

annual report

2002



DIJAYA CORPORATION BERHAD

(Company No. 47908-K)



At Dijaya Corporation Berhad, we have created new niche markets through the “branding” of our developments. We are also constantly seeking new ways to create value for our customers and shareholders.

To go beyond what is expected of us, we are focused on maximizing our capabilities as a well-balanced, integrated Group. One that is committed to innovation in building quality developments.

As we grow in strength, we will continue to aspire towards new levels of excellence.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth (24th) Annual General Meeting of Dijaya Corporation Berhad will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26th June 2003 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Audited Accounts of the Company for the year ended 31 December 2002 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To re-elect the following Directors retiring pursuant to Article 97 of the Company's Articles of Association:-
 - (a) Mr. Michael Lim Hee Kiang Resolution 2
 - (b) Encik Roslan Bin Hj Yahya Resolution 3
 - (c) Encik Azhar Bin Abdul Wahab Resolution 4
3. To approve the payment of Directors' fees for the year ended 31 December 2002. Resolution 5
4. To appoint Auditors and to authorise the Directors to determine their remuneration. Resolution 6

A notice of nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is set out in Note 2 below, has been received by the Company for the nomination of Messrs Ernst & Young, who have given their consent to act, for appointment as Auditors of the Company and of the intention to propose the following Ordinary Resolution:-

" THAT Messrs Ernst & Young be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Arthur Andersen & Co. and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors."

5. As Special Business:-

To consider and, if thought fit, pass the following resolution, with or without modifications, as Ordinary Resolution:-

Authority under Section 132D of the Companies Act, 1965 for the Directors to issue Shares

" THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and 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."

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

4 June 2003

NOTICE OF ANNUAL GENERAL MEETING

NOTES:**1. Appointment of Proxy**

- (i) 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.
- (ii) To be valid, the instrument appointing a proxy or proxies, under the hand of the appointor or his attorney duly authorised in writing, must be deposited at the Company's Registered Office at Lot 302, 3rd Floor, Wisma Dijaya, No. 1A, Jalan SS20/1, 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.
- (iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- (iv) If the appointer is a corporation, the instrument appointing a proxy must be executed under its seal or under the hand of its attorney.

2. Appointment of Auditors

Extract of the Notice of Nomination pursuant to Section 172(11) received by the Company from a shareholder of the Company:-

Date: 21st April 2003

The Board of Directors
Dijaya Corporation Berhad
Lot 302, 3rd Floor, Wisma Dijaya
No. 1A, Jalan SS 20/1, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan

Dear Sirs,

CHANGE OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, we, being a shareholder of the Company, hereby give notice of our intention to nominate Messrs Ernst & Young for appointment as Auditors of the Company and to propose the following resolution as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company, to replace the retiring Auditors, Messrs Arthur Andersen & Co.:-

" THAT Messrs Ernst & Young be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Arthur Andersen & Co. and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors."

Yours faithfully,

GOLDEN DIVERSITY SDN BHD

3. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution No. 7, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company up to an amount not exceeding in total 10% of the issued share capital of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting.

Statement Accompanying the Notice of Annual General Meeting

1. Directors who are standing for re-election at the 24th Annual General Meeting of the Company

The Directors retiring by rotation pursuant to the Articles of Association and seeking re-election are:-

- (a) Mr. Michael Lim Hee Kiang
- (b) Encik Roslan Bin Hj Yahya
- (c) Encik Azhar Bin Abdul Wahab

Further details of the Directors seeking re-election are set out in the Profile of Directors in Page 7 and Directors' Shareholdings in page 28 of this Annual Report.

2. Details of attendance of Directors at Board Meetings

A total of four (4) meetings were held during the year ended 31 December 2002. Details of the attendance of the Directors at Board Meetings are set out in the Statement on Corporate Governance appearing on page 18 of this Annual Report.

