,450)	(22,195)	(6,421)	(11,732)
Depreciation and amortisation	8	(5,499)	(7,345)	(739)	(911)
Other expenses	9	(25,281)	(19,057)	(5,594)	(6,625)
Operating Profit		55,201	76,188	8,068	87,332
Other investing activities results	10	11,156	73,293	9,334	(40,360)
Share of results of:					
– Associates	11(a)	2,627	(39,912)	–	–
– Jointly controlled entities	11(b)	3,101	(2,673)	–	–
Finance costs	12	(14,025)	(23,792)	(11,489)	(19,367)
Profit Before Taxation		58,060	83,104	5,913	27,605
Income tax	13	(14,193)	(17,306)	248	(18,799)
Profit for the Year from Continuing Operations		43,867	65,798	6,161	8,806
Discontinued Operations					
Profit/(loss) for the year from discontinued operations	14	4,588	(2,173)	–	–
Profit for the Year		48,455	63,625	6,161	8,806
Attributable to:					
Equity holders of the Company		46,704	61,921	6,161	8,806
Minority interests		1,751	1,704	–	–
		48,455	63,625	6,161	8,806
Earnings per share	15				
– Basic		15.34 sen	19.53 sen		
– Basic, for continuing operations		13.83 sen	20.22 sen		
Net dividend per share	16			1.83 sen	–

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

Balance Sheets

as at 31 March 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	17	38,443	61,108	1,520	1,493
Land held for property development	18(a)	84,845	84,639	–	–
Investment properties	19	14,574	52,878	5,545	5,611
Prepaid land lease payments	20	28,878	30,242	–	–
Goodwill	21	1,852	1,852	–	–
Investments in subsidiaries	22	–	–	113,067	112,072
Investments in associates	23	325	52,619	102	37,328
Investments in jointly controlled entities	24	66,840	43,864	60,631	40,756
Other investments	25	37,847	9,248	26,815	2,824
Deferred tax assets	38	5,386	3,323	42	–
		278,990	339,773	207,722	200,084
Current Assets					
Property development costs	18(b)	175,848	178,186	–	–
Inventories	26	65,401	58,380	–	3,090
Short term investments	27	4,319	4,433	–	–
Trade and other receivables	28	115,122	178,001	436,159	499,544
Tax recoverable		7,005	12,061	2,397	–
Cash and bank balances	30	60,529	35,605	14,010	2,588
		428,224	466,666	452,566	505,222
Non-current assets classified as held for sale/ assets of disposal groups	14	46,311	27,871	–	1
		474,535	494,537	452,566	505,223
TOTAL ASSETS		753,525	834,310	660,288	705,307

Balance Sheets (cont'd)

as at 31 March 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
EQUITY AND LIABILITIES					
Equity Attributable to Equity Holders of the Company					
Share capital	31	**320,815**	320,815	**320,815**	320,815
Share premium	31	**24,909**	244,909	**24,909**	244,909
Treasury shares	31	**(13,023)**	(8,850)	**(13,023)**	(8,850)
Other reserves	32	**3,464**	19,867	**–**	–
Retained profits/(accumulated losses)	33	**60,345**	(200,707)	**29,708**	(190,801)
Shares held by ESTS Trust	34	**(11,418)**	–	**(11,418)**	–
Amounts recognised directly in equity relating to assets classified as held for sale		**16,403**	(329)	**–**	–
Shareholders' equity		**401,495**	375,705	**350,991**	366,073
Minority interests		**9,172**	8,152	**–**	–
Total Equity		**410,667**	383,857	**350,991**	366,073
Non-current Liabilities					
Borrowings	35	**101,472**	118,901	**79,250**	90,250
Other payables and deferred income	37	**38,132**	38,425	**–**	–
Deferred tax liabilities	38	**–**	–	**–**	192
		139,604	157,326	**79,250**	90,442
Current Liabilities					
Trade and other payables	37	**112,303**	83,339	**166,047**	123,446
Borrowings	35	**83,840**	169,998	**64,000**	115,762
Provisions	39	**–**	–	**–**	–
Current tax payable		**4,883**	12,414	**–**	9,584
		201,026	265,751	**230,047**	248,792
Liabilities directly associated with assets classified as held for sale	14	**2,228**	27,376	**–**	–
		203,254	293,127	**230,047**	248,792
Total Liabilities		**342,858**	450,453	**309,297**	339,234
TOTAL EQUITY AND LIABILITIES		**753,525**	834,310	**660,288**	705,307

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

Consolidated Statement of Changes in Equity

for the year ended 31 March 2008

Group	Note	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Exchange Reserve RM'000	Relating to Assets Held for Sale RM'000	Shares Held by ESTS Trust RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
		Attributable to Equity Holders of the Company										
		|------------------------Non-Distributable-----------------------|							Distributable			
At 1 April 2006, as restated		320,343	244,792	(848)	24,872	(218)	–	–	(262,628)	326,313	18,131	344,444
Foreign currency translation												
– Group	31	–	–	–	–	(111)	–	–	–	(111)	–	(111)
Dilution in equity interest		–	–	–	–	–	–	–	–	–	(11,683)	(11,683)
Profit for the year		–	–	–	–	–	–	–	61,921	61,921	1,704	63,625
Impairment losses	32	–	–	–	(6,295)	–	–	–	–	(6,295)	–	(6,295)
Issue of ordinary shares:												
Acquisition of subsidiaries	31	472	117	–	–	–	–	–	–	589	–	589
Treasury shares purchased	31	–	–	(8,002)	–	–	–	–	–	(8,002)	–	(8,002)
Amount recognised directly in equity relating to assets classified as held for sale	32	–	–	–	–	329	(329)	–	–	–	–	–
Reversal of deferred tax	38	–	–	–	1,290	–	–	–	–	1,290	–	1,290
At 31 March 2007		320,815	244,909	(8,850)	19,867	–	(329)	–	(200,707)	375,705	8,152	383,857
Dividend	16	–	–	–	–	–	–	–	(5,652)	(5,652)	–	(5,652)
Dilution in equity interest		–	–	–	–	–	–	–	–	–	(731)	(731)
Profit for the year		–	–	–	–	–	–	–	46,704	46,704	1,751	48,455
Disposal of subsidiaries		–	–	–	–	–	329	–	–	329	–	329
Reduction of share premium account	31	–	(220,000)	–	–	–	–	–	220,000	–	–	–
Treasury shares purchased	31	–	–	(4,173)	–	–	–	–	–	(4,173)	–	(4,173)
Amount recognised directly in equity relating to assets classified as held for sale	32	–	–	–	(16,403)	–	16,403	–	–	–	–	–
Purchased in respect of ESTS Trust	34	–	–	–	–	–	–	(11,418)	–	(11,418)	–	(11,418)
At 31 March 2008		320,815	24,909	(13,023)	3,464	–	16,403	(11,418)	60,345	401,495	9,172	410,667

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

Statement of Changes in Equity

for the year ended 31 March 2008

Company	Note	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Shares Held by ESTS Trust RM'000	Distributable Retained Profits/ (Accumulated Losses) RM'000	Total RM'000
		Attributable to Equity Holders of the Company					
		|------Non-Distributable-----|				Distributable	
At 1 April 2006, as restated		320,343	244,792	(848)	–	(199,607)	364,680
Profit for the year		–	–	–	–	8,806	8,806
Issue of ordinary shares:							
Acquisition of subsidiaries	31	472	117	–	–	–	589
Treasury shares purchased	31	–	–	(8,002)	–	–	(8,002)
At 31 March 2007		320,815	244,909	(8,850)	–	(190,801)	366,073
Profit for the year		–	–	–	–	6,161	6,161
Dividend	16	–	–	–	–	(5,652)	(5,652)
Reduction of share premium account	31	–	(220,000)	–	–	220,000	–
Treasury shares purchased	31	–	–	(4,173)	–	–	(4,173)
Purchased in respect of ESTS Trust	34	–	–	–	(11,418)	–	(11,418)
At 31 March 2008		**320,815**	**24,909**	**(13,023)**	**(11,418)**	**29,708**	**350,991**

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

Cash Flow Statements

for the year ended 31 March 2008

	Group		Company	
		Restated		Restated
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation from:				
Continuing operations	58,060	83,104	5,913	27,605
Discontinued operations	4,432	1,020	–	–
Adjustments for:				
Amortisation of prepaid land lease payments	1,364	1,088	–	13
Bad debts written off:				
– An associate	701	–	701	–
– Third parties	125	67	120	–
Depreciation of property, plant and equipment:				
– Continuing operations	3,639	5,761	673	833
– Discontinued operations	–	1,116	–	–
Depreciation of investment properties	496	496	66	65
Dividend income	(1,381)	(167)	(7,260)	(16,386)
(Gain)/loss on disposals of:				
– Property, plant and equipment	(2,535)	(299)	128	(78)
– Prepaid land lease payments	–	123	–	124
– Investments in subsidiaries	(12,732)	(9,707)	–	–
– Investments in associates	982	–	(10,776)	–
– Other investments	(245)	(17,477)	–	(16,606)
– Short term investments	(211)	–	–	–
Fair value adjustments on:				
– Other quoted investments	(164)	–	–	–
– Short term quoted investments	(576)	(819)	–	–
Interest expense:				
– Continuing operations	15,823	23,339	11,477	19,141
– Discontinued operations	–	1,626	–	–
Interest income	(1,437)	(3,027)	(8,415)	(17,968)
Balance carried forward	66,341	86,244	(7,373)	(3,257)

Cash Flow Statements (cont'd)

for the year ended 31 March 2008

	Group 2008 RM'000	Group Restated 2007 RM'000	Company 2008 RM'000	Company Restated 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Balance brought forward	66,341	86,244	(7,373)	(3,257)
Impairment losses/(write back) on:				
– Property, plant and equipment	1,849	–	–	–
– A subsidiary	–	–	–	2,499
– Quoted associates	–	–	–	39,338
– Unquoted associates	–	–	408	400
– Jointly controlled entities	–	–	–	2,245
– Other investments	333	8,000	333	8,000
– Short term investments	131	(314)	–	–
– Property development costs	(1,469)	(1,679)	–	–
Negative goodwill written off	–	(62,940)	–	–
Property, plant and equipment written off	13	315	13	–
Provision for doubtful debts	736	1,027	66	–
Provision for shortfall in profit guarantee	–	3,476	–	–
Provision for foreseeable losses	2,201	1,561	–	–
Share of results of associates	(2,627)	39,912	–	–
Share of results of jointly controlled entities	(3,101)	2,673	–	–
Write back of provision for doubtful debts	(407)	(1,405)	–	(129)
Write back of prior years' overaccrual/provision for expenses	(3,262)	(838)	–	(838)
Operating profit/(loss) before working capital changes	60,738	76,032	(6,553)	48,258
Changes in working capital:				
Land held for property development	(206)	30,924	–	42,971
Property development costs	(15,740)	45,655	–	–
Inventories	15,015	(164)	3,090	2,899
Receivables	24,866	(68,362)	45,953	(157,236)
Payables	46,454	68,929	42,601	75,017
Cash generated from operations	131,127	153,014	85,091	11,909
Interest paid	(17,530)	(24,965)	(11,477)	(19,141)
Interest received	1,437	3,027	8,415	17,968
Payment of profit guarantee	–	(63,476)	–	–
Net taxes paid	(15,700)	(14,200)	(10,414)	(4,622)
Net cash generated from operating activities	99,334	53,400	71,615	6,114

	Group 2008 RM'000	Group Restated 2007 RM'000	Company 2008 RM'000	Company Restated 2007 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received from:				
– An associate	–	–	1,427	1,432
– Quoted investments	1,288	120	951	–
Additional investment in subsidiaries from minority interests (Note 22(c) and (d))	(690)	(11,865)	(995)	(11,865)
Additional investment in a jointly controlled entity	–	(125)	–	(125)
Proceeds from disposals of:				
– Property, plant and equipment	11,805	27,852	649	947
– Prepaid land lease payments	–	1,562	–	1,562
– Investments in associates	21,870	–	21,870	–
– Other investments	719	79,705	–	77,864
– Short term investments	2,497	–	–	–
Proceeds from maturity of bonds	1,400	–	1,400	–
Purchase of:				
– Property, plant and equipment	(2,878)	(2,417)	(1,490)	(353)
– Short term investments	(1,727)	–	–	–
Acquisition of subsidiaries (Note 22(a))	(300)	(93,641)	–	–
Net cash received from disposal of subsidiaries (Note 22(b))	13,189	79,144	–	–
Net cash generated from investing activities	47,173	80,335	23,812	69,462
CASH FLOWS FROM FINANCING ACTIVITIES				
Net repayment of:				
– Term loans	(85,549)	(54,705)	(51,000)	(2,750)
– Hire purchase and lease financing	(220)	(200)	–	–
– Other short term borrowings	(17,140)	(65,367)	(11,750)	(62,250)
Dividend paid	(5,652)	–	(5,652)	–
Repurchase of:				
– Treasury shares	(4,173)	(8,002)	(4,173)	(8,002)
– ESTS shares	(11,418)	–	(11,418)	–
Net cash used in financing activities	(124,152)	(128,274)	(83,993)	(73,002)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,355	5,461	11,434	2,574
CASH AND CASH EQUIVALENTS PREVIOUSLY CLASSIFIED AS HELD FOR SALE	(1,230)	–	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	28,789	23,328	2,576	2
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (NOTE 30)	49,914	28,789	14,010	2,576

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Bursa Malaysia Securities Berhad. The registered office and principal place of business are located at 6th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur.

The principal activities of the Company are property development, property investment and investment holding.

The principal activities of the subsidiaries and associates are set out in Notes 22 and 23.

There were no significant changes in the nature of these principal activities during the financial year except as disclosed in Note 14.

The financial statements, which are presented in Ringgit Malaysia, were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRSs") in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical costs basis, except for certain properties included within property, plant and equipment and investment properties which have been measured at fair value.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Summary of Significant Accounting Policies

a. Subsidiaries and Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

ii. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

a. Subsidiaries and Basis of Consolidation (cont'd)

ii. Basis of Consolidation (cont'd)

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

b. Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting polices are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless the loss cannot be recovered.

c. Jointly Controlled Entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(b).

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

d. Goodwill

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

e. Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except for the revaluation of certain freehold land. These freehold land of the Group have not been revalued since. The directors have not adopted a policy of regular revaluation of such asset and no later valuation has been recorded. As permitted under transitional provision of IAS 16 (Revised): Property, Plant and Equipment, the asset continues to be stated at its last valuation less accumulated depreciation and impairment.

The revaluation surplus was credited to the capital reserve included within equity. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% – 10%
Buildings improvements	10%
Furniture, fittings and equipment	10% – 25%
Motor vehicles	15% – 20%
Plant, machinery and equipment	7.5% – 40%
Computer and peripherals	20%
Renovations	10% – 25%
Crockeries, glassware and linen	20%
Restaurant equipment	10%
Quarry development	2 to 3 years

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Development cost is incurred in relation to the development of quarry operations and is stated at cost less accumulated amortisation. Development cost incurred is written off on a straight-line basis over the economic useful lives of the quarry site upon commencement of extraction. The development is normally undertaken in phases and the useful lives of each phase is approximately two to three years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

f. Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Investment properties are stated at cost less accumulated depreciation and impairment. Certain investment property was previously revalued when it was classified as property, plant and equipment. As allowed by transitional provision of IAS 16 (Revised): Property, Plant and Equipment, the asset continues to be stated at its last valuation less accumulated depreciation and impairment. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost less accumulated depreciation.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

g. Land Held for Property Development and Property Development Costs

i. Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

ii. Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

h. Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

h. Construction Contracts (cont'd)

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

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

i. Impairment of Non-Financial Assets

The carrying amounts of the Group's assets, other than investment properties, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset, other than goodwill, is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset, other than goodwill, is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

j. Inventories

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

Cost is determined using the first in, first out method. The cost of construction materials and raw materials comprises costs of purchase and other direct charges. Cost of general stores and spares represents costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. The costs of completed property units, determined on the specific identification basis, comprise cost of land, construction and appropriate development expenditure.

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

k. Financial Instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

i. Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

The cash and cash equivalents available for use excludes deposits which are held in lien for bank guarantee facilities.

ii. Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

iii. Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are credited or charged to the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is charged or credited to the income statement.

iv. Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

v. Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

vi. Interest Bearing Loans and Borrowings

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
 2.2 Summary of Significant Accounting Policies (cont'd)
  k. Financial Instruments (cont'd)
   vii. Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

  l. Leases
   i. Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

– Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2(f)); and

– Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

   ii. Finance Leases – the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheets as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(e).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

l. Leases (cont'd)

iii. Operating Leases – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment relating to the land element represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

iv. Operating Leases – the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

n. Income Tax

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

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses and unabsorbed tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unabsorbed tax losses and unabsorbed tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

o. Provisions for Liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

p. Employee Benefits

i. Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into statutory pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

iii. Termination Benefits

Termination benefits are payable when employment is terminate before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after balance sheet date are discounted to present value.

iv. Equity Compensation Benefits

The Company established the Employee Share Trust Scheme ("ESTS" or "Scheme") for the benefit of eligible employees.

