

A n n u a l R e p o r t 99



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

Contents

Kandungan

Notice Of Annual General Meeting
2

Corporate Information
3

Audit Committee
4

Corporate Structure
5

Chairman's Statement/*Perutusan Pengerusi*
6 – 16

Financial Statements
17 – 50

Statistics On Shareholdings
51 – 52

List Of Properties
53 – 54

Proxy Form

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty First (21st) Annual General Meeting of Dijaya Corporation Berhad will be held at Ballroom 1, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 29 June 2000 at 10.30 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited accounts for the year ended 31 December 1999 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors:-
 - i. Y.M. Tengku Dr Rethwan Bin Tengku Mansor **Resolution 2**
 - ii. Mr Michael Lim Hee Kiang **Resolution 3**
3. To approve the payment of Directors' fees. **Resolution 4**
4. To re-appoint Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **Resolution 5**
5. As Special Business:-

To consider and, if thought fit, pass the following Ordinary Resolution:-

'THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.'

Resolution 6
6. To transact any other business of which due notice shall have been received.

By Order of the Board

DIJAYA CORPORATION BERHAD

LESLIE LIM SIAK KOOI (MAICSA NO. 0798626)

JESSICA LOW NYOKE FUN (MAICSA NO. 7005037)

Secretaries

Petaling Jaya

12 June 2000

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Lot 302, 3rd Floor, Wisma Dijaya, No. 1A, Jalan SS 20/1, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
3. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or in some other manner approved by its directors.
6. The Ordinary Resolution proposed under item (5), if passed, will give the Directors of the Company, from the date of the above General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

Corporate Information

DIRECTORS

Tan Sri Datuk Ahmad Farouk Bin Isahak
(Chairman)

Dato' Danny Tan Chee Sing
(Group Chief Executive Officer)

Poh Pai Kong
(Group Managing Director)

Dato' Dr Thong Kok Cheong
(Group Managing Director)

Dato' Thong Kok Khee

Dato' Michael Chen Wing Sum

Y.M. Tengku Dr Rethwan Bin Tengku Mansor

Meriam Binte Haji Yaacob

Michael Lim Hee Kiang

AUDIT COMMITTEE

Dato' Michael Chen Wing Sum (Chairman)
– (Independent Non-Executive Director)

Dato' Dr Thong Kok Cheong
– (Non Independent Director)

Michael Lim Hee Kiang
– (Independent Non-Executive Director)

SECRETARIES

Leslie Lim Siak Kooi
Jessica Low Nyoke Fun

AUDITORS

PricewaterhouseCoopers
Public Accountants
11th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur

REGISTERED OFFICE

Lot 302, 3rd Floor, Wisma Dijaya
No. 1A, Jalan SS 20/1
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77268297
Fax: 03-77268076

SHARE REGISTRAR

Signet & Co. Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2421341
Fax: 03-2421353

PRINCIPAL BANKERS

Arab-Malaysian Bank Berhad
Arab-Malaysian Merchant Bank Berhad
Bumiputra-Commerce Bank Berhad
Public Bank Berhad
Malaysia Building Society Berhad
Ban Hin Lee Bank Berhad
Multi-Purpose Bank Berhad
Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board
Kuala Lumpur Stock Exchange

Audit Committee

TERMS OF REFERENCE

1. OBJECTIVES

The primary objective of the audit committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the audit committee shall:

- a) Oversee and appraise the quality of the audits conducted by the Company's external auditors;
- b) Maintain open lines of communication between the Board of Directors and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

2. COMPOSITION

The audit committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) and shall be composed of not fewer than three members of whom a majority shall not be:

- a) Executive Directors of the Company or any related corporation;
- b) A spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an Executive Director of the Company or any related corporation; or
- c) Any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the audit committee.

The members of the audit committee shall elect a chairman from among their number who is not an executive director or employee of the Company or any related corporation.

If a member of the audit 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, the Board of Directors shall, within three months of the event, appoint such number of new members as may be required to make up the minimum number of three members.

3. FUNCTIONS

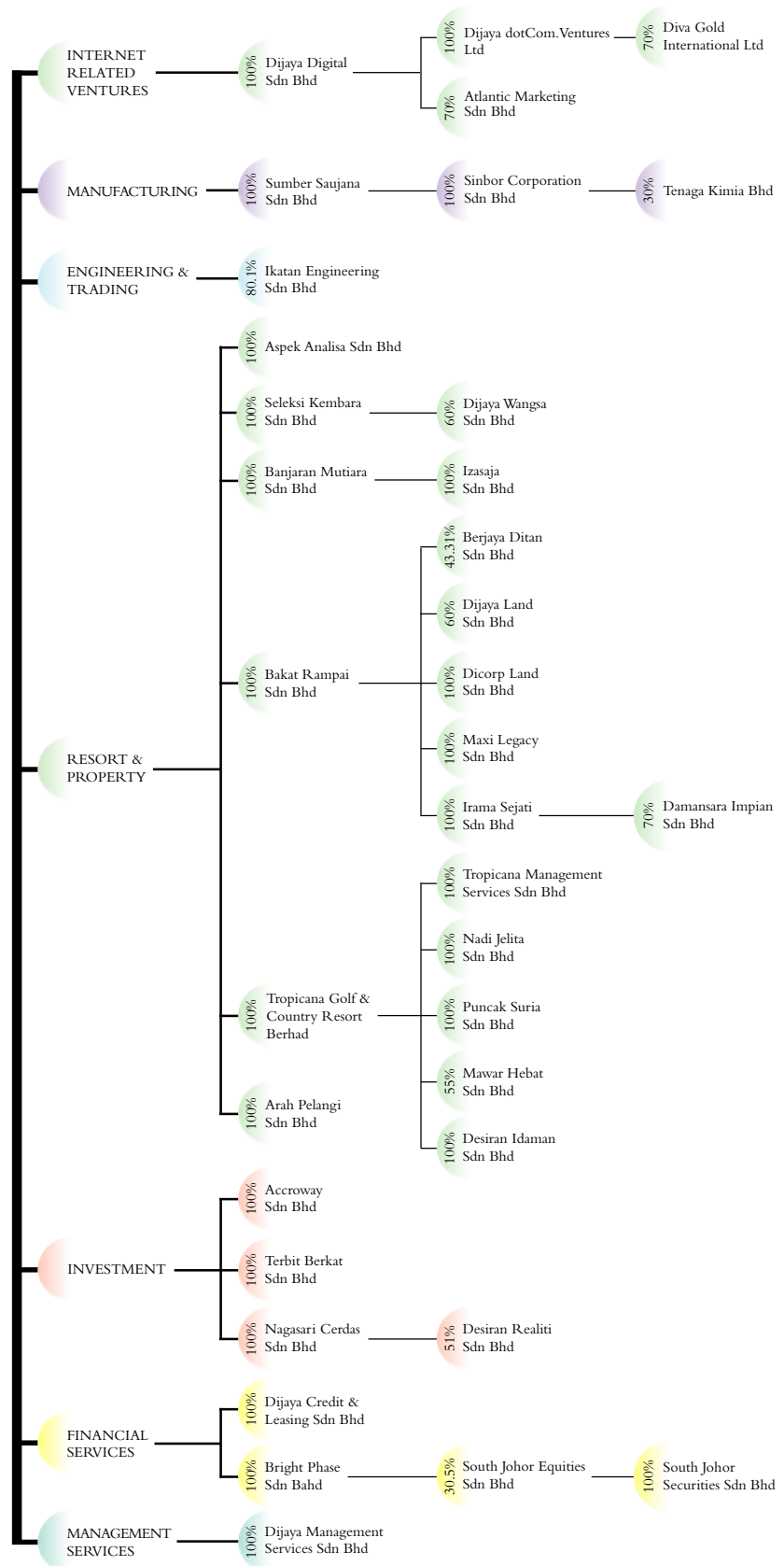
The functions of the audit committee are as follows:

- a) Review the audit plan with the external auditors;
- b) Review the system of internal accounting controls with the external auditors;
- c) Review the audit report with the external auditors;
- d) Review the assistance given by the Company's officers to the external auditors;
- e) Review the balance sheet and profit and loss accounts of the Company, and the Group;
- f) Review any related party transactions that may arise within the Company or the Group;
- g) To nominate a person or persons as the external auditors; and
- h) Identify and direct any special projects or investigations deemed necessary.

4. ACCESS

The audit committee shall have unrestricted access to the external auditors and to management of the Company and the Group. The audit committee shall also have the ability to consult independent experts where they consider it necessary to carry out their duties.

Corporate Structure



* Excluding dormant companies

Chairman's Statement

Penyata Pengerusi

The Malaysian economy has turned around and is on the road to recovery with strong signs of continued growth. On this encouraging note, I am pleased to present the Annual Report of the Group and Company for the year ended 31 December 1999.

Ekonomi Malaysia yang kembali rancak sedang dalam proses pemulihan dengan tanda-tanda pertumbuhan yang berterusan teguh. Dalam keadaan sedemikian, saya dengan sukacitanya membentangkan Laporan Tahunan Kumpulan dan Syarikat bagi tahun berakhir 31 Disember 1999.

OVERVIEW AND FINANCIAL RESULTS

The Malaysian economy finally registered a positive growth of 5.4% in 1999. The boldly implemented selective capital control measures and subsequent multi-tier exit tax structures supported by an accommodative monetary policy had resulted in a strong degree of economic and financial stability leading to a more conducive business environment and improved investors' confidence.

The economic improvement had a significant impact on the local bourse, with the Composite Index benchmark surging towards the pre-crisis level supported by revitalised market sentiment and favourable ratings and reports from both local and foreign research houses and fund managers.

With strengthening domestic economy and a favourable external environment, a higher GDP growth rate in excess of 7% has been projected for this year.

Notwithstanding the positive economic indicators, the Group had taken the opportunity to make relatively heavy provisions for diminution in value of an associated company and forfeiture of land deposits amounting to RM65.6 million and RM29.2 million respectively for the 1999 financial year. Hence, the Group incurred a loss after tax and minority interest of RM102.5 million as compared to a loss of RM64.08 million in 1998, despite an improvement in the Group's turnover by 71% to RM161.47 million.

TINJAUAN MENYELURUH DAN KEPUTUSAN KEWANGAN

Ekonomi Malaysia mencatatkan pertumbuhan positif sebanyak 5.4% pada tahun 1999. Langkah-langkah kawalan modal terpilih yang dilaksanakan dengan berani diikuti dengan struktur cukai keluar berbilang peringkat yang disokong oleh dasar kewangan yang sesuai dengannya telah merintis ekonomi dan kewangan ke tahap yang lebih stabil. Ini mewujudkan persekitaran perniagaan yang menggalakkan dan peningkatan keyakinan pelabur.

Keadaan ekonomi yang bertambah baik memberi kesan ketara kepada bursa tempatan, membolehkan ukur rujuk Indeks Komposit melonjak ke arah mencapai tahap sebelum krisis, disokong oleh sentimen pasaran yang semakin pulih. Ini telah mendorong gedung penyelidikan serta pengurus dana tempatan dan asing untuk memberikan penarafan serta laporan yang menggalakkan.

Dengan keadaan ekonomi domestik yang semakin mengukuh dan persekitaran luaran yang menggalakkan, kadar pertumbuhan KDNK pada tahun ini diunjur meningkat lebih 7%.

Walaupun terdapat petanda ekonomi yang positif, Kumpulan telah mengambil peluang untuk menyediakan peruntukan yang agak besar bagi penurunan nilai sebuah syarikat bersekutu sebanyak RM65.6 juta dan melepaskan deposit sebidang tanah bernilai RM29.2 juta bagi tahun kewangan 1999. Justeru itu, walaupun perolehan meningkat sebanyak 71% kepada RM161.47 juta, Kumpulan menanggung kerugian selepas cukai dan kepentingan minoriti sebanyak RM102.5 juta berbanding kerugian sebanyak RM64.08 juta pada tahun 1998.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

The Resort and Property Division was profitable at the operating level. However, the Division recorded a loss as compared to the previous year owing to the provision made for forfeitures of land deposits as mentioned above. Nonetheless, other Divisions performed poorly particularly the Investment Division principally owing to substantial provision for diminution in value of an associated company.

At the company level, a higher pre-tax profit of RM2.790 million was achieved as compared to a pre-tax profit of RM886,274 in the previous period as a consequence of lower interest expense. The turnover was lower, declining to RM13.89 million from RM17.3 million in 1998.

The Group would continue to ensure the pragmatic measures implemented earlier in ensuring the optimum utilisation of its resources and effectiveness in its operational endeavours besides accumulating sufficient reserves with the aim of insulating itself from financial turbulence and economic uncertainties which may occur in the global environment in the future. Notwithstanding the aforesaid, the Group would continue to seek out viable business and investment opportunities which are likely to contribute to its growth and earnings capacity.