Corporate Information

BOARD OF DIRECTORS

Y. Bhg. Tan Sri Datuk Ahmad Farouk Bin Isahak (Chairman)
 Y. Bhg. Dato' Tan Chee Sing (Group Chief Executive Officer)
 Mr. Poh Pai Kong (Group Managing Director)
 Mr. Tong Kien Onn (Executive Director)
 Y. Bhg. Dato' Dr Thong Kok Cheong
 Mr. Michael Lim Hee Kiang
 Encik Azhar Bin Abdul Wahab
 Encik Roslan Bin Hj Yahya

PRINCIPAL PLACE OF BUSINESS

Lot 301, 3rd Floor, Wisma Dijaya
 No. 1A, Jalan SS 20/1
 Damansara Utama
 47400 Petaling Jaya
 Tel: 03-77101018
 Fax: 03-77101025

AUDITORS

Arthur Andersen & Co.
 Level 23A, Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 50490 Kuala Lumpur
 Tel: 03-2577000
 Fax: 03-2559076

COMPANY SECRETARIES

Mr. Leslie Lim Siak Kooi (MAICSA No. 0798626)
 Ms. Jessica Low Nyoke Fun (MAICSA No. 7005037)

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
 AmBank Berhad
 AmMerchant Bank Berhad
 Bumiputra-Commerce Bank Berhad
 Malaysia Building Society Berhad
 Southern Bank Berhad
 Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board of the Kuala Lumpur Stock Exchange

REGISTERED OFFICE

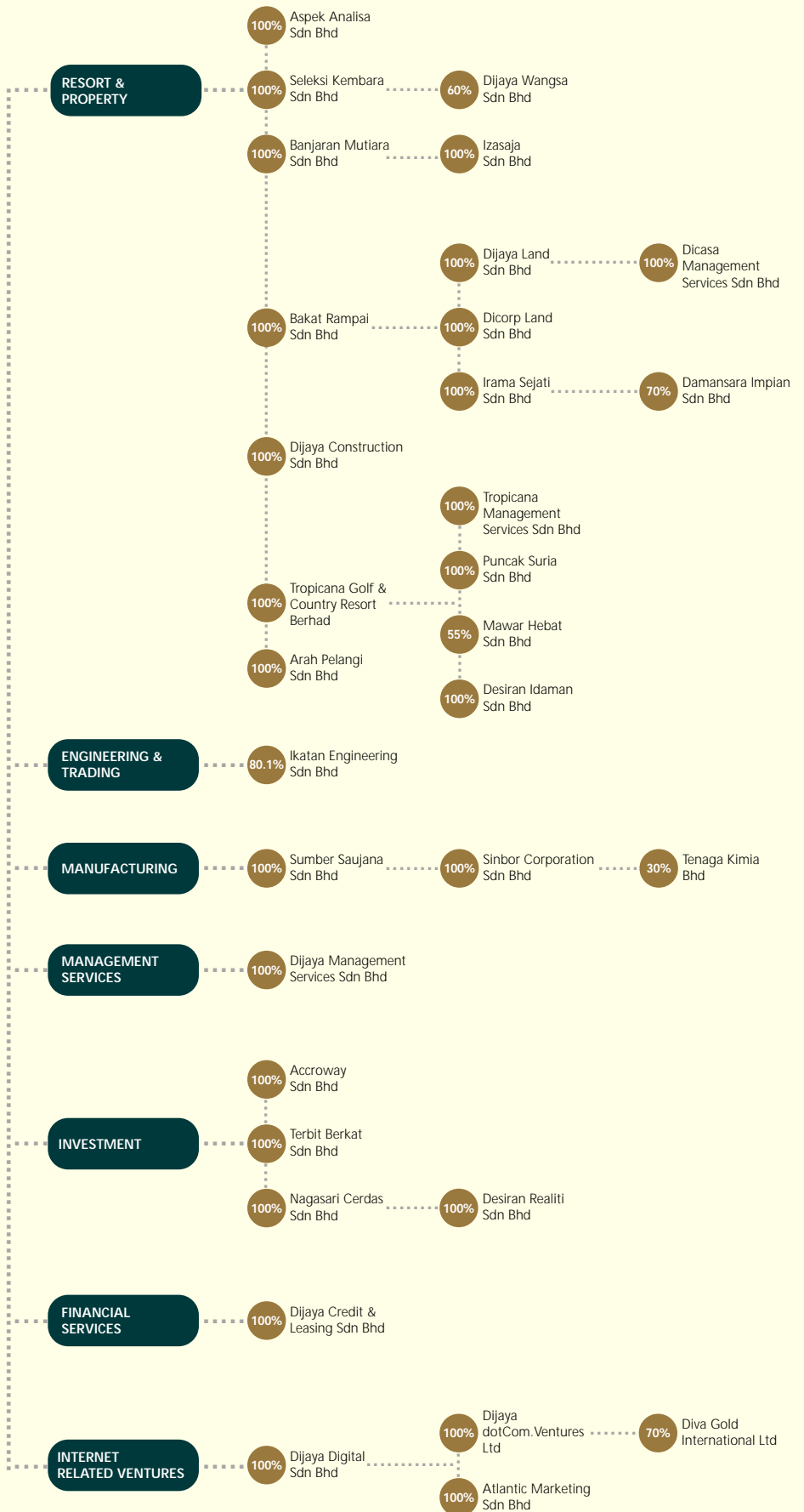
Lot 302, 3rd Floor, Wisma Dijaya
 No. 1A, Jalan SS 20/1
 Damansara Utama
 47400 Petaling Jaya
 Tel: 03-77268297
 Fax: 03-77268076