Pursuant to the Scheme, a trustee was appointed, who entitled from time to time to accept financial assistance from the Company, upon such terms and conditions as the Company and the trustee may agree, to purchase the Company's shares from the open market for the purpose of the Scheme.

The shares repurchased are measured and carried at cost of repurchased on initial recognition and subsequently thereon. The ESTS Trust is consolidated into the Group's consolidated financial statements as a deduction from equity and classified as "Shares held by ESTS Trust". Dividends received by the ESTS Trust are to be paid back to the Company as deduction against the aggregate of dividends paid and proposed by the Company.

q. Foreign Currencies

i. Functional and Presentation Currency

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

ii. Foreign Currency Transactions

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

q. Foreign Currencies (cont'd)

ii. Foreign Currency Transactions (cont'd)

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

iii. Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;

– Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

– All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 April 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 April 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

r. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. Sale of Properties

Revenue from sale of properties under development is accounted for by the stage of completion method as described in Note 2.2(g)(ii).

Sale of completed property units is recognised when the risk and reward associated with ownership transfers to the property purchasers.

ii. Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(h).

iii. Rental Income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

iv. Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (cont'd)

r. Revenue Recognition (cont'd)

v. Property Management

Property management income is recognised when such service is rendered.

vi. Dividend Income

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

vii. Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

s. Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

t. Contingent Liabilities and Contingent Assets

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

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

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs

On 1 April 2007, the Group and the Company adopted the following revised FRSs mandatory for financial periods beginning on or after 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Transactions

The Malaysian Accounting Standards Board ("MASB") has also issued FRS 6: Exploration for and Evaluation of Mineral Resources and Amendment to FRS 119_{2004}: Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures which will be effective for annual periods beginning on or after 1 January 2007. These FRS and amendment to FRS are, however, not applicable to the Group or the Company.

The adoption of the revised FRS 124 did not result in significant changes in the accounting policies of the Group and of the Company other than inclusion of additional disclosure pursuant to FRS 124. The effects resulting from the adoption of the revised FRS 117 are discussed below:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (cont'd)

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification.

Leasehold land held for own use is now classified as operating lease and where necessary the minimum lease payments or the up-front payments made are allocated between land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment relating to the land element represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions.

The effect of adoption of FRS 117 on the balance sheets as at 31 March 2008 is higher or lower than it would have been had the policy been applied in the current year as follows:

	(Decrease)/ Increase RM'000
Property, plant and equipment	(23,703)
Prepaid land lease payments	23,703

The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and as such, certain comparatives have been restated.

	As Previously Stated RM'000	FRS 117 RM'000	As Restated RM'000
Property, plant and equipment	86,114	(25,006)	61,108
Prepaid land lease payments	5,236	25,006	30,242

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs (cont'd)

At the date of authorisation of these financial statements, although the following FRS, amendment to FRSs and Interpretations were in issue, the Group and the Company have chosen not to early adopt as they were not yet effective:

FRS, Amendment to FRSs and Interpretations	Effective for Financial Periods Beginning On or After
FRS 139: Financial Instruments: Recognition and Measurement	Deferred
Amendment to FRS 107: Cash Flow Statements	1 July 2007
Amendment to FRS 111: Construction Contracts	1 July 2007
Amendment to FRS 112: Income Taxes	1 July 2007
Amendment to FRS 118: Revenue	1 July 2007
Amendment to FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation	1 July 2007
Amendment to FRS 134: Interim Financial Reporting	1 July 2007
Amendment to FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129_{2004} – Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The above FRS, amendment to FRSs and Interpretations are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application.

The Group is exempted from disclosing the possible impact to the financial statements of the Group upon the initial application of FRS 139.

2.4 Significant Accounting Judgements and Estimates

a. Critical Judgements Made in Applying Accounting Policies

The following is the judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements:

Operating Lease Commitments – the Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Accounting Judgements and Estimates (cont'd)

b. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Impairment of Other Investments

The management determines whether the carrying amounts of its other investments are impaired at balance sheet date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on published analysts' reports and current market indicators and estimates that provide reasonable approximations to the computation of recoverable amounts.

ii. Construction Contracts

The Group recognises construction revenue and costs, including rendering of services, in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs and completion of a physical proportion of the contract work.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue, costs and the completion of a physical proportion of the contract work, as well as the recoverability of the contract projects. In making the judgment, the Group evaluates by relying on past experience and the work of specialists.

iii. Property Development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

iv. Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Accounting Judgements and Estimates (cont'd)

b. Key Sources of Estimation Uncertainty (cont'd)

v. Income Taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

vi. Deferred Tax Assets

Deferred tax assets are recognised for all unabsorbed tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are provided for in Note 38.

vii. Impairment of Goodwill

The Group determines whether goodwill is impaired at least on annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill in respect of a subsidiary as at 31 March 2008 is RM1,852,000. Further details are disclosed in Note 21.

viii. Due from Subsidiaries

The Company determines the recoverability of the amounts due from certain subsidiaries when these debts exceeded their capital investments. The directors are of the opinion that no further provision for doubtful debts needs to be made for the debts due from these subsidiaries as the Company is able to realise these debts through internal group restructuring including possible offsets against debts owed by the Company to certain other subsidiaries, should such need arises.

As at balance sheet date, the debts due from certain subsidiaries exceeded their capital investments by approximately RM135,357,000 (2007: RM130,300,000).

ix. Non-current Asset Held for Sale

Non-current asset held for sale refers to Campbell Complex, an investment property owned by a wholly-owned subsidiary, reclassified from investment properties subsequent to the Board's approval for disposal. Such asset is carried at lower of cost and fair value less costs to sell. Despite the approval to dispose, inherent uncertainties and unexpected events could arise which may prevent the disposal from being completed. In the event of non-completion of the disposal, write down of the asset's value may be required, if equivalent terms of the sale could not be found in the new potential buyers.

3. REVENUE

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Sales of properties	230,349	269,273	4,501	115,073
Sales of goods	43,345	31,494	–	–
Contract revenue	4,512	9,704	–	–
Property management fees	527	339	–	–
Rental income and service charges	12,121	13,016	1,036	2,247
Dividend income:				
– Subsidiaries	–	–	4,500	14,550
– An associate	–	–	1,809	1,836
– Quoted investments	1,381	167	951	–
Interest income	24	1,333	–	2,639
Others	1,528	–	–	–
	293,787	325,326	12,797	136,345

4. COST OF SALES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Cost of property development	149,257	170,415	–	43,327
Cost of inventories sold:				
– Properties	12,644	6,985	3,090	2,899
– Others	35,934	25,196	–	–
Construction contract costs	4,332	10,117	–	–
	202,167	212,713	3,090	46,226

Included in cost of sales of the Group are provision for foreseeable losses and write back of overprovision of cost in respect of previous year amounting to RM2,201,000 (2007: RM1,561,000) and RM3,262,000 (2007: RM Nil) respectively.

5. OTHER INCOME

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Other income includes:				
Fair value adjustments on:				
– Other quoted investments	164	–	–	–
– Short term quoted investments	576	819	–	–
Gain on disposals of:				
– Property, plant and equipment	243	345	–	124
– Other investments	245	871	–	–
– Short term investments	211	–	–	–
Interest income:				
– Subsidiaries	–	–	8,334	14,538
– Others	1,413	1,694	81	791
Rental income	1,114	1,072	–	–
Write back of provision for doubtful debts	407	1,405	–	129
Write back of prior years' overaccrual/provision for expenses	–	838	–	838

6. EMPLOYEE BENEFITS EXPENSE

	Group 2008 RM'000	Group Restated 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Wages and salaries	14,243	15,342	5,293	6,128
Gratuities	–	3,977	–	4,694
Contributions to defined contribution plan	1,856	1,663	710	598
Social security contributions	98	106	16	14
Termination benefits	66	–	–	–
Provision for short term accumulating compensated absences	117	–	72	–
Other benefits	1,070	1,107	330	298
	17,450	22,195	6,421	11,732

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM2,327,000 (2007: RM6,706,000) and RM1,578,000 (2007: RM5,161,000) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive:				
Salaries and other emoluments	2,327	6,706	1,578	5,161
Non-Executive:				
Salaries and other emoluments	68	2,715	68	2,596
Fees	312	207	312	207
	380	2,922	380	2,803
Total directors' remuneration	2,707	9,628	1,958	7,964
Estimated money value of benefits-in-kind	219	259	165	259
Total directors' remuneration including benefits-in-kind	2,926	9,887	2,123	8,223

The details of remuneration received and receivable by directors of the Company during the year are as follows:

	Company	
	2008 RM'000	2007 RM'000
Executive:		
Salaries and other emoluments	1,328	2,027
Gratuities	–	2,894
Contributions to defined contribution plan	250	240
Estimated money value of benefits-in-kind	165	161
	1,743	5,322
Non-Executive:		
Salaries and other emoluments	68	720
Fees	312	207
Gratuity	–	1,800
Contributions to defined contribution plan	–	76
Estimated money value of benefits-in-kind	–	98
	2,123	8,223

7. DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is tabled below:

	Number of Directors 2008	2007
Executive directors:		
RM0 – RM50,000	1	–
RM150,001 – RM200,000	–	1
RM250,001 – RM300,000	1	–
RM800,001 – RM850,000	–	1
RM900,001 – RM950,000	–	1
RM1,200,001 – RM1,250,000	–	1
RM1,400,001 – RM1,450,000	1	–
RM2,200,001 – RM2,250,000	–	1
Non-executive directors:		
RM0 – RM50,000	2	5
RM50,001 – RM100,000	6	2
RM2,500,001 – RM2,550,000	–	1

8. DEPRECIATION AND AMORTISATION

	Group 2008 RM'000	2007 RM'000	Company 2008 RM'000	2007 RM'000
Amortisation of prepaid land lease payments (Note 20)	1,364	1,088	–	13
Depreciation of:				
– Property, plant and equipment (Note 17)	3,639	5,761	673	833
– Investment properties (Note 19)	496	496	66	65
	5,499	7,345	739	911

9. OTHER EXPENSES

	Group 2008 RM'000	Group Restated 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
The following amounts have been included in other expenses:				
Auditors' remuneration:				
– Statutory audit	280	284	40	39
– Other services	93	221	48	221
Bad debts written off	125	67	120	–
Loss on disposals of:				
– Property, plant and equipment	128	46	128	46
– Prepaid land lease payments	–	123	–	124
Reversal of impairment losses for property development costs (Note 18(b))	(1,469)	(1,679)	–	–
Property, plant and equipment written off	13	245	13	–
Provision for doubtful debts	733	1,027	66	–
Operating leases:				
– Minimum lease payments for plant and machineries	3	5	–	–
– Minimum lease payments for land and buildings	600	410	587	587
Write back of provision for diminution of quoted shares	–	(314)	–	–
Write back of provision for liquidated ascertained damages	–	(20)	–	–

Direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM3,377,000 (2007: RM3,485,000).

10. OTHER INVESTING ACTIVITIES RESULTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Debts due from an associate written off	701	–	701	–
(Gain)/loss on disposals of:				
– Property, plant and equipment	(2,420)	–	–	–
– Subsidiaries (Note 22(b))	(12,732)	(9,707)	–	–
– Quoted associates (Note 23)	446	–	(1,462)	–
– Unquoted associates (Note 23)	536	–	(9,314)	–
– Other investments	–	(16,606)	–	(16,606)
Impairment losses on:				
– Property, plant and equipment (Note 17)	1,849	–	–	–
– A subsidiary	–	–	–	2,499
– Quoted associates (Note 23)	–	–	–	39,338
– Unquoted associates	–	–	408	400
– Jointly controlled entities	–	–	–	2,245
– Other investments (Note 25)	333	8,000	333	8,000
– Short term investments	131	–	–	–
Negative goodwill on acquisition of subsidiaries (Note 21)	–	(62,940)	–	–
Shortfall in profit guarantee (Note 39)	–	3,476	–	–
Warrants written off	–	4,484	–	4,484
	(11,156)	(73,293)	(9,334)	40,360

11. SHARE OF RESULTS OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Group	
	2008 RM'000	2007 RM'000
a. Associates		
Share of results	2,627	(174)
Impairment loss:		
– Quoted	–	(39,338)
– Unquoted	–	(400)
	2,627	(39,912)
b. Jointly Controlled Entities		
Share of results	3,101	(428)
Impairment loss	–	(2,245)
	3,101	(2,673)

12. FINANCE COSTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest expense on:				
– Bank overdrafts	779	949	10	204
– Bankers' acceptances	238	321	–	–
– Revolving credits	4,154	9,335	3,980	8,858
– Term loans	8,632	12,652	7,486	8,654
– Advances from subsidiary	–	–	–	1,424
– Others	114	82	1	1
	13,917	23,339	11,477	19,141
Loan related expenses	108	453	12	226
	14,025	23,792	11,489	19,367

13. INCOME TAX

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Continuing Operations				
Malaysian income tax:				
– Current year	15,170	27,002	–	19,323
– Overprovision in prior years	(882)	(867)	(14)	(153)
	14,288	26,135	(14)	19,170
Deferred taxation (Note 38):				
– Relating to origination and reversal of temporary differences	(903)	(8,693)	(148)	(63)
– Relating to changes in tax rate	82	160	(9)	(10)
– Under/(over)provision in prior years	726	(296)	(77)	(298)
	(95)	(8,829)	(234)	(371)
Total income tax expense/(benefit) from continuing operations	14,193	17,306	(248)	18,799

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the financial year. The domestic statutory tax rate will be reduced to 25% effective year of assessment 2009. The computation of deferred tax as at 31 March 2008 has reflected these changes.

Taxation for other jurisdiction is calculated at the rates prevailing in the jurisdiction. Certain subsidiaries qualify for the reduced statutory tax rate of 20% on the first RM500,000 (2007: RM500,000) of estimated assessable profit during the financial year.

13. INCOME TAX (CONT'D)

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before taxation from:				
Continuing operations	58,060	83,104	5,913	27,605
Discontinued operations (Note 14)	4,432	1,020	–	–
	62,492	84,124	5,913	27,605
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	16,248	22,713	1,537	7,453
Effects of changes in tax rates on opening balance of deferred tax	82	160	(9)	(10)
Income not subject to tax	(8,676)	(23,791)	(3,152)	–
Expenses not deductible for tax purposes	5,829	21,245	1,467	11,986
Deferred tax assets not recognised during the year	1,285	2,300	–	–
Utilisation of previously unrecognised tax losses and capital allowances	(485)	(443)	–	(179)
Effects of preferential tax rate of 20%	(90)	(230)	–	–
Group relief	–	(292)	–	–
(Over)/underprovision in prior years:				
– Income tax	(882)	(867)	(14)	(153)
– Deferred tax	726	(296)	(77)	(298)
Income tax expense/(benefit) for the year	14,037	20,499	(248)	18,799
Attributable to discontinued operations (Note 14)	156	(3,193)	–	–
Reported in the income statement	14,193	17,306	(248)	18,799

The amount of tax savings arising from the utilisation of unabsorbed tax losses and capital allowances brought forward of the Group and of the Company amounting to RM485,000 (2007: RM443,000) and RM Nil (2007: RM179,000) respectively.

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unabsorbed tax losses	149	437	–	–
Unabsorbed capital allowances	336	6	–	179

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

Disposal Groups Classified As Held For Sale

On 19 December 2007, the Company announced the proposed disposal of its wholly-owned subsidiary, Lim Thiam Leong Realty Sdn. Bhd. ("LTLR"), for a cash consideration of RM50,351,289. The principal activity of LTLR is property investment and it holds parcels of properties within a building known as Campbell Complex. The disposal is in line with the Group's business rationalisation exercise. The disposal was aborted subsequent to balance sheet date. However, it is the Company's intention to dispose this investment and will actively continue to look for new buyer for this investment. Accordingly, as at 31 March 2008, the carrying amount of the investment property has been presented on the consolidated balance sheet as non-current assets held for sale.

The major classes of assets and liabilities of non-current assets classified as held for sale on the balance sheets are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Assets				
Investment in subsidiary	–	–	–	1
Investment properties (Note 19)	37,808	–	–	–
Property, plant and equipment (Note 17)	8,503	–	–	–
Deferred taxation (Note 38)	–	928	–	–
Inventories	–	83	–	–
Trade and other receivables	–	25,630	–	–
Cash and bank balances (Note 30)	–	1,230	–	–
Assets of disposal groups classified as held for sale	46,311	27,871	–	1
Liabilities				
Deferred taxation (Note 38)	(2,228)	–	–	–
Trade and other payables	–	(27,374)	–	–
Current tax payable	–	(2)	–	–
Liabilities of disposal groups classified as held for sale	(2,228)	(27,376)	–	–
Net assets directly associated with non-current assets held for disposal	44,083	495	–	1

As at 31 March 2008, the non-current assets held for sale are pledged as securities for borrowings as disclosed in Note 35.