One of the many exclusive bungalows within Tropicana Golf & Country Resort which provides 24-hour security /

Salah sebuah daripada banglo di Tropicana Golf & Country Resort yang menyediakan kawalan keselamatan 24 jam

Di peringkat operasi, Bahagian Pusat Peranginan dan Hartanah mencapai keuntungan. Walau bagaimanapun, Bahagian ini mencatatkan kerugian berbanding pada tahun sebelumnya berikutan peruntukan yang disediakan untuk pembatalan deposit tanah seperti yang disebutkan di atas. Di samping itu, Bahagian-bahagian lain turut menampilkan prestasi yang lemah terutamanya Bahagian Pelaburan. Ini adalah disebabkan terutamanya oleh peruntukan besar yang disediakan bagi penurunan nilai sebuah syarikat bersekutu.

Di peringkat syarikat, keuntungan sebelum cukai yang dicapai adalah lebih tinggi iaitu sebanyak RM2.790 juta berbanding keuntungan sebelum cukai sebanyak RM886,274 pada tempoh sebelumnya disebabkan oleh perbelanjaan faedah yang lebih rendah. Perolehan turut berkurangan daripada RM17.3 juta pada tahun 1998 kepada RM13.89 juta pada tahun ini.

Walaupun iklim ekonomi menggalakkan sedang semakin memuncak, namun Kumpulan ingin menegaskan bahawa langkah pragmatik yang dilaksanakan terdahulu adalah untuk memastikan penggunaan sumber-sumbernya secara optimum dan berusaha gigih untuk mencapai kecekapan dan keberkesanan dalam pengendalian operasinya. Ia juga bermatlamat untuk mengumpul rizab yang mencukupi dengan tujuan untuk melindungi Kumpulan daripada potensi kesan negatif yang timbul

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

An example is the internet-related businesses and e-commerce activities which have been generally known to have vast potential with the advent of the New Economy. Accordingly, the Group has taken a strategic step in this direction as announced recently.

OPERATIONAL REVIEW

Resort and Property

Comparatively, this Division recorded a pre-tax loss of RM4.62 million as against a pre-tax profit of RM6.28 million in the previous financial year arising mainly from the said provision made as indicated earlier, with marginal deterioration in the performance of Tropicana Golf & Country Resort Berhad ("Tropicana").

Tropicana Golf & Country Resort is still one of the leading golfing spots in the country with bookings for its comprehensive facilities remaining at a healthy level during the year. Its total membership stood at 3,954 which represented an increase of 2.6%. For Tropicana, no new development project was launched in 1999.



The imposing entrance archway to
Tropicana Golf & Country Resort /
Pintu gerbang ke Tropicana Golf & Country
Resort yang tersergam indah

daripada kegawatan kewangan dan keadaan ekonomi tidak menentu yang mungkin teretus di persekitaran global dalam tempoh terdekat ini. Walaupun demikian, Kumpulan akan terus mencari peluang perniagaan dan pelaburan yang berkemungkinan akan menyumbang kepada kapasiti pertumbuhan dan pendapatannya.

Sebagai contoh adalah minat terhadap perniagaan berkaitan Internet dan e-dagang yang diketahui umum mempunyai potensi yang luas berikutan percambahan Ekonomi Baru. Justeru itu, Kumpulan telah mengambil langkah strategik memilih hala tuju tersebut seperti yang diumumkan baru-baru ini.

TINJAUAN OPERASI

Pusat Peranginan dan Hartanah

Secara perbandingan, Bahagian ini menanggung kerugian sebelum cukai sebanyak RM4.62 juta berbanding keuntungan sebelum cukai sebanyak RM6.28 juta pada tahun kewangan sebelumnya. Ini adalah disebabkan oleh peruntukan yang disediakan seperti yang dinyatakan tadi, dan kejatuhan kecil prestasi Tropicana Golf & Country Resort Berhad ("Tropicana").

Tropicana Golf & Country Resort yang masih merupakan salah sebuah destinasi golf yang terkemuka di negara ini mampu mengekalkan tempahan bagi kemudahannya yang menyeluruh pada paras yang memuaskan pada tahun ini. Keahlian Tropicana bertambah sebanyak 2.6% kepada 3,954 ahli. Tiada projek pembangunan baru dilancarkan di Tropicana pada tahun 1999.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

In view of improved property market sentiments, Tropicana expects to launch more luxury semi-detached homes and bungalow lots by the 3rd quarter of 2000.

The Group, however, does not intend to proceed with the planned development of the first phase comprising 440 units of single storey medium cost houses on the 200 acres of land next to the Sungei Buloh Country Resort yet, in view of relatively weaker market conditions in that vicinity presently. For similar reasons, the commercial development earmarked for the 10.96 acres of freehold land in Mukim Mertajam remains deferred until a more opportune time.

Meanwhile, the on-going development projects undertaken by the Bakat Rampai Group continued to experience mixed results.



Resort double-storey link houses at Damansara Indah Resort Homes, another resort development of the Group / Rumah dua tingkat berangkai di Damansara Indah Resort Homes, satu lagi pembangunan peranginan Kumpulan

The demand for residential properties in good locations improved significantly with the economic recovery. In the Damansara Indah Resort Homes project, more than 90% sales was achieved for the 170 units of double storey link houses known as "Romeo" and "Juliet" launched in March 1999. For the double storey link houses of "Pesona" and "Mustika" which were launched in 1996, sales were secured for the balance of the unsold units. Recently, Damansara Indah relaunched its sale of bungalow lots which was met with very satisfactory response.

Other phases of this project especially the semi-detached houses are targeted to be launched during the second half of this year. Based on the recent soft launch, the response would be very strong.

Memandangkan sentimen pasaran hartanah semakin bertambah baik, Tropicana menjangka akan melancarkan lebih projek kediaman berkembar dan lot-lot banglo baru yang lebih mewah menjelang suku tahun ketiga 2000.

Walau bagaimanapun, Kumpulan tidak berhasrat untuk meneruskan perancangan pembangunan fasa pertama yang meliputi 440 unit rumah kos sederhana satu tingkat di tanah seluas 200 ekar bersebelahan Sungai Buloh Country Club memandangkan keadaan pasaran di kawasan tersebut masih belum menggalakkan buat masa ini. Atas alasan yang sama, pembangunan perdagangan yang diperuntukkan di tanah milik bebas di Mukim Mertajam akan terus ditangguhkan ke satu masa yang lebih sesuai.

Sementara itu, projek pembangunan sedang berjalan yang dijalankan oleh Kumpulan Bakat Rampai terus mengalami keputusan yang bercampur-campur.

Pemulihan ekonomi telah mendorong pertumbuhan ketara permintaan bagi hartanah kediaman di beberapa lokasi yang baik. Projek Damansara Indah Resort Homes menikmati jualan lebih 90% bagi 170 unit rumah berangkai dua tingkatnya yang dikenali sebagai "Romeo" dan "Juliet" yang dilancarkan pada bulan Mac 1999. Sementara itu, baki unit rumah berangkai dua tingkat "Pesona" dan "Mustika" yang dilancarkan pada tahun 1996 telah dijual pada tahun ini. Baru-baru ini, Damansara Indah telah melancarkan semula penjualan lot-lot banglonya dan mendapat sambutan yang memuaskan.

Fasa-fasa lain projek ini, terutamanya rumah berkembar, dijangka akan dilancarkan pada tempoh setengah tahun kedua tahun ini. Sambutan yang diterima pada pelancaran awalnya adalah amat menggalakkan.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

For Phase 1 of the Damansara Intan Project, Block A involving a 16 - 18 storey office block, Block C comprising 12 units of 5-storey shop/office blocks and Block B involving an 8-storey parking and building with commercial space on the ground floor were completed this year.

As indicated previously, Block C was fully sold, while Block A was about 70% sold to date. Block B was retained for rental income. We have recently relaunched Block A of the project involving the 30% balance of the unsold units and are confident of achieving encouraging response in view of its strategic location and completed status besides the improved market sentiments. However, development of Phase 2 comprising a 25-storey office block would be deferred considering the current protracted glut in office space.



Phase 1A & 1B of the Casa Damansara condominiums projects at SS2 that met with 100% sales / Fasa 1A & 1B projek kondominium Casa Damansara di SS2 yang mencatat jualan 100%

For the Dijaya Mall project, the Group proceeded with the development of the residential component. Phase I comprising of 352 units of condominiums was launched in November 1999 under the flagship of "Casa Damansara". The launch was highly successful with 100% of Phase 1A and 90% of Phase 1B sold over a short period of time. Construction has commenced with piling works in progress. Phase 2 comprising 152 units of condominium is envisaged to be launched in the third quarter of this year.

As mentioned previously, for the commercial component comprising a 6-storey office, retail and entertainment podium, Stage 1 of the construction of piling and substructure works had been completed. However, Stage 2 involving the superstructure will be deferred for the time being.

Fasa 1 Projek Damansara Intan, Blok A yang meliputi Blok pejabat 16 - 18 tingkat, Blok C yang meliputi 12 unit blok kedai/pejabat 5 tingkat dan Blok B yang meliputi tempat letak kereta dan bangunan setinggi 8 tingkat dengan ruang niaga di tingkat bawah telah disiapkan pada tahun ini.

Seperti yang dinyatakan sebelumnya, Blok C telah habis dijual sepenuhnya, sementara Blok A sehingga kini telah mencapai kadar jualan 70%. Blok B dikekalkan untuk mendapatkan pendapatan sewa. Baru-baru ini kami telah melancarkan semula Blok A, projek yang meliputi 30% baki unit yang masih belum dijual dan yakin akan menerima sambutan baik kerana lokasinya yang strategik serta telah disiapkan sepenuhnya selain sentimen pasaran yang bertambah baik. Walau bagaimanapun, pembangunan Fasa 2 yang meliputi bangunan perdagangan setinggi 25 tingkat terus ditangguhkan berikutan lebih ruang pejabat yang dialami pada masa ini.

Kumpulan telah meneruskan projek Dijaya Mall dengan pembangunan komponen perumahan. Fasa 1 yang meliputi 352 unit kondominium telah dilancarkan pada bulan November 1999 di bawah angkatan "Casa Damansara". Pelancaran ini mencapai kejayaan besar kerana 100% Fasa 1A dan 90% Fasa 1B telah dijual dalam tempoh yang singkat. Pembinaan telah dimulakan dengan kerja memasang cerucuk sedang berjalan lancar. Fasa 2 yang meliputi 152 unit kondominium dijangka akan dilancarkan pada tempoh suku ketiga tahun ini.

Seperti yang dinyatakan sebelum ini, pembinaan cerucuk dan sub struktur bagi komponen perdagangan yang meliputi pejabat, ruang niaga dan podium hiburan 6 tingkat, Peringkat 1 telah disiapkan. Walau bagaimanapun, Peringkat 2 yang melibatkan pembinaan sub struktur akan ditangguhkan untuk sementara waktu.

Recently completed Damansara Intan Business Park at SS2 / Damansara Intan Business Park di SS2 yang telah siap dibina



Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

There was still little improvement with respect to sale of the remaining units of the Berjaya Star City project in 1999 as the market for retail and commercial units continued to be bearish. Nonetheless, construction of the project continued to progress and the target date for completion in 2002 as indicated previously remain unchanged.

The Group's strategy with respect to selective disposal of assets which are marginal to its needs will continue to be pursued.

Manufacturing

In tandem with the gradual economic recovery, Tenaga Kimia Bhd and Malaysian Roofing Industries Sdn Bhd, both associated companies of the Group recorded better results for the 1999 financial year, with after-tax profits of RM2.9 million and RM1.2 million respectively,

Engineering and Trading

Stiffer competition and difficult market conditions continue to plague this Division, with a higher loss reported for the 1999 financial year. The loss amounted to RM2.089 million representing a 14.2% increase from the previous year.

Penjualan unit selebihnya di projek Berjaya Star City menunjukkan kemajuan kecil pada tahun 1999 kerana pasaran bagi unit gedung runcit dan perdagangan masih lemah. Sungguhpun demikian, pembinaan projek ini terus berjalan lancar dan dijangka siap menjelang tahun 2002 seperti yang dijadualkan.

Strategi Kumpulan berhubung dengan penjualan harta secara berpilih yang memberi sumbangan kecil akan diteruskan.

Perkilangan

Selaras dengan pemulihan ekonomi secara berperingkat, Tenaga Kimia Bhd dan Malaysian Roofing Industries Sdn Bhd, kedua-duanya syarikat bersekutu mencatatkan keputusan yang bertambah baik pada tahun kewangan 1999. Tenaga Kimia Bhd mencatatkan keuntungan selepas cukai sebanyak RM2.9 juta manakala Malaysian Roofing Industries Sdn Bhd pula sebanyak RM1.2 juta.