REGISTRAR

Signet Share Registration Services Sdn Bhd
 11th Floor, Tower Block
 Kompleks Antarabangsa
 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel: 03-21421341
 Fax: 03-21421353



DIJAYA CORPORATION BERHAD



* excluding dormant companies

Profile of the Board of Directors

Tan Sri Datuk Ahmad Farouk Bin Isahak

Independent Non-Executive Chairman

Tan Sri Datuk Ahmad Farouk Bin Isahak, a Malaysian aged 65, was appointed a Director of Dijaya Corporation Berhad on 2 April 1996 and is currently the Chairman of the Company. He is also the Chairman of the Audit, Nomination and Remuneration Committees.

He graduated with a Bachelor of Science (Honours) degree in Economics and Politics from Queens University, Belfast, Northern Ireland in 1962 and obtained his Master's degree in Business Administration from University of Pennsylvania, United States of America, in 1971.

He pursued a career in the Malaysian Administrative and Diplomatic Service and the Malaysian Rubber Research and Development Board. He served as an Assistant Secretary in the Budget and Finance Divisions of the Ministry of Finance from 1966 to 1969, as Under-Secretary and Deputy Secretary-General in the Ministry of Primary Industries from 1972 to 1976. In 1976, he was appointed Deputy Chairman of the Malaysian Rubber Research and Development Board and became its Chairman from 1984 to 1994.

He is currently also a Director of Amway (Malaysia) Holdings Bhd, a public company listed on the Main Board of the Kuala Lumpur Stock Exchange.

Tan Sri Datuk Ahmad Farouk bin Isahak does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years.

Dato' Tan Chee Sing

Group Chief Executive Officer

Dato' Tan Chee Sing, a Malaysian aged 48, is the Group Chief Executive Officer of Dijaya Corporation Berhad. He was appointed to the Board on 5 July 1995. He is a businessman and entrepreneur having a wide spectrum of businesses through his investments in public and private limited corporations.

He is also the Executive Vice-Chairman of TT Resources Berhad, the Deputy Chairman of Berjaya Group Berhad, Berjaya Land Sdn Bhd and Dunham-Bush (Malaysia) Berhad and a Director of Cosway Corporation Berhad, Berjaya Capital Berhad and MTD Capital Berhad.

Dato' Danny Tan Chee Sing does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company except for certain recurrent related party transactions of revenue or trading nature which are necessary for the day to day operations of the Group. He has not been convicted of any offence within the past 10 years.

Poh Pai Kong

Group Managing Director

Mr. Poh Pai Kong, a Malaysian aged 51, was appointed to the Board on 5 July 1995. He is currently the Group Managing Director of Dijaya Corporation Berhad ("Dijaya Group").

He holds a Bachelor of Science degree in Building from the University of Singapore. He is an Associate of the Royal Institute of Chartered Surveyors, United Kingdom ("UK") and a Member of the Chartered Institute of Building (UK).

After graduating in 1976, he started his career in property consultancy in Kuala Lumpur before moving on to play key roles in various property development companies.

To date, he has had more than 25 years of experience in the property and other related businesses. He also served as the Chief Executive Officer of a subsidiary of a blue chip public-listed property group prior to joining Tropicana Golf & Country Resort Berhad ("Tropicana") in March 1992.

In Tropicana, among other responsibilities, he took charge of developing Tropicana Golf & Country Resort and at the same time initiated other projects which became part of the Dijaya Group, such as Damansara Indah Resort Homes, Damansara Intan e-Business Park and various other major projects. Today, the Dijaya Group has a more diversified portfolio, but the award-winning Tropicana Golf & Country Resort remains its flagship development.