The disposal groups held for sale and results from the subsidiaries in previous financial year arose from the disposals of investments in Noble Accord Sdn. Bhd. ("NASB"), BB Franchising Inc. ("BBFI") and Rampai-Niaga Sdn. Bhd. ("RNSB"). The disposals of NASB and BBFI were completed in the current financial year whereas the disposal of RNSB was completed in the previous financial year.

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE (CONT'D)

Discontinued Operations

The discontinued operations information presented below relate to the results of NASB, BBFI and RNSB.

An analysis of the results of the discontinued operations is as follows:

	Group 2008 RM'000	Group 2007 RM'000
Revenue	5,534	41,024
Other income	2,427	–
Expenses	(3,529)	(40,004)
Profit before taxation from discontinued operations (Note 13)	4,432	1,020
Income tax (Note 13)	156	(3,193)
Profit/(loss) for the year from discontinued operations (Note15)	4,588	(2,173)
Earnings/(loss) per share (sen):		
Basic, for discontinued operations	1.51	(0.69)

The following amounts have been included in arriving at profit before taxation from the discontinued operations:

	Group 2008 RM'000	Group 2007 RM'000
Auditors' remuneration	7	64
Amortisation of concept development	–	50
Depreciation of property, plant and equipment (Note 17)	–	1,116
Finance costs	–	1,626
Operating leases:		
– Minimum lease payments for plant and machineries	–	26
– Minimum lease payments for land and buildings	–	1,455
Property, plant and equipment written off	–	70
Provision for doubtful debts	3	–
Forfeiture of deposit	(1,500)	–
Gain on disposal of property, plant and equipment	(2,126)	–
Interest income	–	(9)
The cash flows attributable to the discontinued operations are as follows:		
Operating cash flows	(917)	1,641
Investing cash flows	25,473	(640)
Financing cash flows	(24,550)	(850)
Total cash flows	6	151

15. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the Company by weighted average number of ordinary shares in issue during the financial year, excluding treasury shares and ESTS shares held by the Company.

	Group	
	2008 RM'000	2007 RM'000
Profit from continuing operations; attributable to ordinary equity holders of the Company	42,116	64,094
Profit/(loss) from discontinued operations; attributable to ordinary equity holders of the Company (Note 14)	4,588	(2,173)
Profit attributable to ordinary equity holders of the Company	46,704	61,921
Weighted average number of ordinary shares in issue ('000)	304,464	316,957

	Group	
	2008 sen	2007 sen
Basic earnings/(loss) per share for:		
Profit from continuing operations	13.83	20.22
Profit/(loss) from discontinued operations	1.51	(0.69)
Profit for the year	15.34	19.53

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

There are no shares in issuance which have a dilutive effect to the earnings/(loss) per share of the Group.

16. DIVIDENDS

	Group and Company			
	Amount		Net Dividend Per Share	
	2008 RM'000	2007 RM'000	2008 sen	2007 sen
First and final				
2.5 sen less 27% taxation, paid on 8 August 2007 in respect of financial year ended 31 March 2007	5,652	–	1.83	–
Proposed for approval at Annual General Meeting (not recognised as a liability as at 31 March 2008):				
Equity dividends on ordinary share:				
First and final dividend for 2008:				
3.0 sen less 26% taxation	6,785	–	2.22	–

17. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM'000	Freehold Hotel Property RM'000	Buildings and Improvements RM'000	Office Equipment, Furniture, Fixtures and Fittings RM'000	Motor Vehicles RM'000	Plant, Machinery and Equipment RM'000	Renovations RM'000	*Other Assets RM'000	Total RM'000
Cost/Valuation									
At 1 April 2006, as restated	5,270	26,696	43,065	6,786	4,215	17,707	5,940	472	110,151
Acquisition of subsidiaries	670	–	8,637	9,858	3,637	24,595	9,254	2,917	59,568
Disposal of a subsidiary	–	–	(2,227)	(4,979)	(562)	–	(7,377)	–	(15,145)
Additions	–	–	5	882	502	65	863	100	2,417
Disposals	–	(26,696)	(1,534)	(1,056)	(1,510)	(1,344)	–	(472)	(32,612)
Written off	–	–	–	(1,374)	–	–	(726)	–	(2,100)
At 31 March 2007, as restated	5,940	–	47,946	10,117	6,282	41,023	7,954	3,017	122,279
Disposal of subsidiaries	–	–	–	(291)	(190)	(9,718)	(40)	–	(10,239)
Additions	–	–	–	267	1,666	747	198	–	2,878
Disposals	(600)	–	(2,400)	(2,477)	(4,371)	(14,108)	–	(2,309)	(26,265)
Written off	–	–	–	(260)	–	–	–	–	(260)
Reclassified as held for sale (Note 14)	(4,567)	–	(3,855)	–	–	(7,033)	(5,839)	–	(21,294)
At 31 March 2008	**773**	**–**	**41,691**	**7,356**	**3,387**	**10,911**	**2,273**	**708**	**67,099**
Accumulated Depreciation and Impairment									
At 1 April 2006, as restated	–	–	5,632	4,975	2,264	15,352	4,501	218	32,942
Acquisition of subsidiaries	–	–	2,238	7,562	2,589	16,817	5,886	1,339	36,431
Disposal of a subsidiary	–	–	(715)	(3,489)	(201)	–	(4,788)	–	(9,193)
Charge for the year	–	–	812	1,749	946	2,194	679	497	6,877
– Continuing operations (Note 8)	–	–	812	858	946	1,969	679	497	5,761
– Discontinued operations (Note 14)	–	–	–	891	–	225	–	–	1,116
Impairment loss (Note 32)	–	–	958	–	–	–	–	–	958
Disposals	–	–	(1,290)	(1,056)	(1,174)	(1,321)	–	(218)	(5,059)
Written off	–	–	–	(1,119)	–	–	(666)	–	(1,785)
At 31 March 2007, as restated	–	–	7,635	8,622	4,424	33,042	5,612	1,836	61,171
Disposal of subsidiaries	–	–	–	(266)	(92)	(7,572)	(40)	–	(7,970)
Charge for the year (Note 8)	–	–	384	682	587	1,525	461	–	3,639
Impairment loss (Note 10)	–	–	1,849	–	–	–	–	–	1,849
Disposals	–	–	(136)	(1,639)	(1,956)	(11,428)	–	(1,836)	(16,995)
Written off	–	–	–	(247)	–	–	–	–	(247)
Reclassified as held for sale (Note 14)	–	–	(1,632)	–	–	(6,120)	(5,039)	–	(12,791)
At 31 March 2008	**–**	**–**	**8,100**	**7,152**	**2,963**	**9,447**	**994**	**–**	**28,656**
Net Carrying Amount									
At 31 March 2008	**773**	**–**	**33,591**	**204**	**424**	**1,464**	**1,279**	**708**	**38,443**
At 31 March 2007, as restated	5,940	–	40,311	1,495	1,858	7,981	2,342	1,181	61,108

* Other assets comprised quarry development costs, crockeries, glassware, linen, restaurant equipment, utensils, small wares and materials.

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Buildings RM'000	Office Equipment, Furniture, Fixtures and Fittings RM'000	Motor Vehicles RM'000	Plant, Machinery and Equipment RM'000	Renovations RM'000	Total RM'000
Cost/Valuation						
At 1 April 2006, as restated	1,268	4,256	3,352	994	49	9,919
Additions	–	353	–	–	–	353
Disposals	(1,268)	(161)	(149)	–	–	(1,578)
Written off	–	(893)	–	–	–	(893)
At 31 March 2007	–	3,555	3,203	994	49	7,801
Additions	–	69	1,421	–	–	1,490
Disposals	–	(8)	(2,755)	–	–	(2,763)
Written off	–	(260)	–	–	–	(260)
At 31 March 2008	**–**	**3,356**	**1,869**	**994**	**49**	**6,268**
Accumulated Depreciation						
At 1 April 2006, as restated	386	3,634	2,020	988	49	7,077
Charge for the year (Note 8)	13	366	449	5	–	833
Disposals	(399)	(161)	(149)	–	–	(709)
Written off	–	(893)	–	–	–	(893)
At 31 March 2007	–	2,946	2,320	993	49	6,308
Charge for the year (Note 8)	–	318	355	–	–	673
Disposals	–	(5)	(1,981)	–	–	(1,986)
Written off	–	(247)	–	–	–	(247)
At 31 March 2008	**–**	**3,012**	**694**	**993**	**49**	**4,748**
Net Carrying Amount						
At 31 March 2008	**–**	**344**	**1,175**	**1**	**–**	**1,520**
At 31 March 2007	–	609	883	1	–	1,493

17. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

a. The revalued building is carried at a valuation of RM844,000 (2007: RM844,000) performed in 1983 and the building has not been revalued since. As permitted by the transitional provision under IAS 16 (Revised): Property, Plant and Equipment, the building continues to be carried at such valuation less accumulated depreciation.

   The building has been fully depreciated in prior years. All other property, plant and equipment are held at cost.

b. The net book values of the property, plant and equipment pledged as securities for borrowings as disclosed in Note 35 are as follows:

	Group	
	2008 RM'000	2007 RM'000
Freehold land	2,175	5,203
Buildings and improvements	32,866	39,032
Motor vehicles	40	287
Plant and machinery	–	3,560
	35,081	48,082

c. As discussed in Note 22(b), a subsidiary, Kenneisson Brothers Sdn. Bhd. ("KBSB"), entered into a Quarry Agreement with a third party granting the rights to occupy and operate two pieces of leasehold land used for quarry operations ("Quarry Land") for a period of 12 years ("Term") with a minimum annual guaranteed tribute payment of RM3.0 million. KBSB shall also lease to the third party all immovable properties or assets on the Quarry Land for the duration of the Term for a nominal consideration of RM10. Resulting from the above arrangement, an impairment loss of RM1,849,000 has been recognised on the property, plant and equipment.

d. The net book value of the property, plant and equipment held under hire purchase and finance liabilities is RM40,000 (2007: RM287,000).

18. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

a. Land Held for Property Development

Group	Freehold Land RM'000	Leasehold Land RM'000	Development Expenditure RM'000	Total RM'000
Cost				
At 1 April 2006	40,551	188	6,328	47,067
Acquisition of subsidiaries	118,623	–	11,805	130,428
Additions	12,345	–	831	13,176
Disposals	(40,857)	–	(3,243)	(44,100)
Transfer to property development costs (Note 18(b))	(3,894)	–	(3,954)	(7,848)
At 31 March 2007	126,768	188	11,767	138,723
Additions	416	–	825	1,241
Disposals	(625)	(35)	(375)	(1,035)
At 31 March 2008	**126,559**	**153**	**12,217**	**138,929**
Accumulated Impairment				
At 1 April 2006	–	–	–	–
Acquisition of subsidiaries	56,470	–	–	56,470
Transfer to property development costs (Note 18(b))	(2,386)	–	–	(2,386)
At 31 March 2007/31 March 2008	**54,084**	**–**	**–**	**54,084**
Carrying Amount				
At 31 March 2008	**72,475**	**153**	**12,217**	**84,845**
At 31 March 2007	72,684	188	11,767	84,639

Company	Freehold Land RM'000	Development Expenditure RM'000	Total RM'000
Cost			
At 1 April 2006	40,333	2,638	42,971
Additions	–	356	356
Disposal	(40,333)	(2,994)	(43,327)
At 31 March 2007/31 March 2008	**–**	**–**	**–**

Freehold land and leasehold land of the Group with carrying amounts of RM30,751,000 (2007: RM37,359,000) are pledged as securities for borrowings as disclosed in Note 35.

18. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

b. Property Development Costs

Group	Freehold Land RM'000	Leasehold Land RM'000	Development Expenditure RM'000	Total RM'000
Cumulative Property Development Costs				
At 1 April 2006	104,084	27,508	320,902	452,494
Costs incurred during the year	1,200	–	100,336	101,536
Acquisition of subsidiaries	11,593	–	9,212	20,805
Transfer from land held for property development (Note 18(a))	3,894	–	3,954	7,848
Reversal of completed projects	(7,118)	–	(35,099)	(42,217)
Transfer to inventories	(4,272)	–	(6,972)	(11,244)
At 31 March 2007	109,381	27,508	392,333	529,222
Costs incurred during the year	25,395	–	141,294	166,689
Acquisition of a subsidiary (Note 22(a))	301	–	–	301
Transfer from inventories	881	–	–	881
Reversal of completed projects	(43,936)	(10,181)	(245,302)	(299,419)
Transfer to inventories	(6,887)	(310)	(16,334)	(23,531)
At 31 March 2008	**85,135**	**17,017**	**271,991**	**374,143**
Accumulated Impairment				
At 1 April 2006	–	–	–	–
Acquisition of subsidiaries	(3,960)	–	–	(3,960)
Transfer from land held for property development (Note 18(a))	(2,386)	–	–	(2,386)
Reversal of impairment losses (Note 9)	1,679	–	–	1,679
Transfer to inventories	84	–	–	84
At 31 March 2007	(4,583)	–	–	(4,583)
Reversal of impairment losses (Note 9)	1,469	–	–	1,469
Transfer to inventories	75	–	–	75
At 31 March 2008	**(3,039)**	**–**	**–**	**(3,039)**
Cumulative Costs Recognised in Income Statement				
At 1 April 2006	(33,206)	(8,013)	(198,699)	(239,918)
Recognised during the year	(25,958)	(1,812)	(119,421)	(147,191)
Provision for foreseeable losses	–	–	(1,561)	(1,561)
Reversal of completed projects	7,118	–	35,099	42,217
At 31 March 2007	(52,046)	(9,825)	(284,582)	(346,453)
Recognised during the year	(12,337)	(1,772)	(131,912)	(146,021)
Provision for foreseeable losses	–	–	(2,201)	(2,201)
Reversal of completed projects	43,936	10,181	245,302	299,419
At 31 March 2008	**(20,447)**	**(1,416)**	**(173,393)**	**(195,256)**
Property Development Costs at 31 March 2008	**61,649**	**15,601**	**98,598**	**175,848**
Property Development Costs at 31 March 2007	52,752	17,683	107,751	178,186

18. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)

b. Property Development Costs (cont'd)

Included in costs incurred during the year is write back of overprovision of cost in respect of previous year amounting to RM3,262,000 (2007: RM Nil).

Capitalised within property development expenditure of the year are finance costs of RM1,707,000 (2007: RM Nil).

The cost of land of the Group amounting to RM96,118,000 (2007: RM131,333,000) are charged to financial institutions to secure credit facilities obtained as disclosed in Note 35.

Certain subsidiaries have submitted applications to the relevant authorities to surrender, realienate and amalgamate the titles for development. These subsidiaries have obtained approvals for the applications and the titles are currently pending realienation and amalgamation. The carrying amount of freehold land in this category is RM11,677,000 (2007: RM18,155,000).

19. INVESTMENT PROPERTIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 April	52,878	58,711	5,611	5,676
Impairment loss (Note 32)	–	(5,337)	–	–
Depreciation (Note 8)	(496)	(496)	(66)	(65)
Reclassified as held for sale (Note 14)	(37,808)	–	–	–
At 31 March	14,574	52,878	5,545	5,611
Estimated fair value	45,215	52,878	19,820	5,611

Investment properties of the Group and of the Company with an aggregate carrying value of RM5,545,000 (2007: RM49,184,000) and RM5,545,000 (2007: RM5,611,000) respectively are pledged as securities for borrowings as disclosed in Note 35.

Based on the professional valuation performed in the previous financial year, an impairment loss of RM5,337,000 was recognised directly in equity as a set off against capital reserve (Note 32). This was because the revaluation surplus arising from the last valuation in 1983 still resides in the capital reserve. The said investment property was stated at valuation as the Group had availed itself to the transitional provision of IAS 16 (Revised): Property, Plant and Equipment which allowed the Group to retain the carrying amount at valuation less accumulated depreciation and impairment.

20. PREPAID LAND LEASE PAYMENTS

Group	Lease Prepayment RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Total RM'000
Net Carrying Amount				
At 1 April 2006, as restated	5,297	1,699	–	6,996
Acquisition of subsidiaries	–	–	26,019	26,019
Amortisation for the year (Note 8)	(61)	(14)	(1,013)	(1,088)
Disposals	–	(1,685)	–	(1,685)
At 31 March 2007	5,236	–	25,006	30,242
Amortisation for the year (Note 8)	(61)	–	(1,303)	(1,364)
At 31 March 2008	**5,175**	**–**	**23,703**	**28,878**

Company	Long Term Leasehold Land RM'000
Net Carrying Amount	
At 1 April 2006, as restated	1,699
Amortisation for the year (Note 8)	(13)
Disposal	(1,686)
At 31 March 2007/31 March 2008	**–**

The lease prepayment is in respect of a lump sum payment of rental to Lembaga Pembangunan Langkawi for the lease of a parcel of leasehold land with a 90-year tenure.