Kejuruteraan dan Perdagangan

Persaingan hebat dan keadaan pasaran yang sukar terus melanda Bahagian ini. Kerugian meningkat lebih tinggi sebanyak 14.2% pada tahun kewangan 1999 iaitu kepada RM2.089 juta.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

Stockbroking

The relatively strong recovery of the local bourse in 1999 as compared to the previous year, led to the Division experiencing relatively lower losses for the financial year under review, despite the more stringent requirements of Rule 16A of the KLSE with respect to provision for bad and doubtful debts. This Division is envisaged to perform better this year, in view of the relatively better sentiment on the KLSE.

DIVIDEND

In view of continuing overall weak performance and a need to conserve resources, the Board does not recommend any dividend to be declared for the year ended 31 December 1999.

CORPORATE DEVELOPMENT

As announced earlier, the Group did not seek further extension of time from the Securities Commission ("SC") with respect to the implementation of the proposed acquisition of 1,515.20 acres of freehold lands in the Mukim of Sungai Tinggi and Batang Berjuntai. Also, the proposal with respect to the Offer for Sale was aborted, with the approval of SC.

Pembrokeran Saham

Pemulihan yang agak teguh di bursa saham tempatan pada tahun 1999 berbanding pada tahun sebelumnya menyebabkan Bahagian ini menanggung kerugian yang lebih rendah pada tahun kewangan yang ditinjau, walaupun tertakluk kepada keperluan Peraturan 16A BSKL yang lebih ketat berhubung peruntukan bagi hutang lapuk dan ragu. Bahagian ini dijangka akan mencapai prestasi yang lebih baik memandangkan sentimen di BSKL yang bertambah baik.

DIVIDEN

Memandangkan prestasi keseluruhan yang berterusan lemah dan terdapat keperluan untuk menjimatkan sumber, Lembaga Pengarah tidak mencadangkan sebarang dividen diisytiharkan bagi tahun berakhir 31 Disember 1999.

PERKEMBANGAN KORPORAT

Seperti yang diumumkan terdahulu, Kumpulan tidak memohon lanjutan tempoh daripada Suruhanjaya Sekuriti ("SC") berhubung dengan pelaksanaan cadangan pembelian 1,515.20 hektar tanah milik bebas di Mukim Sungai Tinggi dan Batang Berjuntai. Cadangan berhubung Tawaran untuk Jualan itu juga telah dibatalkan dengan kelulusan SC.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

On the 6 March 2000, the Company granted 3,385,000 share options under the Company's Employees' Share Option Scheme ("ESOS") to eligible directors and employees of the Group to take up unissued shares of the Company at the exercise price of RM3.266 per share.

As for the other proposals involving the Special Bumiputra Issue and Rights Issue of ICULS, the SC had extended the deadline for their implementation to 30 June 2000.

The Company had also announced the following proposals (including revisions):-

- (i) Proposed acquisition of 39.50% of the issued and paid-up capital of South Johor Equities Sdn Bhd ("SJE") comprising 31,600,000 SJE shares from Desa Sejahtera Sdn Bhd and Isyarat Kiara Sdn Bhd for a total consideration of RM25,462,630 to be satisfied by the allotment and issue of 22,335,640 new shares of RM1.00 each in the Company at an issue price of RM1.14 per share ("Proposed SJE Acquisition"); and
- (ii) Proposed restructuring of the SJE Group's existing bank borrowings owing to Arab-Malaysian Merchant Bank Bhd amounting to RM95,000,000 ("Proposed Debt Restructuring").

Applications to the relevant authorities with respect to the Proposed SJE Acquisition and Proposed Debt Restructuring had been submitted, and are pending their approvals. In view of the plan to consolidate the stockbroking industry through mergers as recently announced by SC, the Group is also initiating discussions with interested parties with respect to the merger exercise.

The transition of the "Old Economy" to one based on Information Technology and more specifically the Internet presents potentially immense new business opportunities in the global economy. The new economy is generally about high growth, borderless markets and global presence.

Pada 6 Mac, 2000, Syarikat telah memberi 3,385,000 opsyen saham di bawah Skim Opsyen Saham Kakitangan Syarikat ("ESOS") kepada para pengarah dan kakitangan Kumpulan yang layak untuk membeli saham yang belum diterbitkan dalam Syarikat pada harga pelaksanaan RM3.266 sesaham.

Bagi cadangan lain yang melibatkan Terbitan Bumiputera Khas dan Terbitan Hak ICULS pula, SC telah melanjutkan tarikh akhir bagi pelaksanaan masing-masing sehingga 30 Jun 2000.

Syarikat juga telah mengumumkan cadangan-cadangan berikut (termasuk semakan semula):

- (i) Cadangan pengambilalihan 39.50% modal saham terbitan dan berbayar South Johor Equities Sdn Bhd ("SJE") yang meliputi 31,600,000 saham SJE daripada Desa Sejahtera Sdn Bhd dan Isyarat Kiara Sdn Bhd dengan bayaran berjumlah RM25,462,630 yang akan dipenuhi melalui perumpukan dan terbitan 22,335,640 saham baru berharga RM1.00 sesaham dalam Syarikat pada harga terbitan RM1.14 sesaham ("Cadangan Pengambilalihan SJE"); dan*
- (ii) Cadangan penyusunan semula pinjaman bank Kumpulan SJE yang sedia ada daripada Arab-Malaysian Merchant Bank Bhd berjumlah RM95,000,000 ("Cadangan Penyusunan Semula Hutang").*

Permohonan kepada beberapa pihak berkuasa berkaitan berhubung dengan Cadangan Pengambilalihan SJE dan Cadangan Penyusunan Semula Hutang telah dihantar dan sedang menunggu kelulusan masing-masing. Memandangkan terdapat rancangan untuk menyatukan industri pembrokeran saham melalui pergabungan seperti yang diumumkan oleh SC baru-baru ini, Kumpulan juga sedang memulakan perbincangan dengan beberapa pihak yang berminat berhubung dengan langkah pergabungan tersebut.

Peralihan "Ekonomi Lama" kepada ekonomi yang berasaskan Teknologi Maklumat dan secara lebih khusus Internet, memberikan potensi peluang perniagaan baru yang amat besar dalam ekonomi global. Ekonomi baru ini menawarkan pertumbuhan yang tinggi, pasaran tanpa sempadan dan liputan global.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

The Group through Dijaya Digital Sdn Bhd (“Digital”) decided to venture into the internet-related business and e-commerce both locally and overseas. Having identified internet gaming as a maiden venture, the Company announced the acquisition of a 70% equity interest in Diva Gold International Ltd., by its indirect wholly-owned subsidiary, Dijaya dotCom.Ventures Ltd. in Hong Kong. Diva Gold International Ltd. (“Diva Gold”), was appointed by Atlantic Gaming Ltd. to manage the business operations of its off-shore licensed on-line casino known as the Atlantic Casino for the Asian region on an exclusive basis, which include advising on the business direction of the Atlantic Casino in Asia, developing business strategies for the said casino, assisting Atlantic in the development of gaming products, conducting market research, marketing and promoting the Atlantic Casino to users in Asia and recruiting new users for the said casino.

Atlantic Gaming Ltd. was licensed by the Government of Antigua and Barbuda to establish and operate an off-shore virtual casino business. The Atlantic Casino is presently hosted in a server located in Antigua and is accessible by internet users world-wide via the website www.atlanticcasino.com.

The development of the said casino was undertaken by Boss Media AB, an established Swedish firm listed on the Stock Exchange of Stockholm, with Boss Casino Ltd. and Webdollar Ltd. providing the maintenance of the said on-line casino and electronic currency management services pertaining to the management of accounts for users on the on-line casino respectively.

The investment in Diva Gold presents relatively strong earnings prospects for the Group in the medium to long term. It also provides the Company with the opportunity to broaden and diversify its sources of income.



Various games available at the virtual casino

website at www.atlanticcasino.com /

Berbagai jenis permainan di laman web kasino maya di www.atlanticcasino.com

Kumpulan melalui Dijaya Digital Sdn Bhd (“Digital”) telah mengambil keputusan untuk melibatkan diri ke dalam perniagaan berkaitan internet dan e-dagang di peringkat tempatan dan antarabangsa. Setelah mengenalpasti pertaruhan internet sebagai penglibatan pertamanya, Syarikat telah mengumumkan pengambilalihan 70% kepentingan ekuiti dalam Diva Gold International Ltd., melalui syarikat subsidiari milik penuh tidak langsungnya, Dijaya dotCom.Ventures Ltd. di Hong Kong. Diva Gold International Ltd. (“Diva Gold”) telah dilantik oleh Atlantic Gaming Ltd. untuk mengurus operasi perniagaan kasino bertalian komputer peisiran pantai berlesen yang dikenali sebagai Atlantic Casino bagi rantau Asia secara eksklusif. Ia meliputi penyediaan khidmat nasihat mengenai hala tuju Atlantic Casino di Asia, merangka strategi perniagaan bagi kasino tersebut, membantu Atlantic membangunkan produk pertaruhan, menjalankan penyelidikan pasaran, pemasaran dan mempromosi Atlantic Casino kepada para pengguna di Asia dan menarik para pengguna baru kasino tersebut.

Atlantic Gaming Ltd. telah diberi lesen oleh Kerajaan Antigua dan Barbuda untuk menubuh dan mengendalikan perniagaan kasino maya pesisir pantai. Kini, Atlantic Casino menjadi hos dalam pelayan (server) yang terletak di Antigua dan boleh diakses oleh para pengguna internet di seluruh dunia melalui laman web www.atlanticcasino.com.

Pembangunan kasino tersebut dijalankan oleh Boss Media AB, sebuah firma terkemuka dari Sweden yang disenaraikan di Bursa Saham Stockholm, dengan Boss Casino Ltd. menyediakan perkhidmatan pengurusan penyenggaraan kasino melalui talian komputer dan Webdollar Ltd. menyediakan perkhidmatan pengurusan matawang berkaitan pengurusan akaun untuk para pengguna talian komputer.

Pelaburan dalam Diva Gold menyediakan prospek pendapatan yang agak teguh kepada Kumpulan dalam jangka masa sederhana hingga panjang. Ia juga menyediakan Syarikat peluang untuk meluas dan mempelbagai sumber pendapatannya.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

SOCIAL RESPONSIBILITY

As we move into the new millennium with confidence, the Group plans to further fulfill its social responsibility role as a good corporate citizen by making donations to charitable organisations and worthy causes. As an initial gesture, the Company donated RM50,000 to the Tabung Amanah Perwira Dan Pertahanan Negara ("TAPPN") on the 25 April 2000. TAPPN was set up to provide assistance to members of the security forces comprising both the military and police force, as well as civilians who suffered mishaps in carrying out their bold and noble duty of protecting the country.

PROSPECTS

According to Bank Negara Malaysia, the economic recovery is progressing smoothly and all sectors of the economy are expected to register positive growth this year. The economy is expected to be strengthened further by focusing on the use of information technology and knowledge – "K-economy". The reflationary macroeconomic policies accompanied by the accommodative monetary policy with low interest rates have successfully resuscitated the economy in 1999. They are expected to be in place for 2000 to sustain and enhance the recovery process.



Prime Minister, YAB Datuk Seri Dr Mahathir Mohamad receiving a cheque for Tabung Amanah Perwira Dan Pertahanan Negara from Group Chief Executive Officer, Dato' Danny Tan /
Perdana Menteri YAB Datuk Seri Dr Mahathir Mohamad, menerima cek untuk Tabung Amanah Perwira dan Pertahanan Negara daripada Ketua Eksekutif Kumpulan, Dato' Danny Tan

TANGGUNGJAWAB SOSIAL

Sambil kita memasuki alaf baru dengan penuh yakin, Kumpulan merancang untuk memenuhi tanggungjawab sosialnya sebagai warga korporat yang baik dengan menghulur derma kepada badan-badan kebajikan dan amal. Sebagai gambaran awal terhadap matlamat ini, Syarikat telah menyumbang derma sebanyak RM50,000 kepada Tabung Amanah Perwira Dan Pertahanan Negara ("TAPPN") pada 25 April 2000. TAPPN telah ditubuhkan untuk menyediakan bantuan kepada pasukan tentera dan polis serta orang awam yang ditimpa bencana semasa menjalankan tugas mereka dengan berani dan murni untuk mempertahankan negara.