Currently, he is also the Group Managing Director of Tropicana, the Managing Director of Damansara Impian Sdn Bhd, the alternate director to Dato' Tan Chee Sing in MTD Capital Berhad and also holds directorships in several subsidiaries in the Dijaya Group.

Mr. Poh Pai Kong does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years.

Tong Kien Onn

Executive Director

Mr. Tong Kien Onn, a Malaysian aged 44, was appointed as the Executive Director of Dijaya Corporation Berhad on 18 January 2002.

He holds a Degree in Accountancy and is an Associate member of The Chartered Institute of Management Accountants, United Kingdom.

He has more than 20 years of experience in the finance and accounting fields through

PROFILE OF THE BOARD OF DIRECTORS

his employments with a number of Malaysian companies including United Prime Corporation Berhad. He joined Dijaya Corporation Berhad in 1991 as Senior Finance Manager, responsible for the Group's finance, accounting and treasury functions. He was promoted as General Manager of Finance and Administration in 2000 and was further promoted as Senior General Manager of Finance and Administration in the same year. In addition to his portfolio of taking charge of the Group's finance, accounting and treasury functions, Mr. Tong is also actively involved in the day-to-day management and operations of the Group.

Mr. Tong Kien Onn does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences.

Dato' Dr Thong Kok Cheong

Independent Non-Executive Director

Dato' Dr Thong Kok Cheong, a Malaysian aged 58, was appointed to the Board of Dijaya Corporation Berhad on 10 September 1993. He is also a member of the Audit, Nomination and Remuneration Committees.

He graduated from the Imperial College of Science and Technology, London with First Class Honours in Chemical Engineering in 1968 and stayed on to obtain his PhD in 1971. He is a Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

His previous experience was as Chief Corporate Planner for the Shell Group of Companies in Malaysia where he has worked in the supply, trading, manufacturing and production of oil and gas businesses.

Dato' Dr Thong Kok Cheong is the brother of Dato' Thong Kok Kee, a past Director of Dijaya Corporation Berhad who relinquished his directorship on 18 January 2002. Other than as disclosed, he does not have any family relationship with any other Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years.

Michael Lim Hee Kiang

Independent-Non Executive Director

Mr. Michael Lim Hee Kiang, a Malaysian aged 55, was appointed to the Board of Dijaya Corporation Berhad on 20 September 1993. He is also a member of the Audit Committee.

He is a partner of Shearn Delamore & Co., one of the largest legal firms in Malaysia. He also sits on the board of several public listed companies, amongst others, Insas Berhad, Diethelm Holdings (Malaysia) Berhad, Selangor Properties Berhad, Paragon Union Berhad and Kiara Emas Asia Industries Berhad.

Mr. Michael Lim Hee Kiang does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences.

Azhar bin Abdul Wahab

Independent Non-Executive Director

Encik Azhar bin Abdul Wahab, a Malaysian aged 34, was appointed to the Board of Dijaya Corporation Berhad on 9 February 2001.

He graduated from Universiti Teknologi Malaysia with a Bachelor of Management (Technology) in 1992 and is presently a level 2 candidate for the Chartered Financial Analyst. He served at various positions with Permodalan Nasional Berhad from 1993 and presently, he is the Manager at the Corporate Finance Department.

He is also a director of Pelangi Berhad, Federal Power Sdn Bhd, Furukawa Electric Cables (Malaysia) Sdn Bhd and Hokuden Malaysia Sdn Bhd.

Encik Azhar bin Abdul Wahab does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences.

Roslan bin Hj Yahya

Independent-Non-Executive Director

Encik Roslan bin Hj Yahya, a Malaysian aged 53, was appointed to the Board on 7 August 2001. He is also a member of the Audit and Nomination Committees.

He obtained his Chartered Institute of Bankers from the United Kingdom. He was the Chief Executive Officer of Kewangan Usaha Bersatu Bhd and the Executive Vice Chairman of South Johor Equities Sdn Bhd.

Encik Roslan bin Hj Yahya does not have any family relationship with any Director and/or major shareholder of Dijaya Corporation Berhad, nor any personal interest in any business arrangement involving the Company. He has not been convicted of any offence within the past 10 years.

The Malaysian economy took off 2002 on a positive note as the world economy recovered from the downturn experienced in the last two quarters of 2001, principally on account of better US-led domestic demand and higher public expenditure on defence together with a turnaround in the demand of the electronics sector in the US. The hope of a strong recovery for the year was, however, short-lived and marred globally by a series of economic jitters, following a slower US GDP growth, lower corporate earnings and the revelation of gross mismanagement and accounting malpractices in the US corporate world. Compounded by the widening current account deficit and the weakening US dollar, the global economic recovery moderated and turned fragile towards the middle of the year.