A short term leasehold land of the Group amounting to RM21,530,000 (2007: RM22,564,000) is pledged as security for borrowings as disclosed in Note 35.

21. GOODWILL

	Group RM'000
At 1 April 2006	–
Acquisition of subsidiaries	(61,088)
Recognised in income statement (Note 10)	62,940
At 31 March 2007/31 March 2008	**1,852**

a. **Allocation of Goodwill**
Goodwill has been allocated to the Group's Cash Generating Unit (CGU) according to the subsidiaries concerned.

b. **Key Assumptions Used in Value in Use Calculations**
The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a 5-year period. The key assumptions used for each of the CGU's value in use calculations are:

Gross Margin		Growth Rate		Discount Rate	
2008	2007	2008	2007	2008	2007
10%	12%	5%	5%	10.5%	5.5%

i. **Gross Margin**
The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

ii. **Growth Rate**
The average growth rate used is based on the annual growth rate of 5% (2007: 5%) which is the industry average growth rate as reported under the 9th Malaysia Plan.

iii. **Discount Rate**
The discount rates used range between 10% and 11% (2007: 5% and 6%) which approximate the CGUs' average cost of funds.

c. **Sensitivity to Changes in Assumptions**
The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

22. INVESTMENTS IN SUBSIDIARIES

	Company 2008 RM'000	Company 2007 RM'000
Unquoted shares:		
– Ordinary shares, at cost	89,800	88,805
– Cumulative redeemable preference shares, at cost	202,560	202,560
	292,360	291,365
Less: Accumulated impairment losses	(179,293)	(179,293)
	113,067	112,072

As at the balance sheet date, the carrying value of investments in certain subsidiaries exceeded their combined net assets by approximately RM9,774,000 (2007: RM7,750,000). The directors are of the opinion that no further impairment loss needs to be provided for these investments as the Group is currently formulating its internal group re-organisation which would place these subsidiaries on a profitable footing. As such, the directors believe that there is no permanent impairment in value of these investments.

Details of the subsidiaries, all of which are incorporated in Malaysia unless otherwise stated, are as follows:

Name of Subsidiaries	Proportion of Ownership Interest and Voting Power 2008 %	2007 %	Principal Activities
Held by the Company:			
Bcom Holdings Sdn. Bhd.	100	100	Property development
Beribu Nikmat Sdn. Bhd.	100	100	Property investment
Beribu Sukma Sdn. Bhd.	100	100	Project management services
Beribu Tekad Sdn. Bhd.	100	100	Investment holding
Bolton LYL Sdn. Bhd.	100	100	Property development
Bolton Management Services Sdn. Bhd.	100	100	Dormant
Cahadinar Sdn. Bhd.	100	100	Investment holding
Campbell Shopping Complex Sdn. Bhd. [1]	100	–	Investment holding
Crest Trend Sdn. Bhd.	100	100	Exhibition business and related activities including rental of exhibition booths
Goldenprop Management Sdn. Bhd.	100	100	Property management
Hungryagain Sdn. Bhd.	100	100	Investment holding
Ikram Indera Sdn. Bhd.	100	100	Investment holding
Keat Ann Realty Sdn. Bhd.	100	100	Property development
Ketapang Realty Sdn. Bhd.	100	100	Property development
Khazamesra Sdn. Bhd.	100	100	Investment holding
Knoxfield Sdn. Bhd.	100	100	Investment holding
Langkawi Fair Sdn. Bhd.	100	100	Property management
Lim Thiam Leong Realty Sdn. Bhd.	100	100	Rental of property
Majestic Focus Sdn. Bhd.	100	100	Investment holding
Midah Istimewa Sdn. Bhd.	100	100	Project management services
Midah Jaya Realty Sdn. Bhd.	100	100	Property investment
Midah Management Sdn. Bhd.	100	100	Property management
Midahmas Realty Sdn. Bhd.	100	100	Property investment
Noble Accord Sdn. Bhd. [2]	–	100	Hotel operations
Noble Midah Sdn. Bhd.	100	100	Investment holding
Noble Senawang Sdn. Bhd.	100	100	Investment holding
Parkrose Holdings Sdn. Bhd.	100	100	Property development and property investment

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Proportion of Ownership Interest and Voting Power 2008 %	2007 %	Principal Activities
Held by the Company:			
Prestige Capital Sdn. Bhd.	100	100	Property investment
Prima Istimewa Sdn. Bhd.	100	100	Investment holding
Prima Kenny Sdn. Bhd.	100	100	Dormant
Prima Panorama (M) Sdn. Bhd.	100	100	Property investment
Primtrax Sdn. Bhd.	100	100	Investment holding
Senawang Mewah Sdn. Bhd.	100	100	Property development
Tijani (Bukit Tunku) Sdn. Bhd.	100	100	Property development
Unison Chemical Industries Sdn. Bhd.	100	100	Dormant
Vibrant Glory Sdn. Bhd.	100	89	Dormant
Winmin Builders Sdn. Bhd.	100	100	Property development, property management and property marketing consultancy
Subsidiaries of Bcom Holdings Sdn. Bhd.:			
Bcom Marine Culture Sdn. Bhd.	100	100	Dormant
Bcom Development Sdn. Bhd.	100	100	Dormant
Subsidiary of Cahadinar Sdn. Bhd.:			
Kejora Harta Bhd.	100	100	Property development and investment holding
Subsidiary of Langkawi Fair Sdn. Bhd.:			
Vista Wirama Sdn. Bhd.	100	100	Dormant
Subsidiary of Lim Thiam Leong Realty Sdn. Bhd.:			
Campbell Shopping Complex Sdn. Bhd. [1]	–	100	Investment holding
Subsidiary of Majestic Focus Sdn. Bhd.:			
Prima Nova Harta Development Sdn. Bhd.	50 %+ 1 share	50 %+ 1 share	Property development
Subsidiaries of Prima Istimewa Sdn. Bhd.:			
Salient Alliance Sdn. Bhd.	100	100	Ceased operations
Skyline Concepts Sdn. Bhd.	80	80	Ceased operations
Subsidiaries of Primtrax Sdn. Bhd.:			
Pele Development Limited (Incorporated in Myanmar)	100	100	Dormant
Pele Investment Holdings Limited (Incorporated in Myanmar)	100	100	Dormant
Subsidiaries of Kejora Harta Bhd.:			
Vista-Prisma Sdn. Bhd.	100	93.5	Property development
GLM Property Development Sdn. Bhd.	100	–	Property development
Kenneison Brothers Sdn. Bhd. ("KBSB")	100	100	Investment holding
Kejora Harta Development Sdn. Bhd.	100	100	Dormant
Kejora Harta Properties Sdn. Bhd.	100	100	Dormant
Kejora Harta Realty Sdn. Bhd.	100	100	Dormant

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Proportion of Ownership Interest and Voting Power 2008 %	2007 %	Principal Activities
Subsidiaries of Skyline Concepts Sdn. Bhd.:			
BakerBrosCorp Sdn. Bhd.	80	80	Ceased operations
CapacCorp Sdn. Bhd.	80	80	Dormant
Multivenue Sdn. Bhd.	64	64	Investment holding
RanchCorp Sdn. Bhd.	80	80	Ceased operations
Skyline Concepts Restaurants Sdn. Bhd. ("SCR")	80	80	Ceased operations
Subsidiary of SCR:			
Slimscorp Sdn. Bhd.	80	80	Ceased operations
Subsidiary of Multivenue Sdn. Bhd.:			
BB Franchising Inc. [2] (Incorporated in the United States of America)	–	38.4	Deli-baking product operator and franchise business to develop gourmet deli and bakery
Subsidiaries of KBSB:			
Kenneison Builders Sdn. Bhd.	100	100	Civil engineering and construction works
Kenneison Brothers Construction Sdn. Bhd. ("KBC")	100	100	Civil engineering and construction works
Innovative Pavement Technology Sdn. Bhd.	100	100	Ceased operations
Kenneison Properties Sdn. Bhd.	100	100	Property holding
Kenneison RI Sdn. Bhd.	100	100	Dormant
Kenneison Quarries Sdn. Bhd. ("KQSB")	100	100	Manufacturing, selling and distribution of premix products, construction and building materials
Power Gas Systems Sdn. Bhd. ("PGS")	98.2	98.2	Investment holding
Subsidiaries of KBC:			
Kenneison Engineering Sdn. Bhd.	100	100	Construction works
Kenneison Water Sdn. Bhd.	100	100	Dormant
Subsidiaries of KQSB:			
Kenneison Construction Materials Sdn. Bhd.[2]	–	100	Manufacturing, selling and distribution of premix products, construction and building materials
Kenneison Northern Quarry Sdn. Bhd. [2]	–	100	Manufacturing, selling and distribution of premix products, construction and building materials
Subsidiary of PGS:			
LPG System Sdn. Bhd.	98.2	98.2	Ceased operations

[1] Acquired through internal re-organisation of the Group structure by the Company
[2] Subsidiaries disposed of during the year

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

a. Acquisition of Subsidiaries

On 5 May 2007, Kejora Harta Bhd. ("KHB"), an indirect wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with a third party for the acquisition of the entire equity interest in GLM Property Development Sdn. Bhd., comprising 300,000 ordinary shares of RM1 each for a total cash consideration of RM300,000.

The acquisition of subsidiaries in the previous financial year was in respect of the privatisation of KHB through its members' scheme of arrangement, where the Group completed the acquisition of the remaining 68% equity interest in KHB.

The cost of acquisition comprised the following:

	2008 RM'000	2007 RM'000
Purchase consideration satisfied by cash	300	107,021
Ordinary shares issued, at fair value (Note 31)	–	589
Total cost of acquisition	300	107,610

The effects of acquisition of subsidiaries on the financial results of the Group were as follows:

	2008 RM'000	2007 RM'000
Revenue	–	73,199
(Loss)/profit for the year	(377)	12,480

If the acquisition had occurred at the beginning of the financial year, the Group's revenue and profit for the year would have been RM293,787,000 (2007: RM422,853,000) and RM48,455,000 (2007: RM67,091,000) respectively.

The assets and liabilities arising from the acquisition were as follows:

	Fair Value Recognised on Acquisition RM'000	Acquiree's Carrying Amount RM'000
2008		
Trade and other payables	(1)	(1)
Property development costs (Note 18(b))	301	301
Fair value of net assets	300	300
Group's share of net assets	300	
Goodwill	–	
Total cost of acquisition	300	

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

a. Acquisition of Subsidiaries (cont'd)

	Fair Value Recognised on Acquisition RM'000	Acquiree's Carrying Amount RM'000
2007		
Prepaid land lease payments	26,019	26,020
Property, plant and equipment	23,137	23,137
Land held for property development and property development costs	90,803	87,366
Investment in an associate	218	218
Other investments	7,201	7,201
Intangible assets	55,561	55,848
Inventories	47,603	47,603
Trade and other receivables	83,657	87,762
Marketable securities	696	696
Cash and bank balances	13,380	13,380
	348,275	349,231
Trade and other payables	(35,350)	(35,350)
Borrowings	(54,249)	(54,249)
Tax payable	(4,189)	(4,189)
Deferred taxation (Note 38)	(3,137)	(3,137)
	(96,925)	(96,925)
Fair value of net assets	251,350	
Less: Share of net assets previously held as associate	(82,470)	
Less: Minority interest acquired	(1,613)	
Group's share of net assets	167,267	
Negative goodwill	(59,657)	
Total cost of acquisition	107,610	

The cash outflows on acquisitions were as follows:

	2008 RM'000	2007 RM'000
Purchase consideration satisfied by cash	300	107,021
Cash and cash equivalents of subsidiaries acquired	–	(13,380)
Net cash outflow of the Group	300	93,641

There were no acquisitions subsequent to 31 March 2008.

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

b. Disposal of Subsidiaries

On 12 October 2007, an indirect wholly-owned subsidiary of the Company, Kenneison Quarries Sdn. Bhd. ("KQSB"), entered into a Sale and Purchase Agreement with a third party to dispose of its quarry equipment and other movable assets for a cash consideration of RM6.5 million.

Simultaneously, KQSB also entered into two separate Share Sale Agreements with the said third party for the disposal of its subsidiaries, namely Kenneison Construction Materials Sdn. Bhd. ("KCM") and Kenneison Northern Quarry Sdn. Bhd. ("KNQ") for considerations of RM17 million and RM500,000 respectively.

Further to the above agreements, the holding company of KQSB, Kenneison Brothers Sdn. Bhd. ("KBSB"), entered into a Quarry Agreement with the said third party granting the rights to occupy and operate two pieces of leasehold land used for quarry operations ("Quarry Land") for a period of 12 years ("Term") with a minimum annual guaranteed tribute payment of RM3.0 million to KBSB, commencing from the calendar year of 2008. KBSB shall also lease to the third party all immovable properties or assets on the Quarry Land for the duration of the Term for a nominal consideration of RM10.

The disposals of KCM and KNQ together with the disposal of quarry assets were completed during the financial year. In addition, the Group also completed the disposals of investments in Noble Accord Sdn. Bhd. and BB Franchising Inc. during the financial year.

The cash inflows resulting from the disposals were as follows:

	2008 RM'000	2007 RM'000
Property, plant and equipment	**2,269**	5,952
Intangible assets	**–**	55,561
Inventories	**539**	17,597
Trade and other receivables	**18,410**	1,854
Cash and bank balances	**5,421**	856
Trade and other payables	**(17,784)**	(10,124)
Tax payable	**(814)**	(809)
Borrowings	**(3,247)**	(458)
Deferred taxation (Note 38)	**260**	(136)
Net assets previously classified as held for sale	**495**	–
Net assets disposed	**5,549**	70,293
Foreign currency translation reserve	**329**	–
	5,878	70,293
Gain on disposals to the Group (Note 10)	**12,732**	9,707
Total disposal proceeds	**18,610**	80,000
Disposal proceeds settled by:		
Cash	**18,610**	80,000
Cash inflow arising on disposal:		
Cash consideration	**18,610**	80,000
Cash and cash equivalents of subsidiaries disposed	**(5,421)**	(856)
Net cash inflow of the Group	**13,189**	79,144

The disposal in the previous financial year was in respect of the disposal of the Group's entire interest in Rampai-Niaga Sdn. Bhd..

22. INVESTMENTS IN SUBSIDIARIES (CONT'D)

c. During the year, the Group acquired the remaining 11% equity interest in Vibrant Glory Sdn. Bhd., comprising 110 shares of RM1 each, for a purchase consideration of RM110.

In addition, the Group also acquired the remaining 6.5% equity interest in Vista-Prisma Sdn. Bhd., comprising 500,001 shares of RM1 each, for a purchase consideration of RM690,001.

There are no goodwill arising from the above acquisitions.

d. The Company acquired the entire equity interest in Campbell Shopping Complex Sdn. Bhd. from its direct subsidiary, Lim Thiam Leong Realty Sdn. Bhd., for a purchase consideration of RM300,000. There were no financial effects to the Group from the internal group re-organisation.

23. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
In Malaysia:				
Quoted shares, at cost	–	121,042	–	121,042
Less: Accumulated impairment losses	–	(85,338)	–	(85,338)
	–	35,704	–	35,704
Unquoted shares, at cost	1,110	2,243	910	2,024
Less: Accumulated impairment losses	(400)	(400)	(808)	(400)
	710	37,547	102	37,328
Effects of adopting FRS 3	–	9,005	–	–
Share of post-acquisition (losses)/profits	(385)	6,067	–	–
	325	52,619	102	37,328
Market value of quoted shares	–	56,120	–	56,120

Details of associates, which are incorporated in Malaysia, are as follows:

Name of Associates	Principal Activities	Proportion of Ownership Interest 2008 %	Proportion of Ownership Interest 2007 %	Proportion of Voting Power 2008 %	Proportion of Voting Power 2007 %
Held by the Company:					
Symphony House Berhad (listed on the Main Board of the Bursa Malaysia Securities Berhad)	Investment holding and provision of management services to its subsidiaries	*	20.01	*	20.01
Menara Ampang Sdn. Bhd. **	Investment holding	–	49.00	–	49.00
Marak Unggul Sdn. Bhd.	Dormant	20.00	20.00	20.00	20.00
Progresif Setia Sdn. Bhd.	Property development	40.00	40.00	40.00	40.00
Held through subsidiary:					
Traders Acceptances Sdn. Bhd.	Investment holding	49.99	49.99	49.99	49.99

23. INVESTMENTS IN ASSOCIATES (CONT'D)

* As disclosed in Note 43(e), the Company undertook a non-renounceable offer for sale ("OFS") of its equity interest in Symphony House Berhad ("Symphony").

Pursuant to the completion of the OFS, the Company sold 36,906,535 ordinary shares of RM0.10 each in Symphony for total consideration of RM11,442,000 resulting in a loss of RM446,000 and a gain of RM1,462,000 in respect of the Group and of the Company respectively, and the equity interest in Symphony was diluted to 15.10%. The investment has been reclassified to other investments as the Company no longer participate in the operating and financial policy decisions of Symphony.