PROSPEK

Menurut Bank Negara Malaysia, pemulihan ekonomi sedang berjalan lancar dan semua sektor ekonomi dijangka akan mencatatkan pertumbuhan positif pada tahun ini. Ekonomi dijangka akan terus kukuh melalui fokus dalam teknologi maklumat dan pengetahuan - "K-ekonomi". Dasar-dasar makroekonomi reflasonari yang diikuti dengan dasar kewangan yang sesuai dengannya yang mengutamakan kadar faedah rendah dan telah berjaya menyelamatkan ekonomi pada tahun 1999 dijangka akan tersusun dengan baik menjelang tahun 2000 untuk mengekal dan mempertingkatkan proses pemulihan ini.

Chairman's Statement (cont'd)

Penyata Pengerusi (samb)

As the economic recovery gathers momentum into the new millennium, overall prospects are fairly encouraging.

For the Group, the relatively strong performance of the residential property market so far augurs well for its complete recovery this year though the commercial property sector is expected to take a longer time to reach the pre-crisis level.

Our maiden venture with internet gaming through managing the licensed offshore virtual casino for Asia is envisaged to generate higher earnings for the Group considering the expected exponential growth in the population of internet users, and the increase in general computer literacy. This venture will enable the Group to exploit the synergies of both the new and old economies effectively.

We are cautiously optimistic that the Group's performance will improve for the coming financial year.

APPRECIATION

On behalf of the Board of Directors, I wish to extend my appreciation to both the management and staff of the Group for their sacrifice, dedication and commitment.

I would also like to express my sincere thanks to all our valued shareholders, customers, financial institutions, government authorities and business associates for their continued support and cooperation.

Tan Sri Datuk Ahmad Farouk Bin Isahak

Chairman / Pengerusi

Selaras dengan momentum pemulihan ekonomi yang semakin rancak memasuki alaf baru, prospek keseluruhan adalah agak menggalakkan.

Bagi Kumpulan, prestasi pasaran hartanah kediaman yang agak teguh setakat ini memberi manfaat kepadanya untuk mencapai pemulihan sepenuhnya pada tahun ini walaupun sektor hartanah perdagangan dijangka akan mengambil masa yang lebih panjang untuk mencapai paras sebelum krisis.

Penglibatan pertama kami ke dalam pertaruhan internet melalui pengurusan kasino maya pesisir pantai berlesen untuk rantau Asia diramal akan menghasilkan pendapatan yang lebih tinggi bagi Kumpulan kerana bilangan pengguna internet dijangka akan bertambah dan tahap celik komputer secara keseluruhan juga telah meningkat. Di samping itu, ia membolehkan Kumpulan mengeksplotasi sinergi kedua-dua ekonomi baru dan lama dengan berkesan.

Kami secara umum agak yakin bahawa prestasi Kumpulan dijangka akan bertambah baik pada tahun kewangan akan datang.

PENGHARGAAN

Saya bagi pihak Lembaga Pengarah dengan sukacitanya ingin menyampaikan ucapan penghargaan saya kepada pengurusan dan kakitangan Kumpulan yang telah berkorban tenaga mereka, menampilkan semangat berdedikasi dan menjalankan tugas dengan penuh komitmen.

Ucapan terima kasih yang ikhlas ini juga ditujukan kepada para pemegang saham yang dihargai, pelanggan, institusi kewangan, pihak-pihak berkuasa kerajaan dan rakan-rakan dalam perniagaan yang telah memberi sokongan dan kerjasama berterusan.

Financial Statements

Directors' Report

18

Profit and Loss Accounts

22

Balance Sheets

23

Consolidated Cash Flow Statement

24 – 25

Notes to the Accounts

26 – 48

Statement by Directors

49

Statutory Declaration

49

Report of the Auditors

50

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 1999

The Directors hereby submit their report and the audited accounts of the Company and of the Group for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES

The Group is principally engaged in property and resort development, investment and property holding, manufacturing, engineering services and trading.

The principal activities of the Company during the year are those of investment and property holding. The principal activities of the subsidiary companies during the year are set out in note 16 to the accounts. There have been no significant changes in the nature of these activities during the year.

RESULTS

	Group RM	Company RM
Loss for the year after taxation and minority interests	(102,509,258)	(30,565,403)
Accumulated loss brought forward	(45,559,866)	(11,536,201)
Accumulated loss carried forward	(148,069,124)	(42,101,604)

In the opinion of the Directors, the results of the operations of the Company and of the Group during the year have not been substantially affected by any item, transaction or event of a material and unusual nature except for the exceptional items disclosed in note 6 to the accounts.

DIVIDENDS

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

The Directors do not recommend the payment of any dividend in respect of the current year.

MOVEMENTS ON RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the year have been disclosed in the accounts.

DIRECTORS

The Directors in office since the date of the last report are:

Tan Sri Datuk Ahmad Farouk Bin Isahak

Dato' Tan Chee Sing

Poh Pai Kong

Dato' Dr. Thong Kok Cheong

Dato' Thong Kok Khee

Dato' Michael Chen Wing Sum

YM Tengku Dr. Rethwan Bin Tengku Mansor

Meriam Bte Haji Yaacob

Michael Lim Hee Kiang

Dato' Michael Cheah Loi Sin

(resigned on 23.9.1999)

Directors' Report (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests in the shares in the Company and its related corporations during the year of those Directors holding office at the end of the year are as follows:

	Number of ordinary shares of RM1 each			Balance at 31.12.1999
	Balance at 1.1.1999	Bought	Sold	
Shares in the Company				
Direct interest				
Dato' Tan Chee Sing	72,036,374	144,000	—	72,180,374
Indirect interest				
Tan Sri Datuk Ahmad Farouk Bin Isahak	3,309,544	—	—	3,309,544
Dato' Tan Chee Sing	79,934,576	—	—	79,934,576
Dato' Dr. Thong Kok Cheong	4,900,000	—	—	4,900,000
Dato' Thong Kok Khee	12,750,000	—	—	12,750,000
YM Tengku Dr. Rethwan Bin Tengku Mansor	315,558	—	—	315,558

Dato' Tan Chee Sing, by virtue of his interest in the Company, is also deemed to have an interest in the shares of the subsidiary companies to the extent the Company has an interest pursuant to Section 6A of the Companies Act, 1965.

None of the other Directors holding office at the end of the year held any interest in shares in the Company or its related corporations during the year.

DIRECTORS' BENEFITS

Since the end of the previous year, no Director has received or become entitled to receive any benefit (other than benefits shown in note 5 to the accounts) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Neither during nor at the end of the year was the Company or any of its subsidiary companies a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' ROTATION

The Directors retiring by rotation from the Board this year are YM Tengku Dr. Rethwan Bin Tengku Mansor and Michael Lim Hee Kiang and being eligible, offer themselves for re-election.

Directors' Report (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

OTHER STATUTORY INFORMATION

Before the accounts of the Company and of the Group were made out, the Directors took reasonable steps:

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

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

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

In the interval between the end of the year and the date of this report:

- (a) no item, transaction or other event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Company and of the Group for the current year in which this report is made; and
- (b) no charges have arisen on the assets of any company in the Group which secure the liability of any other person nor have any contingent liabilities arisen in any company in the Group.

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

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

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Subsequent to the year end, the following events have taken effect:

- (a) On 6 March 2000, the Company granted 3,385,000 options under the Company's Employees' Share Option Scheme ("ESOS") to eligible Directors and employees of the Group to take up unissued shares of the Company at an exercise price of RM3.266 per share.

The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 13 February 1998 and became effective on 26 February 2000 upon approval by the Registrar of Companies. The ESOS shall be in force for a period of five years until 26 February 2005.

The aggregate number of shares to be issued by the Company pursuant to the ESOS as approved by the Securities Commission on 31 July 1997 shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.

Directors' Report (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

- (b) Gema Investments Ltd, a subsidiary company, had entered into a sale and purchase agreement to acquire 700 ordinary shares of USD1 each in Diva Gold International Ltd, a company incorporated in the British Virgin Islands, representing 70% equity interest, for a total cash consideration of USD3,500,000.
- (c) Dijaya Digital Sdn. Bhd., a subsidiary company, had entered into a sale and purchase agreement to acquire 700,000 ordinary shares of RM1.00 each in Atlantic Marketing Sdn. Bhd. (formerly known as Tirai Cerdik Sdn. Bhd.), representing 70% equity interest for a total cash consideration of RM700,000.

YEAR 2000

The Company and its subsidiary companies have not encountered any Y2K disruptions related issue since the crossing over to the year 2000. The Company and its subsidiary companies will continue to monitor the year 2000 issue.

AUDITORS

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

On behalf of the Board of Directors

Tan Sri Datuk Ahmad Farouk Bin Isahak

Director

Poh Pai Kong

Director

Petaling Jaya,

27 April 2000

Profit and Loss Accounts

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	Group		Company	
		1999 RM	1998 RM	1999 RM	1998 RM
Turnover	4	161,470,944	94,622,654	13,888,889	17,300,000
Operating profit/(loss) before exceptional items	5	(8,569,115)	(31,965,925)	2,786,154	886,274
Share of profits less losses of associated companies		(5,216,432)	(6,145,706)	–	–
Profit/(Loss) before exceptional items and taxation		(13,785,547)	(38,111,631)	2,786,154	886,274
Exceptional items	6	(91,033,488)	(24,580,642)	(29,462,668)	–
Profit/(Loss) before taxation		(104,819,035)	(62,692,273)	(26,676,514)	886,274
Taxation	7	3,610,990	(4,627,078)	(3,888,889)	(3,900,000)
Loss after taxation		(101,208,045)	(67,319,351)	(30,565,403)	(3,013,726)
Minority interests		(1,301,213)	3,242,194	–	–
Loss attributable to shareholders		(102,509,258)	(64,077,157)	(30,565,403)	(3,013,726)
Accumulated loss brought forward		(45,559,866)	18,517,291	(11,536,201)	(8,522,475)
Accumulated loss carried forward		(148,069,124)	(45,559,866)	(42,101,604)	(11,536,201)
Absorbed by:					
The Company		(42,101,604)	(11,536,201)		
Subsidiary companies		(96,783,216)	(32,407,315)		
Associated companies		(9,184,304)	(1,616,350)		
		(148,069,124)	(45,559,866)		
Loss per share	8	(39.5 sen)	(30.0 sen)		

The above profit and loss accounts are to be read in conjunction with the notes to the accounts on pages 26 to 48
Auditors' report – page 50

Balance Sheets

AS AT 31 DECEMBER 1999

	Note	Group		Company	
		1999 RM	1998 RM	1999 RM	1998 RM
Capital and reserves					
Share capital	9	259,502,583	259,502,583	259,502,583	259,502,583
Reserves	10	447,040,682	446,567,106	403,120,291	403,120,291
Accumulated loss		(148,069,124)	(45,559,866)	(42,101,604)	(11,536,201)
		558,474,141	660,509,823	620,521,270	651,086,673
Minority interests		66,470,605	66,368,035	–	–
Deferred and long term liabilities					
Deferred taxation	11	121,770,567	126,525,012	–	–
Security retainers	12	27,370,000	27,370,000	–	–
Deferred license fees		65,398,511	62,160,795	–	–
Term loans	13	129,809,728	68,664,616	–	–
Hire purchase and lease creditors	14	113,475	297,267	47,301	152,947
		969,407,027	1,011,895,548	620,568,571	651,239,620
Represented by:					
Fixed assets	15	278,960,584	288,177,276	1,556,448	669,064
Subsidiary companies	16	–	–	248,670,384	244,305,069
Associated companies	17	59,466,914	133,049,248	–	24,500
Investments	18	179,794,686	181,942,949	587,100	587,100
Land and development expenditure	19	56,528,643	52,202,948	–	–
Goodwill on consolidation	20	14,703,131	14,093,367	–	–
Security retainers accumulation fund	21	1,441,729	635,026	–	–
Deferred expenditure		–	38,445	–	–
Current assets	22	780,257,925	837,433,645	552,145,688	552,743,829
Current liabilities	23	(401,746,585)	(495,677,356)	(182,391,049)	(147,089,942)
Net current assets		378,511,340	341,756,289	369,754,639	405,653,887
		969,407,027	1,011,895,548	620,568,571	651,239,620

The above balance sheets are to be read in conjunction with the notes to the accounts on pages 26 to 48
Auditors' report – page 50