The tragedy in Bali and the rising tensions in the Middle East further led to the deterioration of investor confidence during the year. The fluctuating oil prices in the midst of an attack on Iraq by the US and its allies in the first quarter of 2003 painted a gloomy scenario for the global economic front, notwithstanding innovative strategies and relentless efforts by our Government to soften its impact on our domestic economy. The recent outbreak of the deadly Severe Acute Respiratory Syndrome ('SARS') is also likely to have a significant adverse impact on the Asian economies, especially in the travel, leisure and hospitality sectors.

Chairman's Statement

PENYATA PENERUSI

Ekonomi Malaysia memulakan tahun 2002 dengan nada positif di sebalik pemulihan ekonomi dunia selepas mengalami kejatuhan pada dua suku akhir tahun 2001. Pemulihan ini didorong terutamanya oleh permintaan domestik Amerika Syarikat (AS) yang lebih baik, dan perbelanjaan awam lebih tinggi untuk pertahanan, berserta pemulihan dalam permintaan bagi sektor elektronik di AS. Namun, hasrat untuk menyaksikan pemulihan yang kukuh pada tahun ini, tidak kesampaian dan terjejas di peringkat global disebabkan oleh satu siri ketidaktentuan ekonomi, berikutan pertumbuhan Keluaran Dalam Negara Kasar (KDNK) yang lebih lembap, keuntungan korporat yang lebih rendah dan pendedahan salah pengurusan dan penyelewengan perakaunan yang melampau dalam arena korporat di AS. Defisit akaun semasa yang semakin meluas serta kejatuhan nilai dolar AS memburukkan lagi keadaan dan menjejaskan pemulihan ekonomi global yang menjadi lemah menjelang pertengahan tahun.

Tragedi di Bali dan ketegangan yang semakin meningkat di Timur Tengah menjejaskan lagi keyakinan pelabur pada tahun ini. Harga minyak yang naik turun sedang AS dan sekutu-sekutunya melancarkan serangan ke atas Iraq pada suku pertama tahun 2003 menyuramkan senario ekonomi global, meskipun terdapat strategi inovatif dan usaha-usaha berterusan Kerajaan Malaysia untuk mengurangkan kesannya terhadap ekonomi domestik. Meletusnya wabak Sindrom Pernafasan Akut yang Teruk ("SARS") baru-baru ini juga dijangka menjejaskan ekonomi Asia, terutamanya dalam sektor pelancongan, riadah dan perhotelan.

The 27-hole championship golf course in Tropicana Golf & Country Resort continues to attract golfing enthusiasts and professionals.

Padang golf mewah 27 lubang di Tropicana Golf & Country Resort terus berjaya menarik para peminat golf dan pemain profesional.



Elegant yet practical layouts in one of the five unique tropical bungalow designs of the "Green Haven Resort Villas" project.

Susun atur dalaman yang anggun tetapi praktikal di salah satu daripada lima rekabentuk banglo tropika projek "Green Haven Resort Villas".



Some of the Group's projects have become new landmarks in the SS2 area of Petaling Jaya, such as Damansara Intan e-Business Park (left), Casa Damansara 2 (centre, under construction) and Casa Damansara 1 (completed, on the right).

Beberapa projek milik Kumpulan telah menjadi mercutanda di kawasan SS2, Petaling Jaya, misalnya Taman e-Niaga Damansara Intan (kiri), Casa Damansara 2 (tengah, dalam pembinaan) dan Casa Damansara 1 (siap dibina, di sebelah kanan).



OVERVIEW AND FINANCIAL PERFORMANCE

On the local front, our fiscal policy remained mildly expansionary in 2002 to counter the slowdown in exports and foreign direct investment. The economy continued to be domestic-driven, pioneered by stronger growth in aggregate domestic demand and private consumption of 4.3% and 4.2%* respectively, with the Government sector assuming the pivotal catalytic role.

(* Source: Bank Negara Malaysia Annual Report 2002)

In addition to the two stimulus packages introduced in 2001, other tax and non-tax incentives were launched in 2002 to promote economic and social stability, while strengthening our competitiveness. Coupled with an accommodative monetary policy and a low interest rate regime with a pegged Ringgit, these measures helped to bolster our economic resilience and arrest further downside risks arising from the external uncertainties. Indeed, the economy managed to register a creditable GDP growth of 4.2%* for 2002.