** During the financial year, the Group disposed of its entire equity interest in Menara Ampang Sdn. Bhd. for a cash consideration of RM10,428,000 resulting in a loss of RM536,000 and a gain of RM9,314,000 in respect of the Group and of the Company respectively.

The associates have a financial year end of 31 December 2007 to conform with those of their holding company's financial year end. The financial statements of the associates for the 3 months interim period ended 31 March 2008 have been used for the purpose of applying the equity method of accounting.

The summarised financial information of the associates are as follows:

	2008 RM'000	2007 RM'000
Assets and Liabilities		
Current assets	627	229,384
Non-current assets	70	168,738
Total assets	697	398,122
Current liabilities	(5)	(100,503)
Non-current liabilities	–	(37,052)
Total liabilities	(5)	(137,555)
Results		
Revenue	172,970	229,041
Profit for the year	15,774	1,383

In the previous financial year, the Group and the Company performed a review of the recoverable amount of their investments in associates including the remaining amount of goodwill residing in the carrying amounts of their investments. The recoverable amounts were determined based on value in use calculations using discounted cash flow projections prepared by management. Resulting from these reviews, the Group and the Company further impaired their investments by RM39,338,000.

23. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of goodwill included within the Group's carrying amount of investments in associates are as follows:

	Goodwill RM'000	Negative Goodwill RM'000	Total RM'000
At 1 April 2006	48,225	(13,903)	34,322
Effects of adopting FRS 3:			
– Associates before becoming subsidiaries	–	4,898	4,898
– Unquoted associates	–	9,005	9,005
Impairment loss (Note 10)	(39,738)	–	(39,738)
At 31 March 2007	8,487	–	8,487
Reclassified to other investments	(8,487)	–	(8,487)
At 31 March 2008	**–**	**–**	**–**

24. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	**62,876**	43,001	**62,876**	43,001
Less: Accumulated impairment losses	**(2,245)**	(2,245)	**(2,245)**	(2,245)
	60,631	40,756	**60,631**	40,756
Share of post-acquisition profits	**6,209**	3,108	**–**	–
	66,840	43,864	**60,631**	40,756

Details of the jointly controlled entities are as follows:

Name of Jointly Controlled Entities	Country of Incorporation	Proportion of Ownership Interest and Voting Power 2008 %	2007 %	Principal Activities
Continental Estates Sdn. Bhd. ("Continental")	Malaysia	**15.81**	15.81	Estate and property development
Alpine Return Sdn. Bhd. ("Alpine")	Malaysia	**50.0**	50.0	Property development

On 29 May 2007, the Company subscribed for an additional 19,875,000 ordinary shares of RM1 each in Alpine by way of capitalisation of the shareholder's advances from the Company to Alpine. The additional subscription has no effect to the ownership interest and voting power as the other joint venture partner also subscribed for the proportionate amount of ordinary shares.

24. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (CONT'D)

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

	Group	
	2008 RM'000	2007 RM'000
Assets and Liabilities		
Current assets	64,067	60,740
Non-current assets	52,416	52,836
Total assets	116,483	113,576
Current liabilities	(3,164)	(42,140)
Non-current liabilities	(46,479)	(27,572)
Total liabilities	(49,643)	(69,712)
Results		
Revenue	4,122	2,723
Expenses, including finance costs and taxation	(1,775)	(3,151)

Included in the non-current assets are land held for property development where Continental has not converted the land for development use. Although the land has not been converted, the intention of Continental has always been to develop the land and the directors of Continental are committed to this intention. Continental commissioned a valuation on the said land in 2006 and resulting from the valuation, an impairment loss was recognised in its books in the previous financial year. The RM2,245,000 impairment loss in respect of the Group and of the Company in the previous financial year represented the write-down of the value of the investment in the jointly controlled entity to its estimated recoverable value which is based on the net asset value.

25. OTHER INVESTMENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At Cost:				
Quoted shares	26,366	920	25,724	–
Unquoted shares	10,000	10,032	–	–
Golf clubs corporate memberships	1,034	1,034	824	824
Subordinated bonds	8,600	10,000	8,600	10,000
Others	4,918	–	–	–
	50,918	21,986	35,148	10,824
Less: Accumulated impairment losses				
– Unquoted shares	(4,738)	(4,738)	–	–
– Golf clubs corporate memberships (Note 10)	(333)	–	(333)	–
– Subordinated bonds	(8,000)	(8,000)	(8,000)	(8,000)
	37,847	9,248	26,815	2,824
At market value:				
Quoted shares	27,286	1,475	26,639	–

25. OTHER INVESTMENTS (CONT'D)

Certain quoted shares of the Group and of the Company with carrying values of RM30,598,000 (2007: RM31,376,000) and RM25,687,000 (2007: RM31,376,000) respectively are pledged as securities for credit facilities granted to the Group and the Company as disclosed in Note 35.

The RM8,000,000 impairment loss in the previous financial year represented the write-down of the Subordinated Bonds to their recoverable amounts. The Subordinated Bonds were subscribed pursuant to a collaterised loan obligations transaction for a 5-year unsecured fixed rate term loan of RM60,000,000 as disclosed in Note 35(b). The bonds were issued by a special purpose vehicle and the term loans were disbursed by the lenders to the Company and other borrowers. As advised by the trustee of the bonds, certain other borrowers have defaulted in repayments of their term loan obligations, resulting in the aforesaid impairment.

26. INVENTORIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At Cost:				
Completed properties	62,768	49,911	–	3,090
Homestead farm held for sale	2,633	5,177	–	–
Raw materials	–	852	–	–
Work-in-progress	–	413	–	–
Finished goods	–	2,027	–	–
	65,401	58,380	–	3,090

Completed properties of the Group and of the Company amounting to RM31,179,000 (2007: RM33,236,000) and RM Nil (2007: RM3,080,000) respectively are charged to financial institutions to secure credit facilities granted to the Group and the Company as disclosed in Note 35.

27. SHORT TERM INVESTMENTS

	Group	
	2008 RM'000	2007 RM'000
Quoted in Malaysia, at fair value	4,319	4,433
At market value	4,319	4,433

Certain quoted shares with carrying amount of RM2,100,000 (2007: RM1,959,000) are pledged to a financial institution for credit facilities granted to the Company as disclosed in Note 35.

28. TRADE AND OTHER RECEIVABLES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Trade Receivables				
Third parties	63,907	103,715	3,954	8,010
Accrued billings in respect of property development costs	28,934	20,604	–	–
Construction contracts:				
Due from customers (Note 29)	23,313	8,064	–	–
Retention sums (Note 29)	2,576	3,509	–	–
	118,730	135,892	3,954	8,010
Less: Provision for doubtful debts				
Third parties	(16,265)	(15,879)	(3,038)	(2,972)
Trade receivables, net	102,465	120,013	916	5,038
Other Receivables				
Amounts due from related parties:				
Subsidiaries	–	–	474,548	489,771
Associates	–	1,272	–	1,272
Jointly controlled entities	1,638	20,050	1,638	20,050
	1,638	21,322	476,186	511,093
Deposits	5,385	4,997	3,236	3,241
Prepayments	1,333	2,287	–	135
Sundry receivables	29,906	55,105	22,058	46,330
	38,262	83,711	501,480	560,799
Less: Provision for doubtful debts	(25,605)	(25,723)	(66,237)	(66,293)
Other receivables, net	12,657	57,988	435,243	494,506
Total trade and other receivables	115,122	178,001	436,159	499,544

28. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Analysis of Provision for Doubtful Debts is as Follows:				
Trade Receivables				
At 1 April	15,879	4,240	2,972	2,972
Acquisition of subsidiaries	–	11,538	–	–
Add: Provision during the year	727	876	66	–
Add: Transfer from other receivables	30	498	–	–
Less: Provisions written off	(2)	–	–	–
Less: Provisions written back	(369)	(1,234)	–	–
Less: Transfer to assets held for sale	–	(39)	–	–
At 31 March	16,265	15,879	3,038	2,972
Other Receivables				
At 1 April	25,723	28,241	66,293	66,422
Add: Provision during the year	6	151	–	–
Less: Transfer to trade receivables	(30)	(498)	–	–
Less: Disposal of subsidiaries	(56)	–	–	–
Less: Provisions written back	(38)	(171)	–	(129)
Less: Provisions written off	–	(2,000)	(56)	–
At 31 March	25,605	25,723	66,237	66,293

a. **Credit Risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to mitigate and minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk other than debts totalling RM7,555,000 (2007: RM5,000,000) due from 2 (2007:1) customers for purchases of properties and goods. Trade receivables are non-interest bearing.

b. **Amounts Due from Related Parties**

Included in amounts due from subsidiaries is amount of RM96,232,000 (2007: RM174,015,000) which is trade in nature and attracts interest at 7.5% (2007: 6.5%) per annum. Other balances with subsidiaries are non-trade in nature and attract interest rates ranging from 0% to 6.5% (2007: 0% to 6.5%) per annum. All balances with subsidiaries have no fixed terms of repayments.

All other amounts due from related parties are non-interest bearing and are repayable on demand. All related party receivables are unsecured and are to be settled in cash.

As at balance sheet date, debts due from certain subsidiaries which have exceeded their capital investments amounted to approximately RM135,357,000 (2007: RM130,300,000). The directors are of the opinion that no further provision for doubtful debts needs to be made for the debts due from these subsidiaries as these subsidiaries are expected to generate forecasted future profits based on the financial budgets approved by directors covering a 5-year period.

28. TRADE AND OTHER RECEIVABLES (CONT'D)

b. Amounts Due from Related Parties (cont'd)

The principal assumptions used in the forecast include:

i. Expenditure

The basis used to determine the expenditure of the subsidiaries is the actual expenditure incurred in the previous financial year and adjusted for inflationary factor.

ii. Growth Rate

The weighted growth rates used are consistent with the historically long-term average growth rate. The subsidiaries are expected to achieve an average growth rate of 7% over the period of the cash flow projections.

iii. Discount Rate

The discount rate of 10% on a pre-tax basis is used in the assumption.

The directors are continuously monitoring the achievability of the forecast and if actual results fall short of forecast, immediate provision for doubtful debts will be made in the financial statements of the Company.

Further details on related party transactions are disclosed in Note 42.

29. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2008 RM'000	2007 RM'000
Construction costs incurred to date	288,170	239,542
Attributable profits	14,603	16,186
	302,773	255,728
Less: Progress billings	(279,650)	(247,674)
	23,123	8,054
Due from customers on contract (Note 28)	23,313	8,064
Due to customers on contract (Note 37)	(190)	(10)
	23,123	8,054
Retention sums on contract, included within trade receivables (Note 28)	2,576	3,509
Advances received on construction contracts (Note 37)	5,961	–

30. CASH AND CASH EQUIVALENTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Housing Development Accounts	21,181	13,762	283	276
Cash on hand and at banks	37,678	14,213	13,512	1,552
Deposits with licensed banks	1,670	7,630	215	760
Cash and bank balances	60,529	35,605	14,010	2,588
Bank overdrafts (Note 35)	(10,615)	(8,046)	–	(12)
Cash and cash equivalents	49,914	27,559	14,010	2,576
Deposits:				
Weighted average interest rates (%)	2.95	3.20	2.50	2.80
Weighted average maturity (days)	53	30	25	30

The cash under the Housing Development Accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Included in deposits of the Group are deposits of RM1,210,000 (2007: RM2,108,000) pledged to financial institutions for credit facilities granted to certain subsidiaries, and hence are not available for general use.

Other information on financial risks of cash and cash equivalents are disclosed in Note 45.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Cash and bank balances	60,529	35,605	14,010	2,588
Bank overdrafts (Note 35)	(10,615)	(8,046)	–	(12)
	49,914	27,559	14,010	2,576
Cash and bank balances classified as held for sale (Note 14)	–	1,230	–	–
Total cash and cash equivalents	49,914	28,789	14,010	2,576

31. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of Ordinary Shares of RM1 Each 2008 '000	Number of Ordinary Shares of RM1 Each 2007 '000	Amount 2008 RM'000	Amount 2007 RM'000
Authorised Share Capital				
At 1 April	1,000,000	500,000	1,000,000	500,000
Created during the year	–	500,000	–	500,000
At 31 March	1,000,000	1,000,000	1,000,000	1,000,000

31. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONT'D)

	Number of Ordinary Shares of RM1 Each		Amount			
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Share Premium RM'000	Total Share Capital and Share Premium RM'000	Treasury Shares RM'000
At 1 April 2006	320,343	1,096	320,343	244,792	565,135	(848)
Acquisition of subsidiaries (Note 22(a))	472	–	472	117	589	–
Purchase of treasury shares	–	9,469	–	–	–	(8,002)
At 31 March 2007	320,815	10,565	320,815	244,909	565,724	(8,850)
Reduction of share premium account against accumulated losses (Note 43(h))	–	–	–	(220,000)	(220,000)	–
Purchase of treasury shares	–	4,221	–	–	–	(4,173)
At 31 March 2008	**320,815**	**14,786**	**320,815**	**24,909**	**345,724**	**(13,023)**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

a. Share Premium

On 26 September 2007, the Kuala Lumpur High Court confirmed and sanctioned the Company's petition for capital reduction in accordance with Section 64 of the Companies Act, 1965 to reduce the Company's share premium account by RM220 million and to utilise the credit arising therefrom to reduce the accumulated losses of the Company retrospectively from the date where the accumulated losses of the Company was first applied.

b. Treasury Shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by a special resolution passed at the Annual General Meeting held on 11 July 2007, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 4,221,100 of its issued ordinary shares from the open market at an average price of RM0.99 per share. The total consideration paid for the repurchase was RM4,173,000. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 320,815,190 (2007: 320,815,190) issued and fully paid ordinary shares as at 31 March 2008, 14,786,000 (2007: 10,564,900) are held as treasury shares by the Company. As at 31 March 2008, the number of ordinary shares in issue less the treasury shares is therefore 306,029,190 (2007: 310,250,290) ordinary shares of RM1 each.

32. OTHER RESERVES

Group	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Total RM'000
At 1 April 2006	24,872	(218)	24,654
Reversal of deferred tax arising from the abolishment of real property gain tax	1,200	–	1,200
Opening balance adjustment due to change in tax rate	90	–	90
Impairment losses:			
– Property, plant and equipment (Note 17)	(958)	–	(958)
– Investment properties (Note 19)	(5,337)	–	(5,337)
Foreign currency translation – Group	–	(111)	(111)
Amount recognised directly in equity relating to assets classified as held for sale	–	329	329
At 31 March 2007	19,867	–	19,867
Amount recognised directly in equity relating to assets classified as held for sale	(16,403)	–	(16,403)
At 31 March 2008	**3,464**	**–**	**3,464**

The nature and purpose of each category of reserve are as follows:

a. Capital Reserve
The capital reserve was used to record the increase in the fair value of certain freehold land and buildings which have not been revalued since 1983. Subsequent to the Board's approval for disposal of the investment property, Campbell Complex, the capital reserve was reclassified to equity relating to assets classified as held for sale.

b. Foreign Currency Translation Reserve
The foreign currency translation reserve was used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies were different from that of the Group's presentation currency. It was also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

33. RETAINED PROFITS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company has not elected for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 March 2008 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 March 2008, the Company has sufficient credit in the 108 balance and balance in tax exempt income account of RM28,776,000 and RM13,514,000 respectively to pay franked dividends out of its entire retained profits.

34. SHARES HELD BY ESTS TRUST

During the financial year, the Company established a trust ("ESTS Trust") for its eligible executives pursuant to the establishment of an Employee Share Trust Scheme. The ESTS Trust is administered by an appointed Trustee. The Trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions, as the Company and the Trustee may agree, to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of the group's employees are recorded as Shares held by ESTS Trust in the Group and the Company's balance sheet as a deduction in arriving at the shareholders' equity.

The main features of the ESTS, inter-alia, are as follows:

a. Beneficiaries of the ESTS are eligible employees who are full-time employees under the category of executives of the Group which may include executive directors of the Company who have been in employment with the Company for at least 6 months and are on the payroll of the Company and its subsidiaries during the ESTS Period.

b. The aggregate number of shares to be acquired under ESTS shall not exceed 15 million of the issued ordinary shares of the Company for the time being and the amount required to purchase the first tranche of 10 million issued ordinary shares of the Company shall not exceed RM14 million.

c. The Scheme shall be in force for a period of 3 years, effective from 1 October 2007.

d. The beneficiaries shall be entitled to any distribution rights (including but not limited to dividends, bonus and rights issues but shall exclude cash capital repayments) in relation to the ESTS Shares.

e. The beneficiaries shall not be entitled to any voting rights in relation to the ESTS Shares as the voting rights lie with the appointed Trustee who shall take into consideration the recommendations of the advisor appointed by the ESTS Committee before voting.

f. The award to the beneficiaries is through the realisation of any gains arising from the disposal of the ESTS Shares held in the Trust. The net gains from such disposal are to be allocated to the beneficiaries based on the beneficiaries' achievement of their respective Performance Targets determined by the Company.