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	Group	
		1999 RM	1998 RM
Cash flows from operating activities			
Profit before exceptional items and taxation		(13,785,547)	(38,111,631)
Exceptional items		(91,033,488)	(24,580,642)
		(104,819,035)	(62,692,273)
Adjustments for:			
Depreciation of fixed assets		11,167,682	8,539,228
Loss retained in associated companies		5,143,712	6,145,706
Gain on disposal of an associated company		(774,198)	–
Profit on disposal of fixed assets		(133,697)	(474,035)
Loss on disposal of shares quoted in Malaysia		1,356,533	1,016,191
Fixed assets written off		19,721	272,896
Provision for diminution in value of shares quoted in Malaysia		–	24,580,642
Rental income		(1,871,009)	(685,317)
Interest expense (net)		10,299,863	38,914,844
Provision for doubtful debts		1,292,511	1,889,195
Provision for diminution in value of associated companies		65,643,882	–
Provision for forfeiture of land deposits		29,163,667	–
Profit on disposal of properties		(5,130,594)	–
Deferred expenditure written off		38,445	–
Unrealised returns on endowment policy		(806,703)	–
		10,590,780	17,507,077
Decrease in trade and other receivables		9,815,979	32,469,395
Increase/(Decrease) in stocks		15,572,789	(4,013,919)
(Increase)/Decrease in land and development expenditure		(3,459,872)	4,804,287
Decrease in trade and other payables		(13,548,038)	(313,757,741)
		18,971,638	(262,990,901)
Cash generated from operations		18,971,638	(262,990,901)
Income tax refund/(paid)		(4,773,686)	(5,588,288)
		14,197,952	(268,579,189)
Net cash from/(used in) operating activities		14,197,952	(268,579,189)

Consolidated Cash Flow Statement (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	Group	
		1999 RM	1998 RM
Cash flows from investing activities			
Advances to associated companies		(13,929,364)	(14,005,832)
Proceeds from disposal of fixed assets		254,429	1,459,069
Proceeds from disposal of shares quoted in Malaysia		1,116,730	588,637
Proceeds from disposal of properties		17,542,903	–
Rental income received		1,871,009	685,317
Purchase of fixed assets		(2,091,443)	(706,535)
Acquisition of a subsidiary company	29	(21,107)	(737,079)
Acquisition of shares from minority shareholders		(9,880)	–
Acquisition of an associated company		–	(24,400,000)
Proceeds from disposal of an associated company		2,295,000	–
Interest paid		(10,299,863)	(38,914,844)
Purchase of shares quoted in Malaysia		(325,000)	–
Dividend received from an associated company		1,104,000	–
Net cash used in investing activities		(2,492,586)	(76,031,267)
Cash flows from financing activities			
Issue of share capital		–	326,447,774
Drawdown of term loans		61,145,112	142,341,126
Repayment of term loans		(76,226,001)	(138,893,849)
Hire purchase and lease financing repaid		(942,235)	(1,187,758)
Drawdown of short term bank borrowings		2,362,982	–
Net cash (used in)/from financing activities		(13,660,142)	328,707,293
Net increase/(decrease) in cash and cash equivalents during the year		(1,954,776)	(15,903,163)
Cash and cash equivalents at beginning of the year		(1,155,591)	14,747,572
Cash and cash equivalents at end of the year	30	(3,110,367)	(1,155,591)

The above consolidated cash flow statement is to be read in conjunction with the notes to the accounts on pages 26 to 48
Auditors' report – page 50

Notes to the Accounts

FOR THE YEAR ENDED 31 DECEMBER 1999

1 BASIS OF PREPARATION OF THE ACCOUNTS

The accounts of the Company and Group have been prepared in accordance with the provisions of the Companies Act, 1965 and in accordance with the applicable approved Accounting Standards in Malaysia.

2 SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous year.

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the Company and all its subsidiary companies made up to the end of the year. The results of the subsidiary companies acquired or disposed during the year are included in the consolidated profit and loss accounts from the date of their acquisition or up to date of disposal. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The excess of the value of the net tangible assets of subsidiary companies at the date of acquisition over the purchase price is included in the consolidated balance sheet as reserve arising on consolidation.

The deficit of the value of the net tangible assets of subsidiary companies at the date of acquisition over the purchase price is included in the consolidated balance sheet as goodwill arising on consolidation. Goodwill is retained in the consolidated balance sheet at cost, unless in the opinion of the Directors there is a permanent diminution in which case a provision is made.

Subsidiary companies

A subsidiary company is a company in which the Group has a long term equity investment of more than 50 percent and where the Group controls the composition of its board of directors or more than half of its voting power.

Investments in subsidiary companies are stated at cost except where the Directors are of the opinion that there is permanent diminution in the value of the investment, in which case provision is made for the diminution in value.

Associated companies

The Group treats as associated companies those companies in which a long term equity interest of between 20 and 50 percent is held and is able to exercise significant influence by representation on the board of directors or participation in the financial and operating decision making processes of the investee.

Investments in associated companies are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of the investment, in which case, provision is made for the diminution in value.

The Group's share of profits less losses of the associated companies is included in the consolidated profit and loss account and the Group's share of post acquisition retained profits/accumulated losses and reserves is added to or deducted from the cost of investment in the consolidated balance sheet. These amounts are taken from the latest management accounts or audited accounts, where available, of the companies concerned with the same financial year end as the Group and where the financial year is not coterminous, the amounts are taken from the latest available management accounts.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Premium or reserve arising on acquisition represents the difference between the cost of investment and the Group's share of the fair value of the separable net assets of the associated companies at the date of acquisition and is stated at cost except where the Directors are of the opinion that it is permanently impaired, in which case a provision is made.

Investments

Investments held for long term are stated at cost unless there has been a permanent diminution in value, in which case, a provision is made.

Currency translations

Foreign currency transactions are converted into Ringgit Malaysia at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date and are translated into Ringgit Malaysia at rates of exchange ruling on that date. Exchange differences are reflected in the profit and loss account.

The accounts of foreign subsidiary companies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date except for non-monetary items which are translated at historical rates. Exchange differences arising on these translations are reflected in the exchange fluctuation reserve account.

Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation except for freehold land and capital work-in-progress which are not depreciated.

Leasehold land is amortised on a straight line basis over the period of the lease of 99 years. On other assets, depreciation is on a straight line basis over the expected useful lives of the assets concerned. The annual rates used are:

Buildings	2% – 5%
Golf course	over a period of 57 years
Plant and machinery	5% – 15%
Office furniture, fittings and equipment	10% – 25%
Motor vehicles	20%

The Directors have applied the transitional provisions of International Accounting Standards No. 16 (Revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allows the leasehold land and buildings to be stated at their last revalued amounts less depreciation. Accordingly, these valuations have not been updated.

Development property and expenditure

The cost of land held for development and related development costs are carried forward as development property and expenditure respectively. Where applicable, the fair value of land at the date of acquisition of subsidiary companies is carried forward in place of cost. Costs charged to the profit and loss account are in respect of completed properties sold and comprise proportionate cost of land and related development costs.

The Group considers as current assets that portion of development properties where significant development work has been undertaken and is expected to be completed within the normal operating cycle and stated at the lower of cost and net realisable value.

Long term portion of land and development expenditure comprise land held for future development and are stated at cost.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue and profit recognition

(i) Revenue and profit from property development

Progress billings from property development represent the value of the development properties sold by reference to the stage of completion of the properties.

Profit from property development projects is recognised on the percentage of completion method, in cases where the outcome of the contract can be reliably estimated. Anticipated losses are provided for in full.

(ii) Revenue and profit from resort development

Entrance fees are recognised upon signing of membership agreements. Deferred licence fees are recognised over the period of the membership. Income from monthly subscription fees is recognised on an accrual basis.

(iii) Revenue and profit from engineering jobs

Revenue from engineering jobs is recognised on the percentage of completion method.

(iv) Revenue and profit from stockbroking

Brokerage income is recognised on execution of contract.

Interest and underwriting income is recognised on accrual basis. Where an account is classified as doubtful, recognition of interest income is suspended until it is realised on a cash basis. Margin rollover fee is recognised on rollover of margin financing facilities.

(v) Income from sale of goods

Income from sale of goods is recognised based on invoiced value of goods less discounts and returns.

(vi) Investment income

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

Capitalisation of borrowing costs

Interest incurred on borrowings associated with active development projects, up to completion, is capitalised and included as part of development expenditure. Capitalisation of borrowing costs will cease on completion of the projects.

Stocks

(i) Completed buildings

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Cost comprises proportionate cost of land and related development and construction costs.

(ii) Finished goods, work-in-progress and raw materials

Stocks are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged or slow moving stock. The cost of finished goods and work-in-progress includes direct materials, direct labour and relevant fixed and variable factory overheads.

Raw materials and consumable stores and spares are valued at cost on a weighted average basis less provision for obsolescence.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Debtors

Known bad debts are written off and a provision is made for any amount which appears doubtful.

Assets acquired under finance lease and hire purchase agreements

Assets acquired under finance lease and hire purchase agreements are included in fixed assets and the capital element of the leasing and hire purchase commitments is shown as liabilities. The capital element of the hire purchase and lease rental is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period. Assets acquired under finance leases and hire purchases are depreciated over the useful lives of equivalents owned assets.

Deferred taxation

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

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

Sinking fund reserve

Sinking fund reserve of the Group is established for the purpose of covering the costs of periodic major repairs or capital replacements in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from members during the year are credited to this reserve.

The amount credited into the reserve during the year is subsequently paid to a fund in the first month following the year. This fund is kept in a separate trust account and administered by a Trustee.

Monies in the sinking fund is invested by the Trustee. Any income arising out of the investment is accrued to the fund.

Deferred licence fees

License fees are received upon admission of new members of the golf and country resort of the Group after January 1993, and are recognised to the profit and loss account over the remaining term of the membership licenses which expire on 9 October, 2051.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with bank, short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts which are repayable on demand.

3. PRINCIPAL ACTIVITIES

The Group is principally engaged in property and resort development, investment and property holding, manufacturing, engineering services and trading.

The principal activities of the Company during the year are those of investment and property holding. The principal activities of the subsidiary companies during the year are set out in note 16 to the accounts. There have been no significant changes in the nature of these activities during the year.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

4 TURNOVER

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Progress billings net of discount from sale of development property and income from recreational and resort operations	146,271,276	71,253,692	–	–
Certified value of contracts and sales of trading goods	13,736,156	21,206,079	–	–
Sales of manufactured goods at invoiced value net of discounts and allowances	178,397	52,376	–	–
Interest from credit and leasing activities	596,000	1,862,660	–	–
Dividends (gross) received from				
– subsidiary companies (unquoted)	–	–	13,888,889	17,300,000
– investments quoted in Malaysia	689,115	247,847	–	–
Group's turnover	161,470,944	94,622,654	13,888,889	17,300,000
Group's share of turnover of associated Companies	27,940,285	108,420,314		
	189,411,229	203,042,968		

5 OPERATING PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Operating profit/(loss) before exceptional items is stated after charging:				
Directors' remuneration fees				
– Directors of the Company	21,000	21,000	21,000	21,000
Other emoluments				
– Directors of the Company	851,200	973,000	210,000	295,000
– Other directors	56,000	263,600	–	–
Depreciation of fixed assets	11,167,682	8,539,228	314,673	363,478
Auditors' remuneration				
– Current year	130,930	120,840	28,000	28,000
– Underprovision in respect of prior year	–	1,900	–	–
Interest expense				
– Term loans	11,185,435	27,251,156	9,908,102	17,060,405
– Bank overdrafts	1,395,985	1,950,953	–	–
– Other borrowings	1,661,391	5,768,246	67,394	117,326
Office rental expenses	436,135	362,479	19,388	56,847
Provision for doubtful debts	1,292,511	1,889,195	–	–
Loss on disposal of quoted shares	1,356,533	1,016,191	–	–
Fixed assets written off	19,721	–	–	–

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

5 OPERATING PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS (Cont'd)

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
and crediting:				
Rental income	1,871,009	685,317	—	—
Profit on disposal of fixed assets	133,699	474,035	14,219	205,332
Interest income	3,942,948	4,003,318	596,000	2,614,507
Gain on disposal of an associated company	774,198	—	—	—
Unrealised returns of endowment policy	806,703	—	—	—

The estimated monetary value of benefits-in-kind provided to the Directors of the Group amounted to RM10,500 (1998: RM10,500).

6 EXCEPTIONAL ITEMS (NIL TAX EFFECT)

Exceptional items comprise:

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Provision for diminution in value of associated companies	65,643,882	—	—	—
Provision for forfeiture of land deposits	29,163,667	—	5,007,035	—
Provision for amount owing by subsidiary Companies	—	—	24,455,633	—
Loss on disposal of quoted investments	1,356,533	—	—	—
Profit on disposal of properties	(5,130,594)	—	—	—
Provision for diminution in value of quoted investments	—	24,580,642	—	—
	91,033,488	24,580,642	29,462,668	—

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

7 TAXATION

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Malaysian income tax	–	2,733,028	3,888,889	2,500,000
Transfer from deferred taxation	(4,754,445)	(1,152,948)	–	–
	(4,754,445)	1,580,080	3,888,889	2,500,000
Underprovision of taxation in previous years	1,070,735	1,400,000	–	1,400,000
	(3,683,710)	2,980,080	3,888,889	3,900,000
Share of taxation of associated companies	72,720	1,646,998	–	–
	(3,610,990)	4,627,078	3,888,889	3,900,000

The taxation of the Company for the current year is mainly in respect of dividend income which is not exempted from tax under Section 8 of the Income Tax (Amendment) Act, 1997.