(* Source: Bank Negara Malaysia Annual Report 2002)

The turbulent environment made it prudent and necessary for the Group to adopt swift and decisive steps to seize relevant opportunities to maintain its presence in the forefront of the property sector. During the year, various strategies were steadfastly pursued in shaping the Group as a leading resort and property developer driven by professionalism, integrity and passion. Meanwhile, the Management continued with the pragmatic and pre-emptive risk management approach to ensure that we continue to be a dominant niche player in the property market. Emphasis was continuously given to improve our existing competitive and comparative advantages through creative marketing, product innovation and timely market intelligence. Value-added practices such as effective after-sales services and accountability helped to garner consumer loyalty and support.

For the year under review, the Group registered a loss (after tax and minority interest) of RM86.2 million as compared to a profit (after tax and minority interest) of RM15.5 million in the preceding financial year. The apparent lacklustre financial performance of the Group arose mainly from the conservative action of the Management to comply strictly with the new accounting standards enacted by the Malaysian Accounting Standards Board. As a result, full provisions were made for impairment of development land totalling RM71.8 million, besides providing for diminution in values

TINJAUAN DAN PRESTASI KEWANGAN

Di arena tempatan, negara terus mengamalkan dasar fiskal pengembangan pada tahun 2002 untuk mengatasi kelembapan dalam eksport dan pelaburan langsung asing. Ekonomi negara terus didorong oleh sektor domestik, diterajui oleh pertumbuhan kukuh permintaan domestik agregat dan penggunaan peribadi masing-masing pada kadar 4.3% dan 4.2%, dengan Kerajaan memainkan peranan penting sebagai agen pemangkin.*

(* Sumber: Laporan Tahunan Bank Negara Malaysia 2002)

Di samping dua pakej rangsangan yang diperkenalkan pada tahun 2001, insentif cukai dan bukan cukai yang lain dilancarkan pada tahun 2002 untuk mendorong kestabilan ekonomi dan sosial, sambil mengukuhkan daya saing negara. Berserta dengan dasar monetari akomodatif dan rejim kadar faedah rendah dengan nilai Ringgit yang ditambat, langkah-langkah tersebut membantu mengukuhkan ketahanan ekonomi negara dan mengurangkan risiko kejatuhan yang timbul daripada ketidakpastian luaran. Sesungguhnya, ekonomi negara mencatat pertumbuhan KDNK yang boleh dibanggakan sebanyak 4.2% pada tahun 2002.*

(* Sumber: Laporan Tahunan Bank Negara Malaysia 2002)

Persekitaran yang bergolak menjadikannya bijak dan perlu bagi Kumpulan untuk mengunapakai langkah-langkah segera dan muktamad untuk mengambil peluang yang sesuai agar terus berada di barisan depan sektor hartanah. Pada tahun ini, pelbagai strategi telah dilaksanakan dengan bersungguh-sungguh untuk menjadikan Kumpulan pemaju pusat peranginan dan hartanah unggul yang didorong oleh profesionalisme, integriti dan keghairahan. Sementara itu, Pengurusan meneruskan pendekatan pengurusan risiko yang pragmatik dan awal untuk memastikan kami terus menjadi nama yang dominan bagi pasaran khusus dalam pasaran hartanah. Penekanan terus diberi kepada mempertingkatkan kelebihan daya saing dan kelebihan secara perbandingan menerusi pemasaran kreatif, inovasi produk dan maklumat pasaran tepat pada masanya. Amalan tambah nilai seperti perkhidmatan selepas jualan yang efektif dan kebertanggungjawapan membantu meraih kesetiaan dan sokongan pelanggan.

Pada tahun yang ditinjau, Kumpulan mencatat kerugian (selepas cukai dan kepentingan minoriti) sebanyak RM86.2 juta berbanding keuntungan (selepas cukai dan kepentingan minoriti) sebanyak RM15.5 juta pada tahun kewangan sebelumnya. Prestasi kewangan

Recently launched 3-storey semi-detached "Fairway Villas" of "Villa Green 2" project in Damansara Indah Resort Homes.

Rumah berkembar 3 tingkat "Fairway Villas" daripada projek "Villa Green 2" yang dilancarkan baru-baru ini di Damansara Indah Resort Homes.