During the financial year, the Trustee acquired 9,991,800 issued ordinary shares of the Company from the open market at prices ranging from RM0.97 to RM1.24 per share, for a total consideration of RM11,418,000.

Details of the ESTS shares bought back during the financial year were as follows:

	Share Price		Number of	Total
Month	Lowest RM	Highest RM	Shares '000	Consideration RM'000
At 1 April 2007	–	–	–	–
September 2007	1.19	1.22	3,945	4,772
October 2007	1.15	1.24	1,032	1,236
November 2007	1.08	1.17	1,855	2,066
December 2007	1.10	1.11	887	978
January 2008	0.99	1.10	2,229	2,324
February 2008	0.97	0.97	44	42
At 31 March 2008			**9,992**	**11,418**
Average share price per share (RM)				1.14

35. BORROWINGS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Short Term Borrowings				
Secured: (Note a)				
Bank overdrafts	10,615	8,034	–	–
Bankers' acceptances	–	5,390	–	–
Term loans	20,192	51,664	11,000	11,000
Revolving credits	53,000	46,750	53,000	46,750
	83,807	111,838	64,000	57,750
Unsecured:				
Bank overdrafts	–	12	–	12
Revolving credits	–	18,000	–	18,000
Fixed rate term loan (Note b)	–	40,000	–	40,000
Hire purchase and finance lease liabilities (Note 36)	33	148	–	–
	33	58,160	–	58,012
	83,840	169,998	64,000	115,762
Long Term Borrowings				
Secured: (Note a)				
Term loans	41,450	58,774	19,250	30,250
Unsecured:				
Fixed rate term loan (Note b)	60,000	60,000	60,000	60,000
Hire purchase and finance lease liabilities (Note 36)	22	127	–	–
	60,022	60,127	60,000	60,000
	101,472	118,901	79,250	90,250
Total Borrowings				
Bank overdrafts (Note 30)	10,615	8,046	–	12
Bankers' acceptances	–	5,390	–	–
Term loans	61,642	110,438	30,250	41,250
Revolving credits	53,000	64,750	53,000	64,750
Fixed rate term loan	60,000	100,000	60,000	100,000
Hire purchase and finance lease liabilities	55	275	–	–
	185,312	288,899	143,250	206,012
Maturity of borrowings (excluding hire purchase and finance lease liabilities):				
Within 1 year	83,807	169,850	64,000	115,762
More than 1 year and less than 2 years	101,450	118,774	79,250	90,250
	185,257	288,624	143,250	206,012

35. BORROWINGS (CONT'D)

a. The bank overdrafts, term loans and revolving credits are secured by charges on certain assets of the Group and of the Company as follows:

   i. Freehold land and buildings
   ii. Investment properties
   iii. Land held for property development
   iv. Development and completed properties
   v. Present and future assets of certain subsidiaries
   vi. Security sharing agreement and trust deed
   vii. Certain quoted investments and unquoted shares
   viii. Corporate guarantees by the Company

   The repayment terms vary from a single repayment in full, monthly instalments to quarterly instalments over a period of five years or by redemption of development units' selling price of certain residential development of subsidiaries.

b. The 5-year unsecured fixed rate term loan originated by financial institutions pursuant to a primary collateralised loan obligations transaction in the capital markets. In this instance, the Company subscribed for a pro-rata share of 5-year Subordinated Bonds amounting to RM10,000,000 (2007: RM10,000,000) as disclosed in Note 25.

   RM40,000,000 was repaid in a lump sum in November 2007. The remaining balance of RM60,000,000 is repayable in lump sum payment in June 2009.

Other information on financial risks on borrowings are as follows:

	Type	Weighted Average Interest Rate 2008 %	Weighted Average Interest Rate 2007 %	Maturity	Fair Value 2008 RM'000	Fair Value 2007 RM'000
Group						
Bank overdrafts	Floating	8.09	8.09	On demand	10,615	8,046
Bankers' acceptances	Floating	–	6.08	On demand	–	5,390
Term loans	Floating	6.92	6.72	2009 – 2010	61,642	110,438
Revolving credits	Floating	5.19	6.16	On demand	53,000	64,750
Fixed rate term loan	Fixed	6.70	6.70	2009	56,127	90,063
Company						
Bank overdrafts	Floating	–	8.00	On demand	–	12
Term loans	Floating	6.90	6.90	On demand	30,250	41,250
Revolving credits	Floating	5.19	6.16	On demand	53,000	64,750
Fixed rate term loan	Fixed	6.70	6.70	2009	56,127	90,063

36. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group 2008 RM'000	Group 2007 RM'000
Future Minimum Lease Payments		
Not later than 1 year	35	160
Later than 1 year and not later than 2 years	12	95
Later than 2 years and not later than 5 years	13	40
Later than 5 years	–	1
	60	296
Less: Future finance charges	(5)	(21)
Present value of finance lease liabilities	55	275
Analysis of Present Value of Finance Lease Liabilities		
Not later than 1 year	33	148
Later than 1 year and not later than 2 years	10	89
Later than 2 years and not later than 5 years	12	37
Later than 5 years	–	1
	55	275
Less: Amount due within 12 months (Note 35)	(33)	(148)
Amount due after 12 months (Note 35)	22	127

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangement has been entered into for contingent rental payments.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed as follows:

	Type	Interest 2008 %	Interest 2007 %	Maturity	Fair Value 2008 RM'000	Fair Value 2007 RM'000
Group						
Hire purchase and finance lease liabilities	Fixed	3.38	4.11	2009 to 2012	55	275

37. TRADE, OTHER PAYABLES AND DEFERRED INCOME

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current				
Trade Payables				
Third parties	79,812	47,777	1,241	1,453
Progress billings in respect of property development costs	5,840	777	–	–
Construction contracts:				
Due to customers (Note 29)	190	10	–	–
Advances received (Note 29)	5,961	–	–	–
	91,803	48,564	1,241	1,453
Other Payables				
Amounts due to related parties:				
Subsidiaries	–	–	160,254	112,241
Associates	284	284	–	–
	284	284	160,254	112,241
Accruals	8,575	19,681	2,877	8,854
Sundry payables	11,641	14,810	1,675	898
	20,500	34,775	164,806	121,993
Total trade and other payables	112,303	83,339	166,047	123,446

	Group	
	2008 RM'000	2007 RM'000
Non-current		
Other Payables		
Loan from a minority shareholder of a subsidiary (Note c)	2,333	2,333
Rental and utility deposits from sub-tenant	–	293
	2,333	2,626
Deferred income (Note d)	35,799	35,799
Total other payables and deferred income	38,132	38,425

37. TRADE, OTHER PAYABLES AND DEFERRED INCOME (CONT'D)

a. Trade Payables

Trade payables are generally non-interest bearing and the normal trade credit terms range from 30 to 90 (2007: 30 to 90) days.

b. Amounts Due to Related Parties

Amounts due to related parties are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

c. Other Payables

Loan from a minority shareholder of a subsidiary is unsecured, bears interest at 8% (2007: 8%) per annum during the financial year and is not expected to be repaid in the foreseeable future. However, the minority shareholder has agreed to waive the interest for the current and previous years.

d. Deferred Income

Deferred income is in respect of unrealised profit arising from the disposal of Mayang Land to Alpine Return Sdn. Bhd. ("Alpine"). This will be realised when those land are subsequently sold to third parties or when the Company dispose of its investment in Alpine. There were no sales in respect of the land recognised by Alpine during the financial year.

Further details on related party transactions are disclosed in Note 42.

38. DEFERRED TAXATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 April	(3,323)	2,867	192	563
Recognised in income statement (Note 13)	(95)	(8,829)	(234)	(371)
Recognised in equity	–	(1,290)	–	–
Reclassified as held for sale (Note 14)	(2,228)	928	–	–
Acquisition of subsidiaries (Note 22(a))	–	3,137	–	–
Disposal of subsidiaries (Note 22(b))	260	(136)	–	–
At 31 March	(5,386)	(3,323)	(42)	192
Presented After Appropriate Offsetting as Follows:				
Deferred tax assets	(12,727)	(15,113)	(86)	–
Deferred tax liabilities	7,341	11,790	44	192
	(5,386)	(3,323)	(42)	192

38. DEFERRED TAXATION (CONT'D)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group

	Accelerated Capital Allowances RM'000	Fair Value Adjustment/ Revaluation of Freehold Land RM'000	Revaluation of Buildings RM'000	Recognition of Projects Profits and Development Expenditure RM'000	Total RM'000
At 1 April 2006	3,184	1,364	2,508	–	7,056
Acquisition of subsidiaries	1,835	7,196	–	847	9,878
Recognised in equity	–	(1,200)	(90)	–	(1,290)
Recognised in income statement	(1,161)	(323)	(52)	(62)	(1,598)
Disposal of subsidiary	(20)	–	–	–	(20)
Reclassified as held for sale	(2,236)	–	–	–	(2,236)
At 31 March 2007	1,602	7,037	2,366	785	11,790
Recognised in income statement	(1,288)	–	–	(785)	(2,073)
Disposal of subsidiaries	(10)	–	(138)	–	(148)
Reclassified as held for sale	–	–	(2,228)	–	(2,228)
At 31 March 2008	**304**	**7,037**	**–**	**–**	**7,341**

Deferred Tax Assets of the Group

	Deferred Income RM'000	Unabsorbed Tax Losses RM'000	Unabsorbed Capital Allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2006	–	(1,945)	(1,994)	(250)	(4,189)
Acquisition of subsidiaries	–	(184)	(232)	(6,325)	(6,741)
Recognised in income statement	(9,308)	510	313	1,254	(7,231)
Disposal of subsidiary	–	–	–	(116)	(116)
Reclassified as held for sale	–	1,351	1,808	5	3,164
At 31 March 2007	(9,308)	(268)	(105)	(5,432)	(15,113)
Recognised in income statement	–	(41)	(27)	2,046	1,978
Disposal of subsidiaries	–	268	105	35	408
At 31 March 2008	**(9,308)**	**(41)**	**(27)**	**(3,351)**	**(12,727)**

38. DEFERRED TAXATION (CONT'D)

Deferred Tax Liabilities of the Company

	Accelerated Capital Allowances RM'000	Revaluation of Freehold Land RM'000	Revaluation of Buildings RM'000	Total RM'000
At 1 April 2006	312	164	137	613
Recognised in income statement	(284)	–	(137)	(421)
At 31 March 2007	28	164	–	192
Recognised in income statement	(148)	–	–	(148)
At 31 March 2008	**(120)**	**164**	**–**	**44**

Deferred Tax Assets of the Company

	Unabsorbed Tax Losses RM'000	Unabsorbed Capital Allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2006	–	(50)	–	(50)
Recognised in income statement	–	50	–	50
At 31 March 2007	–	–	–	–
Recognised in income statement	(41)	(27)	(18)	(86)
At 31 March 2008	**(41)**	**(27)**	**(18)**	**(86)**

The following deferred tax benefits have not been recognised in the financial statements as the Group is unable to anticipate their realisation:

	Group 2008 RM'000	Group 2007 RM'000
Unabsorbed tax losses	31,551	29,808
Unabsorbed capital allowances	6,278	7,509
Other deductible temporary differences	53,836	51,272
	91,665	88,589

The unabsorbed tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits.

39. PROVISIONS

	Group	
	2008 RM'000	2007 RM'000
At 1 April	–	60,000
Current year provision (Note 10)	–	3,476
Amount paid	–	(63,476)
At 31 March	–	–

In the previous financial year, the provision relates to the cumulative shortfall in profit guarantee in respect of the disposal of Symphony Global Sdn. Bhd. to Symphony House Berhad.

40. OPERATING LEASE COMMITMENTS

The Group as Lessor

The Group has entered into non-cancellable operating lease agreements on its investment property portfolio. These leases have remaining non-cancellable lease terms of between 1 and 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions and certain contracts include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2008 RM'000	2007 RM'000
Not later than 1 year	6,721	6,278
Later than 1 year and not later than 5 years	2,690	3,232
Later than 5 years	–	607
	9,411	10,117

Investment property rental income, including contingent rent, recognised in profit or loss during the financial year is disclosed in Note 3.

41. CONTINGENT LIABILITIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Secured:				
Indemnities given to third parties in respect of bank guarantees	240	1,414	–	–
Performance bonds extended to third parties	337	337	–	–
Unsecured:				
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries	–	–	50,400	12,702

Contingent liabilities are secured by charges as disclosed in Note 35.

42. RELATED PARTY DISCLOSURES

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
a. Transactions with Subsidiaries				
– Interest income receivables	–	–	8,334	14,538
– Construction progress billings	–	–	–	409
– Secretarial fees receivables	–	–	1	57
– Professional fees	–	–	–	12
– Rental expense	–	–	587	587
– Interest expense	–	–	–	1,424
– Management fees	–	–	2,535	–
b. Transactions with Associates and Jointly Controlled Entity				
Symphony House Berhad* and its subsidiary				
– Profit guarantee paid	–	63,476	–	–
– Share registration services	147	–	147	–
– Reimbursement of salary costs	52	–	52	–
Menara Ampang Sdn. Bhd.*				
– Rental payable	–	800	–	–
– Secretarial fees receivables	–	2	1	2
Alpine Return Sdn. Bhd.				
– Sale of properties	–	56,144	–	112,287
– Interest income	–	1,320	–	2,639
c. Transactions with company Connected to Director				
LLT Consultancy **				
– Professional fees paid	12	12	–	–
d. Transactions with Certain Directors of the Company				
Sale of properties to certain directors	2,069	3,572	–	–

* Ceased to become associates during the year.
** The Company in which Tan Sri Dato' Lee Lam Thye, a director of a subsidiary company, has substantial interest.

Information regarding the outstanding balances arising from related party transactions as at 31 March 2008 are disclosed in Notes 28 and 37.

e. Compensation of Key Management Personnel

The remuneration of members of key management during the year was as follows:

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Wages and salaries	1,878	1,364	1,646	1,191
Contributions to defined contribution plan	287	163	259	142
Social security contributions	3	2	3	2
Other benefits	124	78	124	78
	2,292	1,607	2,032	1,413

Remuneration of directors is as disclosed in Note 7.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a. On 5 May 2007, Kejora Harta Bhd. ("KHB"), an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with North Borneo Cigars Sdn. Bhd. ("NBCSB") for the acquisition of all that parcels of freehold land held under Geran No. 66312, Lot No. 4189, Bandar Tanjung Bungah, Pulau Pinang measuring 3.412 acres for a total cash consideration of RM24.7 million. Simultaneously with the acquisition, KHB also entered into a Share Sale Agreement with NBCSB for the acquisition of the entire equity interest in GLM Property Development Sdn. Bhd., comprising 300,000 ordinary shares of RM1 each for a total cash consideration of RM300,000. Further details are provided in Note 22(a).

b. On 29 May 2007, the Company subscribed for an additional 19,875,000 ordinary shares of RM1 each in Alpine Return Sdn. Bhd. ("Alpine") by way of capitalisation of the shareholder's advances from the Company to Alpine. Further details are provided in Note 24.

c. On 30 May 2007, the Company entered into a Sale and Purchase Agreement with Ibu Kota Developments Sdn. Bhd. for the disposal of its entire equity interest of 49% in Menara Ampang Sdn. Bhd. for a total cash consideration of RM10,428,000. Further details are provided in Note 23.

d. On 1 June 2007, the Group via its indirect subsidiary, Multivenue Sdn. Bhd., entered into a Purchase Agreement with Restaurant Operating Investment Company, a corporation incorporated under the laws of Texas, United States of America for the disposal of its entire shareholdings in BB Franchising Inc., comprising 3,000 Common Stocks of USD1 each, 20,000 Series A Preference Stocks of USD100 each and 3,000 Series B Preference Stocks of USD100 each for a total cash consideration of approximately RM1,122,000 (equivalent to USD330,000). The effects of the disposal are disclosed in Note 22(b).

e. On 31 July 2007, the Company announced its proposal to undertake a non-renounceable offer for sale ("OFS") of 18.77% of its equity interest in Symphony House Berhad ("Symphony"). The proposed OFS will involve a non-renounceable offer for sale by the Company of 123,885,316 ordinary shares of RM0.10 each in Symphony ("Symphony shares") to the shareholders of the Company, at an offer price to be determined, payable in full upon acceptance, on the basis of 2 Symphony shares for every 5 ordinary shares of RM1 each in the Company held by the shareholders of the Company on the entitlement date.

   The shareholders of the Company had approved the proposed OFS in an Extraordinary General Meeting held on 15 November 2007.

   On 14 December 2007, the Board of Directors fixed the offer price to be at RM0.31 per Symphony share with the entitlement and final acceptance/payment dates falls on 2 January 2008 and 22 January 2008 respectively.