The Company has unabsorbed tax losses amounting to approximately RM5,926,000 (1998: RM5,926,000) which, subject to agreement with the Inland Revenue Board, can be carried forward and utilised to set off against future taxable business profits of the Company.

8 LOSS PER SHARE

The loss per share has been calculated based on the Group loss attributable to shareholders of RM102,509,258 (1998: RM64,077,157) and the number of ordinary shares in issue during the year of 259,502,583 (1998: weighted average number of ordinary shares of 214,162,614 shares).

9 SHARE CAPITAL

	Group and Company	
	1999 RM	1998 RM
Authorised		
Ordinary shares of RM1 each	500,000,000	500,000,000
Issued and fully paid		
Ordinary shares of RM1 each		
At 1 January	259,502,583	138,596,000
Issued during the year	–	120,906,583
At 31 December	259,502,583	259,502,583

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

10 RESERVES

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Capital reserves				
At 1 January	446,567,106	211,233,313	403,120,291	197,579,100
Exchange fluctuation reserve	(17,998)	37,117	–	–
Share premium	–	205,541,191	–	205,541,191
Reserve on consolidation	491,574	29,755,485	–	–
At 31 December	447,040,682	446,567,106	403,120,291	403,120,291

Capital reserves comprise:

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Share premium	402,653,291	402,653,291	402,653,291	402,653,291
Reserve on consolidation	43,571,593	43,080,019	–	–
Surplus on revaluation of freehold land and buildings	467,000	467,000	467,000	467,000
Exchange fluctuation reserve	348,798	366,796	–	–
	447,040,682	446,567,106	403,120,291	403,120,291

The capital reserves are not distributable by way of cash dividends.

11 DEFERRED TAXATION

	Group	
	1999 RM	1998 RM
At 1 January	126,525,012	38,004,235
Transfer to profit and loss account	(4,754,445)	(1,152,948)
Arising from acquisition of subsidiary companies	–	89,673,725
At 31 December	121,770,567	126,525,012

12 SECURITY RETAINERS

Security retainers are collected from members of the golf and country resort of the Group who joined prior to January 1993. These security retainers are refundable to the members on cessation of membership, upon the expiry of the term of the membership licences on 9 October 2051 or upon revocation or termination of the membership at its discretion at any time before the expiry date.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

13 TERM LOANS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Term loans	226,436,022	241,516,911	17,316,902	17,316,902
Repayment within 12 months (included under current liabilities)	(96,626,294)	(172,852,295)	(17,316,902)	(17,316,902)
Repayment after 12 months (included under deferred and long term liabilities)	129,809,728	68,664,616	–	–
Details of securities:				
Secured by:				
Fixed charge over the landed properties held under land and development expenditure and fixed assets of subsidiary companies	164,286,022	179,366,911	17,316,902	17,316,902
Pledge of quoted shares belonging to a subsidiary company	62,150,000	62,150,000	–	–
	226,436,022	241,516,911	17,316,902	17,316,902

Interest rates during the year ranged between 9.30% and 13.50% (1998: 10.05% and 21.93%) per annum.

14 HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Hire purchase creditors	383,441	913,971	208,493	387,996
Lease creditors	–	411,705	–	–
	383,441	1,325,676	208,493	387,996
Repayable within 12 months (included under current liabilities)	(269,966)	(1,028,409)	(161,192)	(235,049)
Repayable after 12 months (included under deferred and long term liabilities)	113,475	297,267	47,301	152,947

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

15 FIXED ASSETS

Group	Freehold land RM	Buildings on freehold land RM	Long term leasehold land and buildings RM	Golf course RM	Plant and machinery RM	Office furniture, fittings and equipment RM	Motor vehicles RM	Total RM
1999								
At 1 January								
– at cost	8,715,955	3,237,748	235,062,796	46,700,829	19,303,578	5,964,137	4,481,578	323,466,621
– at valuation	2,295,798	2,374,202	-	-	-	-	-	4,670,000
Additions	-	-	136,168	-	85,342	1,578,643	291,290	2,091,443
Disposals	-	-	-	-	-	(750)	(535,943)	(536,693)
Written off	-	-	-	-	(66,468)	(725,495)	(19,067)	(811,030)
At 31 December	11,011,753	5,611,950	235,198,964	46,700,829	19,322,452	6,816,535	4,217,858	328,880,341
Depreciation								
At 1 January	-	1,228,924	15,327,724	3,601,104	13,046,677	3,489,983	3,264,933	39,959,345
Charge for the year	-	3,499,152	3,148,037	817,265	2,526,393	554,469	622,366	11,167,682
Disposals	-	-	-	-	-	(225)	(415,736)	(415,961)
Written off	-	-	-	-	(51,460)	(720,782)	(19,067)	(791,309)
At 31 December	-	4,728,076	18,475,761	4,418,369	15,521,610	3,323,445	3,452,496	49,919,757
Net book value								
at 31 December 1999	11,011,753	883,874	216,723,203	42,282,460	3,800,842	3,493,090	765,362	278,960,584
Net book value of assets acquired under instalment plans								
	-	-	-	-	446,550	230,784	775,733	1,453,067

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

15 FIXED ASSETS (Cont'd)

Group	Freehold land RM	Buildings on freehold land RM	Long term leasehold land and buildings RM	Golf course RM	Plant and machinery RM	Office furniture, fittings and equipment RM	Motor vehicles RM	Total RM
1998								
At 1 January								
– at cost	8,715,955	3,237,748	234,803,869	46,700,829	19,013,261	6,698,296	5,830,066	325,000,024
– at valuation	2,295,798	2,374,202	–	–	–	–	–	4,670,000
Additions	–	–	258,927	–	293,899	130,709	4,980	688,515
Acquisition of subsidiary companies	–	–	–	–	–	540,923	170,714	711,637
Disposals	–	–	–	–	(3,582)	(654,003)	(1,524,182)	(2,181,767)
Written off	–	–	–	–	–	(751,788)	–	(751,788)
At 31 December	11,011,753	5,611,950	235,062,796	46,700,829	19,303,578	5,964,137	4,481,578	328,136,621
Depreciation								
At 1 January	–	1,164,924	11,966,354	2,783,839	10,217,199	3,214,224	3,378,171	32,724,711
Acquisition of subsidiary companies	–	–	–	–	–	287,826	31,225	319,051
Charge for the year	–	64,000	3,361,370	817,265	2,831,339	617,964	847,290	8,539,228
Disposals	–	–	–	–	(1,861)	(151,139)	(991,753)	(1,144,753)
Written off	–	–	–	–	–	(478,892)	–	(478,892)
At 31 December	–	1,288,924	15,327,724	3,601,104	13,046,677	3,489,983	3,264,933	39,959,345
Net book value at 31 December 1998								
	11,011,753	4,383,026	219,735,072	43,099,725	6,256,901	2,474,154	1,216,645	288,177,276
Net book value of assets acquired under instalment plans								
	–	–	–	–	1,311,843	–	1,159,170	2,471,013

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

15 FIXED ASSETS (Cont'd)

Company	Office furniture, fittings and equipment RM	Motor vehicles RM	Total RM
1999			
Cost			
At 1 January	141,843	1,602,434	1,744,277
Additions	1,100,840	165,000	1,265,840
Disposals	–	(106,302)	(106,302)
At 31 December	1,242,683	1,661,132	2,903,815
Accumulated depreciation			
At 1 January	39,920	1,035,293	1,075,213
Charge for the year	37,130	277,543	314,673
Disposals	–	(42,519)	(42,519)
At 31 December	77,050	1,270,317	1,347,367
Net book value at 31 December 1999	1,165,633	390,815	1,556,448
Net book value of assets acquired under instalment plans	–	390,815	390,815
1998			
Cost			
At 1 January	787,744	2,663,110	3,450,854
Disposals	(645,901)	(1,060,676)	(1,706,577)
At 31 December	141,843	1,602,434	1,744,277
Accumulated depreciation			
At 1 January	174,261	1,442,784	1,617,045
Charge for the year	15,069	348,409	363,478
Disposals	(149,410)	(755,900)	(905,310)
At 31 December	39,920	1,035,293	1,075,213
Net book value at 31 December 1999	101,923	567,141	669,064
Net book value of assets acquired under instalment plans	–	567,141	567,141

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

15 FIXED ASSETS (Cont'd)

- (a) The following properties of the Group stated at valuation were revalued by the Directors based on independent professional valuation:

Year of valuation	Description of property	Amount RM	Basis of valuation
1992	Freehold land and buildings	4,670,000	Fair market value

- (b) The net book value of revalued buildings on freehold land of the Group that would have been included in the accounts, had these assets been carried at cost less depreciation are RM572,342 (1998: RM658,810).

- (c) The following fixed assets of certain subsidiary companies have been charged as security for their borrowings and term loans facilities as disclosed in notes 13,27 and 28 to the accounts:

- (i) long term leasehold land and buildings and golf course of the Group, stated at cost of RM131,577,437 (1998: RM127,126,330).
- (ii) freehold land of the Group, stated at cost of RM8,715,955 (1998: RM8,715,955).

16 SUBSIDIARY COMPANIES

	Company	
	1999 RM	1998 RM
Shares, at cost (unquoted)	248,670,384	244,305,069

The subsidiary companies are:

Name of company	Place of incorporation	Holding in equity				Principal activity
		By Company		By subsidiary companies		
		1999 %	1998 %	1999 %	1998 %	
Accroway Sdn. Bhd.	Malaysia	100	100	—	—	Dormant
Arah Pelangi Sdn. Bhd.	Malaysia	100	100	—	—	Investment and property holding
* Aspek Analisa Sdn. Bhd.	Malaysia	100	100	—	—	Property development
* Banjaran Mutiara Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding
* Dijaya Management Services Sdn. Bhd. (formerly known as Gurindam Masyhur Sdn. Bhd.)	Malaysia	100	100	—	—	Management services
JMI Manufacturing Sdn. Bhd.	Malaysia	100	100	—	—	Dormant
* Nagasari Cerdas Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding
* Seleksi Kembara Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding
Sumber Saujana Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

16 SUBSIDIARY COMPANIES (Cont'd)

Name of company	Place of incorporation	Holding in equity				Principal activity
		By Company		By subsidiary companies		
		1999 %	1998 %	1999 %	1998 %	
Terbit Berkat Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding
* Tropicana Golf & Country Resort Berhad	Malaysia	100	100	—	—	Real property and resort development
Jasa Megah Marketing Sdn. Bhd.	Malaysia	69.4	49	—	—	Dormant
* Dijaya Digital Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding
* Dijaya Credit & Leasing Sdn. Bhd.	Malaysia	100	100	—	—	Credit and leasing
* Dijaya Construction Sdn. Bhd.	Malaysia	100	100	—	—	Dormant
* Bright Phase Sdn. Bhd.	Malaysia	100	100	—	—	Investment holding
Ikatan Engineering Sdn. Bhd.	Malaysia	80	80	—	—	Mechanical engineering and general trading
* Desiran Idaman Sdn. Bhd.	Malaysia	—	—	100	100	Investment holding
* Desiran Realiti Sdn. Bhd.	Malaysia	—	—	51	51	Investment holding
# Gema Investments Ltd.	Hong Kong	—	—	100	100	Investment holding
* Izasaja Sdn. Bhd.	Malaysia	—	—	100	100	Investment holding
* Nadi Jelita Sdn. Bhd.	Malaysia	—	—	100	100	Property development
Sinbor Corporation Sdn. Bhd.	Malaysia	—	—	100	100	Investment holding
* Dijaya Wangsa Sdn. Bhd.	Malaysia	—	—	60	60	Property development
* Tropicana Management Services Sdn. Bhd.	Malaysia	—	—	100	100	Management services
* Mawar Hebat Sdn. Bhd.	Malaysia	—	—	55	55	Property development
* Puncak Suria Sdn. Bhd.	Malaysia	—	—	100	97.5	Property development
* Cita Tekun Sdn. Bhd.	Malaysia	100	100	—	—	Dormant
* Bakat Rampai Sdn. Bhd.	Malaysia	100	99.01	—	—	Investment holding
* Dijaya Land Sdn. Bhd.	Malaysia	—	—	60	60	Property development
* Dicorp Land Sdn. Bhd.	Malaysia	—	—	100	100	Property development
* Maxi Legacy Sdn. Bhd.	Malaysia	—	—	100	100	Property development
* Irama Sejati Sdn. Bhd.	Malaysia	—	—	100	100	Investment holding
* Damansara Impian Sdn. Bhd.	Malaysia	—	—	70	70	Property development
* Ikatan Oilfield Services Sdn. Bhd.	Malaysia	—	—	100	—	Dormant

* Company not audited by Coopers & Lybrand

Company audited by Coopers & Lybrand International

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

17 ASSOCIATED COMPANIES

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Shares, at cost (unquoted)	134,295,100	134,665,598	–	24,500
Group's share of post acquisition retained profits less losses	(9,184,304)	(1,616,350)	–	–
Provision for diminution in value of associated companies	(65,643,882)	–	–	–
	59,466,914	133,049,248	–	24,500

Represented by:

	1999 RM	1998 RM
Group's share of net tangible assets of associated companies	43,171,981	116,221,608
Group's share of intangible assets of associated companies	4,749,048	5,281,755
Premium on acquisition	11,545,885	11,545,885
	59,466,914	133,049,248

The Company has discontinued equity accounting for Berjaya Ditan Sdn. Bhd. as the Directors are of the opinion that they no longer have a significant influence in the management of this company and they are currently considering a corporate proposal which is likely to result in a significant dilution of the Company's shareholding to less than 20% in Berjaya Ditan Sdn. Bhd. eventually. Accordingly, the cost of the investment has been written down to its net tangible asset value.

The associated companies are:

Name of company	Place of incorporation	Holding in equity		Principal activities	Financial year end
		By subsidiary companies			
		1999 %	1998 %		
Bredan (Malaysia) Sdn. Bhd.	Malaysia	33	33	Dormant	30 June
Ikatan Hulee Engineering (J.V.) Sdn. Bhd	Malaysia	50	50	Mechanical engineering works	31 December
Malaysian Roofing Industries Sdn. Bhd.	Malaysia	24	24	Manufacture of roofing tiles	31 December
Tenaga Kimia Berhad	Malaysia	30	30	Manufacture of explosives, chemicals and blasting accessories	31 December
Berjaya Ditan Sdn. Bhd.	Malaysia	50	50	Property development	31 December
South Johor Equities Sdn. Bhd.	Malaysia	30.5	30.5	Investment holding, stockbroking and asset management	30 October

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

18 INVESTMENTS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
At cost,				
Quoted shares in Malaysia	203,373,628	205,846,891	—	—
Unquoted loan stocks in Malaysia	408,600	83,600	—	—
Unquoted investment	593,100	593,100	587,100	587,100
	204,375,328	206,523,591	587,100	587,100
Less: Provision for diminution in value of quoted investments	(24,580,642)	(24,580,642)	—	—
	179,794,686	181,942,949	587,100	587,100
Market value of quoted investments	138,819,750	70,619,233	—	—

Investment in quoted shares of the Group have been charged as security for certain term loan and bank overdraft facilities as disclosed in notes 13 and 28 to the accounts.

19 LAND AND DEVELOPMENT EXPENDITURE

	Group	
	1999 RM	1998 RM
At cost,		
Land held for development and resale	564,169,936	625,470,563
Development expenditure	316,459,338	239,254,732
	880,629,274	864,725,295
Long term portion	(56,528,643)	(52,202,948)
Short term portion	824,100,631	812,522,347
Attributable profit	68,576,183	9,505,630
	892,676,814	822,027,977
Progress billings	(245,773,941)	(161,846,972)
Short term portion included under current assets	646,902,873	660,181,005

Included in land and development expenditure is interest cost capitalised during the year of RM12,509,071 (1998: RM22,403,443).

Land and development expenditure of the Group of RM200,123,370 (1998: RM195,059,768) have been charged as security for certain term loan facilities as disclosed in note 13 to the accounts.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

20 GOODWILL ON CONSOLIDATION

	Group	
	1999	1998
	RM	RM
As at 1 January	141,093,367	141,093,367
Arising from acquisition of a subsidiary company	609,764	—
As at 31 December	<u>141,703,131</u>	<u>141,093,367</u>

21 SECURITY RETAINERS ACCUMULATION FUND

	Group	
	1999	1998
	RM	RM
As at 1 January	635,026	635,026
Unrealised returns	806,703	—
As at 31 January	<u>1,441,729</u>	<u>635,026</u>

The security retainers accumulation fund of the golf and country resort of the Group relates to a single premium paid for the purchase of a "Group Endowment with Profits" policy from a local insurer in 1994 where a rate of return is accruing to this policy on a cumulative basis, annually. The total accumulated return together with the insured sum will only be received upon maturity of the said policy on 2 October 2051. The purpose of this scheme is to provide the Group with funds to repay the security retainers received from members of the golf and country resort of the Group who registered prior to January 1993 at the end of their membership license term on 9 October, 2051.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

22 CURRENT ASSETS

	Note	Group		Company	
		1999 RM	1998 RM	1999 RM	1998 RM
Stocks	24	21,324,007	36,896,796	–	–
Land and development expenditure	19	646,902,873	660,181,005	–	–
Trade debtors		44,944,698	47,895,774	3,029,767	4,339,085
Less: Provision for doubtful debts		(4,722,745)	(2,721,734)	(316,955)	(316,955)
		40,221,953	45,174,040	2,712,812	4,022,130
Amount owing by subsidiary companies	25	–	–	567,511,061	533,377,267
Less: Provision for amount owing by subsidiary companies		–	–	(24,455,633)	–
		–	–	543,055,428	533,377,267
Amount owing by associated companies		30,238,500	17,165,318	–	885,638
Less: Provision for doubtful debts		–	(856,182)	–	(856,182)
		30,238,500	16,309,136	–	29,456
Other debtors, deposits and prepayments		50,721,777	57,604,678	11,521,968	15,522,442
Less: Provision for doubtful debts		(486,252)	(1,194,752)	(339,273)	(339,273)
Less: Provision for forfeiture of land deposits		(29,163,667)	–	(5,007,035)	–
		21,071,858	56,409,926	6,175,660	15,183,169
Deposits with licensed banks		1,760,739	4,044,637	–	–
Cash and bank balances	26	18,737,995	18,418,105	201,788	131,807
		780,257,925	837,433,645	552,145,688	552,743,829

23 CURRENT LIABILITIES

	Note	Group		Company	
		1999 RM	1998 RM	1999 RM	1998 RM
Trade creditors		26,190,524	15,795,747	24,690	24,690
Amount owing to subsidiary companies		–	–	62,967,589	24,083,044
Other creditors and accrued liabilities		131,090,598	157,733,632	919,676	529,257
Sinking fund reserves		2,156,272	1,505,141	–	–
Current portion of term loans	13	96,626,294	172,852,295	17,316,902	17,316,902
Short term bank borrowings	27	111,470,000	109,107,018	101,001,000	101,001,000
Hire purchase and lease creditors	14	269,966	1,028,409	161,192	235,049
Bank overdrafts	28	23,609,101	23,618,333	–	–
Taxation		10,333,830	14,036,781	–	3,900,000
		401,746,585	495,677,356	182,391,049	147,089,942

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

24 STOCKS

	Group	
	1999 RM	1998 RM
Finished goods	142,944	564,232
Work-in-progress	2,867,292	3,621,339
Consumable stores and spares	635,205	252,826
Completed buildings	17,678,566	32,458,399
	21,324,007	36,896,796

25 AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies are non-trade in nature, unsecured and interest free except for amounts owing by certain subsidiary companies of RM4,521,633 (1998: RM3,934,263) which carried an interest rate of 10% (1998: 10.00%) per annum with no fixed terms of repayment.

The amount owing to subsidiary companies are non-trade in nature, unsecured and interest free with no fixed terms of repayment.

26 CASH AND BANK BALANCES

Cash at bank includes balances amounting to RM11,289,007 (1998: RM5,971,674) which are maintained in designated Housing Development Accounts pursuant to the Housing Developers (Control and Licensing) Act, 1966 and Housing Regulations, 1991 in connection with the Group's property development projects.

27 SHORT TERM BANK BORROWINGS

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Secured	107,704,000	100,777,879	98,000,000	98,000,000
Unsecured	3,766,000	8,329,139	3,001,000	3,001,000
	111,470,000	109,107,018	101,001,000	101,001,000

The secured short term bank borrowings are secured by way of a legal charge over the leasehold land and buildings of a subsidiary company. Interest rates during the year ranged between 5.62% and 10.48% (1998: 9.05% and 21.93%) per annum.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

28 BANK OVERDRAFTS

	Group	
	1999 RM	1998 RM
Secured	22,639,459	18,534,915
Unsecured	969,642	5,083,418
	23,609,101	23,618,333

The secured bank overdrafts of the Group are secured by way of legal charges over certain fixed and floating assets, leasehold land and buildings and quoted investments of certain subsidiary companies. The interest rates during the year ranged between 5.65% and 13.5% (1998: 9.00% and 11.85%) per annum.

29 SUMMARY OF EFFECT OF ACQUISITION OF SHARES IN A SUBSIDIARY COMPANY

On 19 April 1999, Dijaya Corporation Berhad acquired an additional 10,200 ordinary shares of Jasa Megah Marketing Sdn. Bhd., representing 20.4% of the issued and paid up share capital.

Net assets acquired:

	RM
Net cash and bank balances	3,395
Current liabilities	(588,657)
	(585,262)
Goodwill on consolidation	609,764
Purchase consideration	24,502
Less: Net cash and bank balances	(3,395)
Net cash paid for acquisition of a subsidiary company	21,107

The profit after taxation are as follows:

	Profit after taxation RM
Results prior to acquisition	
Financial year to 31 December 1998	116,556
1 January 1995 to date of acquisition	66,437
Results post acquisition	
From date of acquisition to 31 December 1999	99,656

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

30 CASH AND CASH EQUIVALENTS

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

	Group	
	1999 RM	1998 RM
Deposits with licensed bank	1,760,739	4,044,637
Cash and bank balances	18,737,995	18,418,105
Bank overdrafts	(23,609,101)	(23,618,333)
	(3,110,367)	(1,155,591)

31 SIGNIFICANT TRANSACTIONS WITH RELATED COMPANIES

Significant transactions between the Company and its related companies are as follows:

	Company	
	1999 RM	1998 RM
Dividends received (gross) from subsidiary companies	13,888,889	17,300,000
Interest charged to subsidiary companies	1,136,925	2,614,507
Interest charged by a subsidiary company	540,925	343,797

32 SEGMENTAL REPORTING

Analysis by activity	Turnover RM	Profit/(Loss) before taxation	
		RM	Assets RM
1999			
Real property and resort development	146,271,276	(4,616,178)	1,157,888,328
Manufacturing	15,734,209	(2,528,757)	3,343,071
Engineering and trading	13,736,156	(2,088,845)	11,388,413
Investment	689,115	(88,948,692)	168,257,854
Credit and leasing	596,000	(203,445)	24,465,893
Stockbroking	12,384,473	(6,433,118)	5,810,053
	184,411,229	(104,819,035)	1,371,153,162

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

32 SEGMENTAL REPORTING (Cont'd)

Analysis by activity	Turnover RM	Profit/(Loss) before taxation RM	Assets RM
1998			
Real property and resort development	155,195,010	6,280,714	1,251,833,651
Manufacturing	15,499,754	(746,778)	18,226,538
Engineering and trading	21,206,079	(1,829,600)	15,581,929
Investment	247,847	(54,061,802)	204,768,909
Credit and leasing	1,862,660	1,104	4,918,708
Stockbroking	9,031,618	(12,335,911)	12,243,169
	203,042,968	(62,692,273)	1,507,572,904

Segmental analysis by geographical location has not been prepared as the Group's operations are primarily based in Malaysia.

33 CONTINGENT LIABILITIES (unsecured)

	Company	
	1999 RM	1998 RM
Banking facilities of subsidiary companies guaranteed by the Company	66,000,000	66,000,000

34 CAPITAL COMMITMENTS

As at 5 August 1999, the Company's wholly owned subsidiary, Bright Phase Sdn. Bhd., had entered into a conditional sale and purchase agreement to acquire an additional 31,600,000 ordinary shares of RM1.00 each in South Johor Equities Sdn. Bhd. representing 39.5% equity interest, for a total consideration of RM25,462,630 to be satisfied by the issuance of 22,335,640 ordinary shares of RM1.00 each of the Company. To date, the acquisition is pending the approval of the relevant authorities.