   On 28 January 2008, the final acceptances for the OFS amounted to 36,906,535 Symphony shares, representing 29.79% of the shares offered. Pursuant to the completion of the OFS, the Company's existing equity interest in Symphony was reduced from 20.01% to 15.10%. Further details are provided in Notes 23 and 25.

f. On 23 August 2007, the Company and its wholly-owned subsidiary, Noble Accord Sdn. Bhd. ("NASB"), terminated the Sale and Purchase Agreement ("SPA") and Share Sale Agreement ("SSA") with Ho Wah Genting Poipet Resorts Sdn. Bhd. in respect of the disposal of a piece of freehold land held under H.S. (D) 80171, P.T. No. 68, Section 69, Bandar Kuala Lumpur, Daerah Wilayah Persekutuan, together with an existing 19-storey building known as "Hotel Midah" erected thereon ("the Hotel properties") including all fixtures and fittings for a maximum cash consideration of RM29 million and the disposal of the Company's entire equity interest in NASB for a nominal cash consideration of RM1,000 respectively.

   The termination resulted in an amount of RM1,500,100 recognised as other income as disclosed in Note 14.

   Subsequently on 28 September 2007, NASB entered into a SPA with EMZED Travel & Tours Sdn. Bhd. ("EMZED") for the disposal of the Hotel properties together with all fixtures and fittings for a total cash consideration of RM26 million.

   On even date, the Company also entered into a SSA with EMZED for the disposal of its 100% equity interest in NASB to EMZED for a nominal cash consideration of RM1,000.

   On 31 March 2008, the Company completed the disposal of NASB which resulted in a loss of RM1,500 for the Group. Further details are disclosed in Note 22(b).

g. On 13 September 2007, the Company entered into an agreement with the minority shareholders of Vibrant Glory Sdn. Bhd. ("VGSB") for the acquisition of the remaining 11% equity interest in VGSB for a total cash consideration of RM110. Further details are provided in Note 22(c).

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

h. The Company had undertaken a capital reduction exercise pursuant to Section 64 of the Companies Act, 1965 to reduce the Company's share premium account by RM244.792 million and to utilise the credit arising therefrom to reduce the accumulated losses of the Company.

On 26 September 2007, the Kuala Lumpur High Court confirmed and sanctioned the Company's petition to reduce the Company's share premium account by RM220 million. The sealed copy of the Court Order was lodged with the Companies Commission of Malaysia on 14 November 2007. Further details are disclosed in Note 31(a).

i. On 4 October 2007, the Company entered into an agreement with the minority shareholders of Vista-Prisma Sdn. Bhd. ("VPSB") for the acquisition of the remaining 6.5% equity interest in VPSB for a total cash consideration of RM690,001. Further details are disclosed in Note 22(c).

j. On 12 October 2007, the Group, through an indirect wholly-owned subsidiary, Kenneison Quarries Sdn. Bhd. ("KQSB"), has entered into a Sale and Purchase Agreement with Batu Tiga Quarry Sdn. Bhd. ("BTQ") to dispose of its quarry equipment and other movable assets for a cash consideration of RM6.5 million.

Simultaneously, KQSB also entered into two separate Share Sale Agreements with BTQ to dispose of its subsidiaries, Kenneison Construction Materials Sdn. Bhd. and Kenneison Northern Quarry Sdn. Bhd. for considerations of RM17 million and RM500,000 respectively. The disposals resulted in gain of RM13,248,000 for the Group. Further details are disclosed in Note 22(b).

Further to the above agreements, the holding company of KQSB, Kenneison Brothers Sdn. Bhd. ("KBSB"), entered into a Quarry Agreement with BTQ granting the rights to occupy and operate two pieces of leasehold land used for quarry operations ("Quarry Land") for a period of 12 years ("Term") with minimum annual guaranteed tribute payment of RM3.0 million to KBSB, commencing from the calender year of 2008. KBSB shall also lease to BTQ all inmovable properties or assets on the Quarry Land for the duration of the Term for a nominal consideration of RM10.

k. On 19 December 2007, the Company entered into a Share Sale Agreement with Valentvest Sdn. Bhd. ("Valentvest") for the proposed disposal of its entire equity interest in Lim Thiam Leong Realty Sdn. Bhd. ("LTLR") for a total cash consideration of RM50,351,289. Simultaneously, the Company also entered into an Assignment of Debts Agreement with Valentvest for the recovery of the assigned debts of LTLR on the completion date of the proposed disposal.

44. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

a. Subsequent to year end, the Group announced that the Share Sale Agreement ("SSA") entered into with Valentvest Sdn. Bhd. ("Valentvest") to dispose of its entire equity interest in a wholly-owned subsidiary, Lim Thiam Leong Realty Sdn. Bhd., has been terminated due to non-compliance of certain terms and conditions of the SSA by Valentvest. Subsequent to the termination, the deposit was refunded to Valentvest.

b. Between the balance sheet date to 16 May 2008, the Company repurchased 401,100 of its issued ordinary shares from the open market at an average price of RM0.89 per share. The total consideration paid for the repurchase was RM357,324. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

45. FINANCIAL INSTRUMENTS

a. Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign exchange risk, liquidity risk and credit risk. The Group operates within clearly defined guidelines that are approved by the Board and it is the Group's policy not to engage in speculative transactions.

b. Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers, which yield better returns than cash at banks.

45. FINANCIAL INSTRUMENTS (CONT'D)

b. Interest Rate Risk (cont'd)

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

c. Foreign Exchange Risk

The Group has no material exposure to any foreign exchange risk.

d. Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

e. Credit Risk

Credit risks of financial instruments are as disclosed in Note 28.

f. Fair Values

It is not practical to determine the fair values of amounts due from/to subsidiaries, associates, jointly controlled entities, unquoted investments and subordinated bonds due principally to a lack of fixed repayment term and lack of quoted market prices entered into by the parties involved and without incurring excessive costs. However, the directors do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The carrying amounts of other financial assets and liabilities approximate their fair values except as indicated in their respective notes.

46. SEGMENTAL INFORMATION

The Group predominantly carries out its operations in Malaysia. Accordingly, information by geographical segments on the Group's operations is not presented but are presented on the following business segments:

Property Development and Investment

Incorporating property development and investment, property management and maintenance, property marketing consultancy and project management services.

Construction

Incorporating civil engineering and construction works.

Quarry Operations

Incorporating quarry operations and the manufacture, sale and distribution of premix products, construction and building materials.

Hotel Operations, Consumer Retail and Food Franchising

Hotel operations comprise hotel room services and food and beverages outlets. Consumer retail comprises marketing of products under the franchise of "The Body Shop". Food franchising includes restaurant concept development, franchising restaurants, deli-baking products and fast food outlet operator. As disclosed in Note 14, the Group has discontinued its hotel operations, consumer retail and food franchising, which have been disclosed as a separate segment.

Other Operations

Other operations of the Group comprise other investments and investment holdings, none of which constitutes a separate reportable segment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment properties) and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and tax assets and liabilities.

Transfer prices between business segments are in the normal course of business and at terms mutually agreed between the parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

46. SEGMENTAL INFORMATION (CONT'D)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment:

2008	Continuing Operations: Property Development and Investment RM'000	Continuing Operations: Construction RM'000	Continuing Operations: Quarry Operations RM'000	Continuing Operations: Other Operations RM'000	Continuing Operations: Eliminations RM'000	Continuing Operations: Sub-Total RM'000	Discontinued Operations: Hotel Operations, Consumer Retail and Food Franchising RM'000	Total RM'000
Revenue								
External revenue	242,565	4,512	44,840	1,870	–	293,787	5,534	299,321
Inter-segment sales	2,619	52,855	9,220	9,575	(74,269)	–	–	–
	245,184	57,367	54,060	11,445	(74,269)	293,787	5,534	299,321
Results								
Segment results	59,512	765	5,945	3,103	–	69,325	4,432	73,757
Unallocated corporate expenses						(14,124)	–	(14,124)
Finance costs						(14,025)	–	(14,025)
Other investing activities results						11,156	–	11,156
Share of results in associates	100	–	–	2,527	–	2,627	–	2,627
Share of results in jointly controlled entities	3,101	–	–	–	–	3,101	–	3,101
Profit before taxation						58,060	4,432	62,492
Income tax						(14,193)	156	(14,037)
Profit for the year						43,867	4,588	48,455
Assets								
Segment assets	561,767	32,314	34,129	59,414	(9,328)	678,296	–	678,296
Investments in associates	–	–	–	325	–	325	–	325
Investments in jointly controlled entities	66,840	–	–	–	–	66,840	–	66,840
Unallocated assets						8,064	–	8,064
Total assets						753,525	–	753,525

46. SEGMENTAL INFORMATION (CONT'D)
Business Segments (cont'd)

2008	Property Development and Investment RM'000	Construction RM'000	Quarry Operations RM'000	Other Operations RM'000	Eliminations RM'000	Sub-Total RM'000	Discontinued Operations: Hotel Operations, Consumer Retail and Food Franchising RM'000	Total RM'000
	|-----	-----	Continuing Operations	-----	-----	-----|		
Liabilities								
Segment liabilities	319,334	24,102	2,155	3,659	(9,607)	339,643	–	339,643
Unallocated liabilities						3,215	–	3,215
Total liabilities						342,858	–	342,858
Other Information								
Capital expenditure	1,143	172	59	1,504	–	2,878	–	2,878
Depreciation and amortisation	3,052	241	1,901	305	–	5,499	–	5,499
Impairment losses recognised in profit or loss	–	–	1,849	464	–	2,313	–	2,313
Other significant non-cash expenses:								
Bad debts written off:								
– An associate	–	–	–	701	–	701	–	701
– Third parties	–	–	–	125	–	125	–	125
Fair value adjustments on:								
– Other quoted investments	–	–	–	(164)	–	(164)	–	(164)
– Short term quoted investments	–	–	–	(576)	–	(576)	–	(576)
Property, plant and equipment written off	–	–	–	13	–	13	–	13
Net provision for/(write back of) doubtful debts	118	345	(203)	66	–	326	3	329
Provision for foreseeable losses	2,201	–	–	–	–	2,201	–	2,201
Reversal of impairment losses for property development costs	(1,469)	–	–	–	–	(1,469)	–	(1,469)
Write back of overprovision of cost	(3,262)	–	–	–	–	(3,262)	–	(3,262)

46. SEGMENTAL INFORMATION (CONT'D)
Business Segments (cont'd)

2007	Continuing Operations: Property Development and Investment RM'000	Construction RM'000	Quarry and Premix RM'000	Other Operations RM'000	Eliminations RM'000	Sub-Total RM'000	Discontinued Operations: Hotel Operations, Consumer Retail and Food Franchising RM'000	Total RM'000
Revenue								
External revenue	283,812	9,704	31,494	316	–	325,326	41,024	366,350
Inter-segment sales	1,812	6,212	12,415	12,351	(32,790)	–	–	–
	285,624	15,916	43,909	12,667	(32,790)	325,326	41,024	366,350
Results								
Segment results	88,262	(571)	4,445	43,481	(39,905)	95,712	2,646	98,358
Unallocated corporate expenses						(19,524)	–	(19,524)
Finance costs						(23,792)	(1,626)	(25,418)
Other investing activities results						73,293	–	73,293
Share of results in associates	(39,456)	–	–	(456)	–	(39,912)	–	(39,912)
Share of results in jointly controlled entities	(2,673)	–	–	–	–	(2,673)	–	(2,673)
Profit before taxation						83,104	1,020	84,124
Income tax						(17,306)	(3,193)	(20,499)
Profit/(loss) for the year						65,798	(2,173)	63,625
Assets								
Segment assets	642,235	27,418	63,390	51,299	(82,874)	701,468	27,871	729,339
Investments in associates	10,864	–	–	41,755	–	52,619	–	52,619
Investments in jointly controlled entities	43,864	–	–	–	–	43,864	–	43,864
Unallocated assets						8,488	–	8,488
Total assets						806,439	27,871	834,310

46. SEGMENTAL INFORMATION (CONT'D)

Business Segments (cont'd)

2007	Continuing Operations: Property Development and Investment RM'000	Construction RM'000	Quarry and Premix RM'000	Other Operations RM'000	Eliminations RM'000	Sub-Total RM'000	Discontinued Operations: Hotel Operations, Consumer Retail and Food Franchising RM'000	Total RM'000
Liabilities								
Segment liabilities	367,001	24,100	32,263	2,972	(6,777)	419,559	27,376	446,935
Unallocated liabilities						3,518	–	3,518
Total liabilities						423,077	27,376	450,453
Other Information								
Capital expenditure	1,604	27	64	65	–	1,760	657	2,417
Depreciation and amortisation	3,659	252	2,888	546	–	7,345	1,116	8,461
Impairment losses recognised in profit or loss	2,245	–	–	47,738	–	49,983	–	49,983
Other significant non-cash expenses:								
Bad debts written off	2	–	–	65	–	67	–	67
Fair value adjustment on short term quoted investments	–	–	–	(819)	–	(819)	–	(819)
Property, plant and equipment written off	–	245	–	–	–	245	70	315
Net provision for/(write back of) doubtful debts	244	–	(492)	(130)	–	(378)	–	(378)
Reversal of impairment losses for property development costs	(1,679)	–	–	–	–	(1,679)	–	(1,679)
Write back of provision for diminution of quoted shares	–	–	–	(314)	–	(314)	–	(314)
Write back of provision for liquidated ascertained damage	(20)	–	–	–	–	(20)	–	(20)

47. COMPARATIVES

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

	As Previously Stated RM'000	Reclassification RM'000	As Restated RM'000
Income Statements for year ended 31 March 2007			
Group			
Continuing Operations			
Employee benefits expense	(26,196)	4,001	(22,195)
Other expenses	(15,056)	(4,001)	(19,057)

Analysis of Shareholdings

as at 30 June 2008

Authorised Share Capital	:	RM1,000,000,000
Issued and Paid-up Capital	:	RM320,815,190
Class of Share	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per Ordinary Share

SHAREHOLDINGS DISTRIBUTION

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
Less than 100	217	2.62	6,687	0.00
100 – 1,000	2,578	31.17	2,344,155	0.77
1,001 – 10,000	4,560	55.13	19,082,547	6.24
10, 001 – 100,000	782	9.45	21,800,856	7.13
100,001 to less than 5% of issued shares	130	1.58	119,377,435	39.06
5% and above of issued shares	4	0.05	142,993,410	46.80
TOTAL	8,271	100.00	305,605,090*	100.00

*Excluding a total of 15,210,100 ordinary shares bought back by the Company and retained as treasury shares.

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS

		No. of Ordinary Shares Held			
No.	Name of Directors	Direct Interest	%*	Indirect Interest	%*
1.	Dato' Mohamed Azman bin Yahya	3,500,000	1.15	46,500,000[1]	15.22
2.	Wing Kwong @ Chan Wing Kwong	165,000	0.05	109,700[2]	0.04
3.	Chin Jit Pyng	9,571,606	3.13	8,000,000[3]	2.62
4.	Dato' Robert Teo Keng Tuan	–	–	10,000[4]	0.00
5.	Tan Sri Nik Mohamed bin Nik Yaacob	–	–	–	–
6.	Datuk Zakaria bin Dato' Ahmad	–	–	–	–
7.	Abdul Sani bin Busu	–	–	–	–
8.	Lee Siew Choong	–	–	–	–

Notes:

[1] Deemed interested by virtue of his interest in Gajahrimau Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[2] Deemed interested by virtue of his spouse's interest in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.

[3] Deemed interested by virtue of his interest in Billion Inspiration Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[4] Deemed interested by virtue of his interest in BHP Corp. Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

*Excluding a total of 15,210,100 ordinary shares bought back by the Company and retained as treasury shares.

Analysis of Shareholdings (cont'd)

as at 30 June 2008

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Ordinary Shares Held Direct Interest	%*	Indirect Interest	%*
1.	Forum Equity Sdn. Bhd.	67,993,410	22.25	–	–
2.	Gajahrimau Capital Sdn. Bhd.	46,500,000	15.22	–	–
3.	Dubai Investment Group Limited	28,500,000	9.33	–	–
4.	Lim Yen Haat	10,943,383	3.58	5,133,926[1]	1.68
5.	Chin Jit Pyng	9,571,606	3.13	8,000,000[2]	2.62
6.	Lim Hooi Teik	8,725,900	2.86	9,053,400[3]	2.96
7.	Dato' Mohamed Azman bin Yahya	3,500,000	1.15	46,500,000[4]	15.22
8.	Hopaco Properties Limited	–	–	67,993,410[5]	22.25
9.	Lee Choong Lim @ Lee Tin Fook	–	–	67,993,410[6]	22.25

Notes:

[1] Deemed interested by virtue of his interests in Lim Thiam Leong Company Sdn. Bhd. and Lam Huat Properties Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[2] Deemed interested by virtue of his interest in Billion Inspiration Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[3] Deemed interested by virtue of his interests in Follow Me Sdn. Bhd., Follow Me Records & Artistes Sdn. Bhd., Follow Me Industries Sdn. Bhd. and Tohtonku Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[4] Deemed interested by virtue of his interest in Gajahrimau Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[5] Deemed interested by virtue of the company's interest in Forum Equity Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

[6] Deemed interested by virtue of his interest in Hopaco Properties Limited pursuant to Section 6A of the Companies Act, 1965.

*Excluding a total of 15,210,100 ordinary shares bought back by the Company and retained as treasury shares.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%*
1.	HLB Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Forum Equity Sdn. Bhd.)	67,993,410	22.25
2.	Cartaban Nominees (Asing) Sdn. Bhd. (SSBT Fund RNQU for Dubai Investment Group Limited)	28,500,000	9.33
3.	Gajahrimau Capital Sdn. Bhd.	24,500,000	8.02
4.	ABB Nominee (Tempatan) Sdn. Bhd. (Pledged Securities Account for Gajahrimau Capital Sdn. Bhd.)	22,000,000	7.20
5.	Mayban Nominees (Tempatan) Sdn. Bhd. (Lim Yen Haat)	10,936,000	3.58
6.	OSK Trustees Berhad	9,991,800	3.27
7.	Chin Jit Pyng	9,571,606	3.13
8.	Billion Inspiration Sdn. Bhd.	8,000,000	2.62
9.	HSBC Nominees (Asing) Sdn. Bhd. (Exempt An for Credit Suisse (SG BR-TST-Asing))	5,766,100	1.89
10.	Lim Hooi Teik	5,753,000	1.88
11.	Tohtonku Sdn. Berhad	4,873,800	1.60
12.	Permodalan Nasional Berhad	4,000,000	1.31
13.	Lim Thiam Leong Company Sdn. Bhd.	3,315,745	1.08
14.	HLG Nominee (Tempatan) Sdn. Bhd. (Hong Leong Fund Management Sdn. Bhd. for Hong Leong Bank Berhad)	3,000,000	0.98
15.	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lim Hooi Teik)	2,815,600	0.92
16.	Malpac Capital Sdn. Bhd.	2,461,800	0.81
17.	Dato' Mohamed Azman bin Yahya	2,400,000	0.79
18.	Lim Hooi Teik	2,349,700	0.77
19.	Ho Sai Lon Mark	1,961,000	0.64
20.	Tan Lay Hooi	1,843,000	0.60
21.	Lam Huat Properties Sdn. Bhd.	1,818,181	0.59
22.	HDM Nominees (Asing) Sdn. Bhd. (OCBC Securities Pte. Ltd. for Lee Chin Fung Caroline)	1,734,500	0.57
23.	Citigroup Nominees (Asing) Sdn. Bhd. (CBNY for DFA Emerging Markets Fund)	1,277,400	0.42
24.	HLG Nominee (Tempatan) Sdn. Bhd. (Hong Leong Fund Management Sdn. Bhd. for Hong Leong Bank Berhad)	1,200,000	0.39
25.	Ang Poo Lin	1,150,000	0.38
26.	Lee Vincent	1,114,000	0.36
27.	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Dato' Mohamed Azman bin Yahya)	1,100,000	0.36
28.	Yip Lai Yong	1,042,000	0.34
29.	Lau Siow Ling	957,000	0.31
30.	Lim Hong Liang	898,700	0.29
	TOTAL	**234,324,342**	**76.68**

*Excluding a total of 15,210,100 ordinary shares bought back by the Company and retained as treasury shares.

Properties Owned by BOLTON Group

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2008 RM'000
Lot 1149, Section 57, Town and District of Kuala Lumpur, Wilayah Persekutuan	0.910	20 units of luxurious apartments called Bolton Court at Jalan Ceylon, Kuala Lumpur	1983 (Revaluation)	32 (Freehold)	5,544
Lot 248, Section 40, Mukim and District of Kuala Lumpur, Wilayah Persekutuan	1.366	20-storey shopping cum office complex at Jalan Dang Wangi, Kuala Lumpur	1983 (Revaluation)	36 (Freehold)	44,598
H.S. (D) 65053, No. P.T. 15140 and part of H.S. (D) 65052, No. P.T. 15139, both in Mukim and Daerah Petaling, Selangor	88.7	Land held for mixed development in Puchong, Selangor	2001	– (Leasehold – 99 years from date of issue of title)	48,573
H.S. (D) 64699, No. P.T. 10332 Mukim of Ampangan, District of Seremban, Negeri Sembilan Darul Khusus	57.0	Land held for mixed development in Seremban, Negeri Sembilan	1996	– (Freehold)	53,371
H.S. (D) 414, Lot P.T. 294 Mukim Kuah, District of Langkawi, Kedah	8.570	2 storey shopping complex located in Kuah town, Kedah	1997	11 (Leasehold expiring on 30 Dec 2093)	33,043
P. T. 4476, H.S. (D) 92414, Mukim Kuala Lumpur District of Kuala Lumpur	10.600	Commercial land located at Taman Midah, Jalan Cheras, Kuala Lumpur	1991	– (Freehold)	9,031
Taman Seri Telok Emas, Mukim Pernu, Negeri Melaka, District of Melaka Tengah, Melaka	16.52	Land held for mixed development in Melaka	1995	– (Leasehold – 99 years from date of issue of title)	12,807
Tijani Bukit Tunku, Bandar Kuala Lumpur, Mukim of Batu, Kuala Lumpur, Wilayah Persekutuan	8.584	Land held for development in Bukit Tunku, Kuala Lumpur	2004	– (Freehold)	43,993
Lot 3991, C.T. 7711, Mukim of Batu, District of Kuala Lumpur.	4.3	Land together with single storey office building located at Mukim of Batu, Kuala Lumpur	2000	9 (Freehold)	2,252
Lot 9018, MK Lease 9; Lot 9019, MK Lease 6; Lot 9020, MK Lease 23; Lot 9021, MK Lease 2; Lot 9022, MK Lease 1, Mukim of Batu, District of Gombak	13.68	Vacant agricultural land located at Mukim of Batu, District of Gombak	2000	– (99 year lease expiring in 2059)	22

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2008 RM'000
Lot 6668, Pajakan Negeri 7957; Lot 6669, Pajakan Negeri 7958, Mukim and District of Ulu Langat	625	Quarry land for extraction of rock reserves together with office and quarry buildings located at Mukim and District of Ulu Langat	2000	12 (30 year lease expiring in 2022)	21,530
H.S. (D) 629/94 P.T. 23910 District of Kuala Muda, Sungai Petani	0.32	Land together with three storey office building located at District of Kuala Muda, Sungai Petani, Kedah	1995	11 (Freehold)	183
H.S. (D) 630/94 P.T. 23911 District of Kuala Muda, Sungai Petani	0.32	Land together with three storey office building located at District of Kuala Muda, Sungai Petani, Kedah	1995	11 (Freehold)	183
H.S. (D) 253/94 P.T. 23534 H.S. (D) 2628/95 P.T. 22247 to H.S. (D) 2764/95 P.T. 22383 H.S. (D) 2770/95 P.T. 22389 to H.S. (D) 2771/95 P.T. 22390 H.S. (D) 4252/95 P.T. 22460 to H.S. (D) 4262/95 P.T. 22450 H.S. (D) 4110/95 P.T. 22461 to H.S. (D) 4171/95 P.T. 22522 H.S. (D) 4089/95 P.T. 22580 to H.S. (D) 4102/95 P.T. 22593 H.S. (D) 4234/95 P.T. 22663 to H.S. (D) 4251/95 P.T. 22680 H.S. (D) 4263/95 P.T. 22681 to H.S. (D) 4323/95 P.T. 22741 H.S. (D) 4337/95 P.T. 22755 to H.S. (D) 4348/95 P.T. 22766 H.S. (D) 4364/95 P.T. 22782 to H.S. (D) 4388/95 P.T. 22806 H.S. (D) 4424/95 P.T. 22920 to H.S. (D) 4565/95 P.T. 23061	351.8	Vacant development land intended for mixed, development, all in the District of Kuala Muda, Sungai Petani, Kedah	1995	– (Freehold)	69,673

Properties Owned by BOLTON Group (cont'd)

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2008 RM'000
H.S. (D) 4747/95 P.T. 23087 to H.S. (D) 4766/95 P.T. 23106					
H.S. (D) 4993/95 P.T. 23513 to H.S. (D) 4994/95 P.T. 23514					
H.S. (D) 4799/95 P.T. 23139 to H.S. (D) 4880/95 P.T. 23220					
H.S. (D) 5016/95 P.T. 23229 to H.S. (D) 5067/95 P.T. 23280					
H.S. (D) 4935/95 P.T. 23375 to H.S. (D) 4940/95 P.T. 23380					
H.S. (D) 4666/95 P.T. 23381 to H.S. (D) 4745/95 P.T. 23460					
H.S. (D) 4941/95 P.T. 23461 to H.S. (D) 4991/95 P.T. 23511					
H.S. (M) 390/94 P.T. 24207 to H.S. (M) 469/94 P.T. 24286					
H.S. (D) 5148/95 P.T. 24078					
H.S. (M) 299/94 P.T. 24116 to H.S. (M) 372/94 P.T. 24189					
H.S. (M) 1527/94 P.T. 25344 to H.S. (M) 1529/94 P.T. 25346					
H.S. (M) 1531/94 P.T. 25348 to H.S. (M) 1533/94 P.T. 25350					
H.S. (M) 5149/95 P.T. 25351					
H.S. (D) 5892/95 P.T. 25366					
H.S. (D) 5900/95 P.T. 25374 to H.S. (D) 5903/95 P.T. 25377					
H.S. (D) 6186/95 P.T. 25380 to H.S. (D) 6236/95 P.T. 25430					
H.S. (D) 6339/95 P.T. 25533 to H.S. (D) 6590/95 P.T. 25784					
H.S. (D) 6181/95 P.T. 26796					
H.S. (D) 5906/95 P.T. 25785 to H.S. (D) 6169/95 P.T. 26048					

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2008 RM'000
H.S. (D) 5156/95 P.T. 26049 to H.S. (D) 5635/95 P.T. 26528					
H.S. (D) 5893/95 P.T. 25367 to H.S. (D) 5899/95 P.T. 25373					
H.S. (D) 4032/95 P.T. 22523 to H.S. (D) 4060/95 P.T. 22551	12.3	Development land under construction, all in the District of Kuala Muda, Sungai Petani, Kedah	1995	– (Freehold)	5,849
H.S. (D) 4070/95 P.T. 22561 to H.S. (D) 4088/95 P.T. 22579					
H.S. (M) 526/94 P.T. 24343 to H.S. (M) 537/94 P.T. 24354					
H.S. (D) 33607/95 P.T. 80623					
H.S. (D) 33611/95 P.T. 80627					
H.S. (D) 33617/95 P.T. 80633					
H.S. (D) 33625/95 P.T. 80641					
H.S. (D) 33627/95 P.T. 80643					
H.S. (D) 33631/95 P.T. 80647					
H.S. (D) 33635/95 P.T. 80651					
H.S. (D) 33637/95 P.T. 80653					
H.S. (D) 33640/95 P.T. 80656					
H.S. (D) 33643/95 P.T. 80659					
H.S. (D) 5636/95 P.T. 26529 to H.S. (D) 5744/95 P.T. 26637					
H.S. (D) 5746/95 P.T. 26639 to H.S. (D) 5768/95 P.T. 26661					
H.S. (D) 5770/95 P.T. 26663 to H.S. (D) 5772/95 P.T. 26665					
H.S. (D) 5774/95 P.T. 26667					
H.S. (D) 5781/95 P.T. 26674					
H.S. (D) 5783/95 P.T. 26676					
H.S. (D) 5784/95 P.T. 26677					

Properties Owned by BOLTON Group (cont'd)

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2008 RM'000
H.S. (D) 5786/95 P.T. 26679					
H.S. (D) 5788/95 P.T. 26681					
H.S. (D) 5792/95 P.T. 26685					
H.S. (D) 5793/95 P.T. 26686					
H.S. (D) 5796/95 P.T. 26689					
H.S. (D) 5798/95 P.T. 26691					
H.S. (D) 5799/95 P.T. 26692					
H.S. (D) 5801/95 P.T. 26694 to H.S. (D) 5824/95 P.T. 26717					
H.S. (D) 5829/95 P.T. 26722					
H.S. (D) 5834/95 P.T. 26727					
H.S. (D) 5838/95 P.T. 26731					
H.S. (D) 5839/95 P.T. 26732					
H.S. (D) 5843/95 P.T. 26736					
H.S. (D) 5851/95 P.T. 26744					
H.S. (D) 5854/95 P.T. 26747					
H.S. (D) 5858/95 P.T. 26751 to H.S. (D) 5861/95 P.T. 26754					
H.S. (D) 5866/95 P.T. 26759					
H.S. (D) 5871/95 P.T. 26764 to H.S. (D) 5873/95 P.T. 26766					
H.S. (D) 5880/95 P.T. 26773					
H.S. (D) 5881/95 P.T. 26774					
H.S. (D) 5889/95 P.T. 26782					
H.S. (D) 5890/95 P.T. 26783					
H.S. (D) 83706 P.T. 79457					
H.S. (D) 83762 P.T. 79513					
H.S. (D) 84021 P.T. 79772					

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2008 RM'000
H.S. (D) 84078 P.T. 79829 H.S. (D) 84117 P.T. 79868 H.S. (D) 84119 P.T. 79870 H.S. (D) 84125 P.T. 79876 H.S. (D) 84140 P.T. 79891					
H.S. (D) 90428 P.T. 48901	170	Vacant development land intended for mixed development, all in the District of Kuala Muda, Sungai Petani, Kedah	2006	– (Freehold)	12,761
H.S. (D) 138404 P.T. 1121 H.S. (D) 138428 P.T. 1145 to H.S. (D) 138431 P.T. 1148 H.S. (D) 138433 P.T. 1150 H.S. (D) 138438 P.T. 1155 to H.S. (D) 138441 P.T. 1158 H.S. (D) 138443 P.T. 1160 H.S. (D) 138457 P.T. 1174 H.S. (D) 138492 P.T. 1209 H.S. (D) 138506 P.T. 1223 to H.S. (D) 138512 P.T. 1229	20.68	Homestead orchard lot located at Mukim of Lenggeng, Negeri Sembilan	1998	– (Freehold)	2,633
H.S. (D) 138412 P.T. 1129 to H.S. (D) 138427 P.T. 1144 H.S. (D) 138458 P.T. 1175 to H.S. (D) 138468 P.T. 1185	29.34	Vacant orchard land located at Mukim of Lenggeng, Negeri Sembilan	1998	– (Freehold)	2,259
No. Hakmilik: 66312, Lot No. 4189	3.412	Vacant development land intended for development of luxury condominium lacated at Bandar Tanjung Bungah, Pulau Pinang	2007	– (Freehold)	28,291

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BOLTON

BOLTON berhad (5572-H)

FORM OF PROXY

CDS Account No.	

I/We*... (NRIC No. ....)
(Full name in capital letters)

of ....
(Full address)

being the registered holder of .... ordinary shares of Bolton Berhad (5572-H) ("**Bolton**" or "**Company**") hereby appoint:

(A) .... (NRIC No. ....)
(Full name in capital letters)

of ....[..........................] shares; or
(Full address)

failing him, the Chairman of the meeting and *(B) ....
(Full name in capital letters)

(NRIC No. ....) of ....
(Full address)

[..................................] shares; or failing him, the Chairman of the meeting as my/our* proxy/proxies* to vote for me/us* and on my/our* behalf at the 45th Annual General Meeting of the Company to be held at the Banyan, Casuarina and Dillenia Rooms, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 12 August 2008 at 10.00 a.m. and at any adjournment thereof.

Resolutions	For	Against
1. To receive the Audited Financial Statements		
2. To declare a first and final dividend of 3.0 sen per share less Malaysian Income Tax of 26%		
3. To approve the payment of Directors' fees		
4. Re-election of Abdul Sani bin Busu as Director		
5. Re-election of Lee Siew Choong as Director		
6. Re-election of Wing Kwong @ Chan Wing Kwong as Director		
7. Re-appointment of Datuk Zakaria bin Dato' Ahmad as Director		
8. Re-appointment of Messrs. Ernst & Young as Auditors		
9. Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
10. Proposed renewal of authority for purchase of own shares by the Company		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not do so, the proxy will vote in accordance with his discretion.

As witness my/our* hand(s) this .... day of 2008

....
Signature/Seal

* *Strike out whichever is not applicable.*

Notes:

1. A proxy may but need not be a Member.
2. To be valid, this Form of Proxy, duly completed must be deposited at the Office of the Company not less than forty-eight (48) hours before the time for holding the meeting Provided That in the event a member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy. You can also appoint the Chairman of the meeting as your proxy.
3. A Member holding one thousand (1,000) ordinary shares or less may appoint one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such Member.
4. A Member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the Member specifies the proportion of his shareholding in respect of which each proxy shall represent him.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. If the appointor is a corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.

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STAMP

The Company Secretaries
BOLTON BERHAD (5572-H)
6th Floor, Campbell Complex
98 Jalan Dang Wangi
50100 Kuala Lumpur

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