Notes to the Accounts (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 1999

35 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Subsequent to the year end, the following events have taken effect:

- (a) On 6 March 2000, the Company granted 3,385,000 options under the Company's Employees' Share Option Scheme ("ESOS") to eligible Directors and employees of the Group to take up unissued shares of the Company at an exercise price of RM3.266 per share.

The Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on 13 February 1998 and became effective on 26 February 2000 upon approval by the Registrar of Companies. The ESOS shall be in force for a period a five years until 26 February 2005.

The aggregate number of shares to be issued by the Company pursuant to the ESOS as approved by the Securities Commission on 31 July 1997 shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.

- (b) Gema Investments Ltd, a subsidiary company, had entered into a sale and purchase agreement to acquire 700 ordinary shares of USD1 each in Diva Gold International Ltd, a company incorporated in the British Virgin Islands, representing 70% equity interest for a total cash consideration of USD3,500,000.
- (c) Dijaya Digital Sdn. Bhd., a subsidiary company, had entered into a sale and purchase agreement to acquire 700,000 ordinary shares of RM1.00 each in Atlantic Marketing Sdn. Bhd. (formerly known as Tirai Cerdik Sdn. Bhd.), representing 70% equity interest for a total cash consideration of RM700,000.

Statement by Directors

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

We, Tan Sri Datuk Ahmad Farouk Bin Isahak and Poh Pai Kong being two of the Directors of Dijaya Corporation Berhad, state that, in the opinion of the Directors, the accounts set out on pages 22 to 48 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 1999 and of the results of the Company and of the Group and of the cash flows of the Group for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia.

Signed at Petaling Jaya on 27 April 2000

On behalf of the Board of Directors

Tan Sri Datuk Ahmad Farouk Bin Isahak

Director

Poh Pai Kong

Director

Statutory Declaration

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

I, Tong Kien Onn, being the officer primarily responsible for the financial management of Dijaya Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accounts set out on pages 22 to 48 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Tong Kien Onn

Subscribed and solemnly declared at Kuala Lumpur on 27 April 2000

Before me,

Tee Kian @ Tee Sing PPN (No. W193)

Commissioner for Oaths

Report of the Auditors

TO THE MEMBERS OF DIJAYA CORPORATION BERHAD

We have audited the accounts set out on pages 22 to 48. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts based on our audit.

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

In our opinion:

- (a) the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 December 1999 and of the results of the Company and the Group and the cash flows of the Group for the year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia, and comply with the Companies Act, 1965; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in note 16 to the accounts. We have considered the accounts of these subsidiary companies and the auditors' reports thereon.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for those purposes.

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

PricewaterhouseCoopers

[AF: 1146]

Public Accountants

Shirley Goh

[1778/8/00(I)]

Partner

Kuala Lumpur,
27 April 2000

Statistics on Shareholdings

AS AT 15 MAY 2000

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	Shareholders		Shareholdings	
	Number	%	Number	%
1 – 499	65	0.34	8,724	0.00
500 – 5,000	16,365	86.10	33,366,383	12.86
5,000 – 10,000	1,561	8.21	13,396,021	5.16
10,001 – 100,000	959	5.04	25,412,482	9.79
100,001 – 1,000,000	36	0.19	10,486,293	4.04
over 1,000,000	20	0.11	176,832,680	68.14
	19,006	100.00	259,502,583	100.00

LIST OF 20 LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1.	Tan Chee Sing	53,579,545	20.65
2.	Bolton Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Impeccable Ace Sdn Bhd</i>	23,000,000	8.86
3.	Golden Diversity Sdn Bhd	21,390,000	8.24
4.	Oriental Nominee (Tempatan) Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd</i>	11,000,000	4.24
5.	Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Skim Amanah Saham Bumiputera</i>	10,389,557	4.00
6.	South Johor Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Dato' Tan Chee Sing</i>	7,312,138	2.82
7.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Kitson Foong & Associates for Dato' Tan Chee Sing</i>	6,595,691	2.54
8.	PAB Nominee (Tempatan) Sdn Bhd <i>Pledged securities account for Dato' Tan Chee Sing</i>	6,500,000	2.50
9.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd</i>	5,570,000	2.15
10.	Impeccable Ace Sdn Bhd	5,500,000	2.12
11.	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <i>Khadijah Abdul Khalid</i>	5,095,000	1.96
12.	Syarikat Nominee Bumiputra (Tempatan) Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd</i>	4,300,000	1.66
13.	Bolton Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd</i>	2,960,000	1.14
14.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd</i>	2,680,000	1.03
15.	Warisan Istimewa Sdn Bhd	2,496,260	0.96
16.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Kitson Foong & Associates for Desiran Hebat Sdn Bhd</i>	2,344,028	0.90
17.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for M & A Securities Sdn Bhd</i>	2,000,000	0.77
18.	Tengku Adnan Bin Tengku Mansor	1,531,461	0.59
19.	Taren Capital Corporation Sdn Bhd	1,500,000	0.58
20.	M & A Nominee (Asing) Sdn Bhd <i>M & A Securities HK for Anglo Asia Investments Limited</i>	1,089,000	0.42
		176,832,680	68.14

Statistics on Shareholders (cont'd)

AS AT 15 MAY 2000

SUBSTANTIAL SHAREHOLDERS

Name	— Direct —		— Indirect —	
	No. of Shares	%	No. of Shares	%
Dato' Tan Chee Sing	72,180,374	27.81	79,374,576	30.59
Golden Diversity Sdn Bhd	48,474,576	18.68	—	—
Impeccable Ace Sdn Bhd	30,900,000	11.91	—	—
Dato' Thong Kok Khee	—	—	12,750,000	4.91
Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Skim Amanah Saham Bumiputra</i>	10,389,557	4.00	—	—
Bolton Nominees Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd</i>	—	—	25,960,000	10.00
HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Dato' Tan Chee Sing and Golden Diversity Sdn Bhd</i>	—	—	9,100,000	3.51
Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Chan Mung Bong, Cheong Kian Tung, Chin Chee Keong, Chong Thiam Swee, Dato' Tan Chee Sing, Desiran Hebat Sdn Bhd, Goh Eng Yap, Kamarudin Bin Mohamad, Khew Siew Keow, Lee Ah Poh, Liew Siew Kien, Ng Chon Feng, Nyatamas Sdn Bhd, Tan Kim Hong, Wong Chew Soong, Yetin A/L Mohanial Khusalchand Doshi, Rajis A/L Mansukhlal @ Rajesh Mansukhlal and Ting Heng Toon</i>	—	—	9,606,417	3.70
Oriental Nominee (T) Sdn Bhd <i>Pledged securities account for Golden Diversity Sdn Bhd and Madam Loh Tsu Mei</i>	—	—	11,001,000	4.24
South Johor Securities Nominees (Tempatan) Sdn Bhd <i>For Wong Wan Chong, Bayangan Impresif Sdn Bhd, Crystal Chain Sdn Bhd, Kinabalu Ria Sdn Bhd, Dato' Tan Chee Sing and Tan Swee Leng</i>	—	—	8,191,138	3.16
PAB Nominee (Tempatan) Sdn Bhd <i>Pledged securities account for Lew Choy Mee, M & A Securities Sdn Bhd, Tan Sri Dato' Seri Vincent Tan Chee Yioun, Wan Mustafa Wan Ahmad and Tan Chee Sing</i>	—	—	7,515,000	2.90

List of Properties Owned by the Group

AS AT 31 DECEMBER 1999

Registered Owner/ Location	Age of buildings	Description	Land area	Tenure	Existing use	Net book Value as at 31.12.1999 (RM)
Tropicana Golf & Country Resort Berhad						
Lot 2813, Mukim Sungai Buloh, Daerah Petaling, Selangor.	6 years	Golf course and mixed development	401.17 acres	Leasehold 99 years expiring on 25.10.2090	'Tropicana Golf & Country Resort' golf course and mixed development	144.65 million
Mawar Hebat Sdn Bhd						
1002-3, 1005, 1009-10, 1031, 1065, 1072, 2416 Mukim Ulu Behrang East, Daerah Batang Padang.	N/A	Agriculture land	517 acres	Freehold	Vacant land (proposed mixed development)	4.0 million
JMI Manufacturing Sdn Bhd						
* Lot No. 36417, 20km Ipoh / Kuala Lumpur Main Road, Chemor, Perak	15 years	Industrial land and building	10.956 acres	Freehold	Workshop, store and office	2.3 million
Ikatan Engineering Sdn Bhd						
Lot 50-51, IGB International Industrial Park, Jalan Kuala Kangsar, Ipoh, Perak	Lot 50 – 9 years Lot 51 – 6 years	Industrial land	4.89 acres	Leasehold 99 years expiring on 17.10.2089	Factory building and office	2.9 million
Lot 92, IGB International Industrial Park, Jalan Kuala Kangsar, Ipoh, Perak	N/A	Industrial land	2.99 acres	Leasehold 99 years expiring on 17.10.2089	Storage yard	1.2 million
Lot 35, Taman Alkaff, Jalan Silibin, Ipoh, Perak	17 years	Shoplot	1,399 sq. ft.	Leasehold 99 years expiring on 16.07.2079	Shoplot	0.18 million
Izasaja Sdn Bhd						
Lot No. PT 837, Mukim Ijuk, Kuala Selangor, Selangor	N/A	Commercial/ residential development land	200 acres	Leasehold 99 years expiring on 17.04.2089	Vacant land	0.3 million

List of Properties Owned by the Group (cont'd)

AS AT 31 DECEMBER 1999

Registered Owner/ Location	Age of buildings	Description	Land area	Tenure	Existing use	Net book Value as at 31.12.1999 (RM)
Aspek Analisa Sdn Bhd						
Lot No. 3049 and Lot No. 3050, 9 ¹ / ₂ Miles, Jalan Sungai Besi, Serdang, Selangor	N/A	Development land	24.556 acres	Leasehold 99 years expiring on 21.01.2095	Vacant land	2.9 million
Arah Pelangi Sdn Bhd						
Lot Nos. 405, 413, 417 & 715, Section 4, Town of Bukit Mertajam, District of Seberang Perai Tengah, Pulau Pinang.	N/A	Development land	10.962 acres	Freehold	Vacant land	13.2 million
Dicorp Land Sdn Bhd						
Lot 673 (Grant 3473), Section 1, Pekan Sungei Penchala, Selangor.	N/A	Development land	9.58 acres	Freehold	'Damansara Intan' shop/office complex project near Damansara Utama, Selangor	36.1 million
Dijaya Land Sdn Bhd						
Lot No. 26103 (Grant 22944), Mukim and District of Damansara, District of Selangor, Selangor	N/A	Development land	14.786 acres	Freehold	'Dijaya Mall' project along Jalan Damansara, Selangor	80.7 million
Maxi Legacy Sdn Bhd						
P.T. 1569 (Lot 2073) H.S.(D) 40726, Mukim of Kuala Lumpur, District and State of Wilayah Persekutuan	N/A	Vacant land	5.204 acres	Leasehold 99 years expiring on 7.02.2081	Vacant land	10.6 million
Damansara Impian Sdn Bhd						
Section 1, Mukim Sungai Buloh, Daerah Petaling, Selangor	N/A	Development land	240 acres	Leasehold 99 years expiring in 2092	'Damansara Indah Resort Homes' Project which comprises of residential and commercial lots	54.0 million

* Subsequent to the year end on 15 May 2000, the property was sold



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)

Proxy Form

I/We _____

of _____

being a member/members of DIJAYA CORPORATION BERHAD hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty First (21st) Annual General Meeting of the Company to be held at Ballroom 1, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 29 June 2000 at 10.30 a.m. or at any adjournment thereof.

No.	Resolutions	For	Against
1.	To receive and adopt the audited accounts of the Company for the year ended 31 December 1999 and the Directors' and Auditors' Reports thereon.		
2.	To re-elect Y.M. Tengku Dr Rethwan Bin Tengku Mansor as Director.		
3.	To re-elect Mr Michael Lim Hee Kiang as Director.		
4.	To approve the payment of Directors' fees.		
5.	To re-appoint Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration.		
6.	Special Business – Ordinary Resolutions:- To authorise Directors to issue shares up to 10% of the issued capital for the time being.		

Please indicate with an "X" in the appropriate spaces where you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

No. of Shares Held

Signature of Shareholder(s)

Signed this _____ day of _____ 2000

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Lot 302, 3rd Floor, Wisma Dijaya, No. 1A, Jalan SS 20/1, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
3. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or in some other manner approved by its directors.

Fold this flap for sealing

Then fold here

Affix
Stamp

DIJAYA CORPORATION BERHAD
Lot 302, 3rd Floor, Wisma Dijaya,
No. 1A, Jalan SS 20/1,
Damansara Utama,
47400 Petaling Jaya
Selangor Darul Ehsan

1st fold here