Completed semi-detached bungalow of "Green Acres" project in Tropicana Golf & Country Resort ready to be handed over to the purchasers.

Banglo berkembar yang telah siap di projek "Green Acres" di Tropicana Golf & Country Resort sedia untuk diserahkan kepada para pembeli.

CHAIRMAN'S STATEMENT

PENYATA PENERUSI

of quoted securities and losses on disposal of quoted securities amounting to RM40.3 million and RM6.1 million respectively.

Discounting the substantial aforesaid provisions, the Group had actually successfully leveraged on its strength in the core business of resort and property development, with this segment continuing to be the principal breadwinner of the Group and contributing an improved revenue and operating profit of RM178.3 million and RM40.8 million respectively. The Group also enjoyed a reduction in finance cost following the part repayment of bank loans from the proceeds arising from the disposal of quoted securities during the year.

At the Company level, a loss before tax of RM34.5 million was recorded arising mainly from provisions made for amounts due to the Company from various dormant and investment subsidiaries caused primarily by the said impairment in the carrying value of certain assets of the subsidiaries concerned.

Strategy-wise, the Group shall continue to focus on its core property business with emphasis on the resilient residential segment, while maintaining an accommodative cost structure and organisational flexibility to withstand the challenges of an increasingly difficult economic environment.

Kumpulan yang kurang memberangsangkan timbul terutamanya daripada tindakan konservatif Pengurusan untuk mematuhi sepenuhnya piawaian perakaunan baru yang digubal oleh Lembaga Piawaian Perakaunan Malaysia. Berikutan itu, peruntukan penuh dibuat bagi kemerosotan nilai tanah pembangunan berjumlah RM71.8 juta, di samping peruntukan bagi penurunan nilai sekuriti disebut harga dan kerugian daripada penjualan sekuriti disebut harga masing-masing berjumlah RM40.3 juta dan RM6.1 juta.

Tanpa peruntukan ketara di atas, Kumpulan sebenarnya telah berjaya mengambil kesempatan daripada kelebihannya dalam perniagaan terasnya iaitu pembangunan pusat peranginan dan hartanah yang merupakan segmen pemberi pulangan terbesar bagi Kumpulan dengan menyumbangkan perolehan dan keuntungan operasi yang lebih baik masing-masing sebanyak RM178.3 juta dan RM40.8 juta. Kumpulan juga menikmati pengurangan kos kewangan berikutan pembayaran balik sebahagian daripada pinjaman bank dengan kutipan daripada penjualan sekuriti disebut harga pada tahun ini.

Di peringkat Syarikat, kerugian sebelum cukai sebanyak RM34.5 juta berpunca terutamanya daripada peruntukan bagi jumlah yang dihutang oleh pelbagai subsidiari tidak aktif dan pelaburan disebabkan oleh kemerosotan nilai bawa aset tertentu dalam subsidiari tersebut.

Dari segi strategi, Kumpulan akan terus memberi tumpuan kepada perniagaan hartanah terasnya dengan penekanan kepada segmen kediaman yang kukuh, sambil mengekalkan struktur kos yang akomodatif dan kefleksibelan organisasi untuk bertahan dalam menghadapi persekitaran ekonomi yang semakin mencabar.

CHAIRMAN'S STATEMENT

PENYATA PENERUSI

OPERATIONAL REVIEW

Resort & Property

Our blue-chip 27-hole golf course in Tropicana Golf & Country Resort continued to attract golfing enthusiasts and professionals to test their driving and putting skills on its challenging golfing terrains. Recognised as 'The Best Clubhouse/Facilities In Malaysia' by the readers' survey of 'Course Poll 2001/2002', our 350,000 square feet clubhouse continues to be a perfect and welcome respite from the busy city life and provides an ideal venue for sports, social, recreational and business activities, augmented by a good range of dining facilities for local and international delicacies. Comprehensively equipped with a modern gymnasium, a larger-than-Olympic sized swimming pool, tennis, squash and badminton courts, our 4,530 members are assured of the best in maintaining their healthy family lifestyles.

Our resort development continued with 'Green Acres I' project comprising 148 units of choice semi-detached bungalows and 47 bungalow lots, project is located within Tropicana Golf & Country Resort. The project is scheduled for completion in the second quarter of 2003.

The good response to Green Acres I, with an overall sale of 86%, prompted the Group to plan for 'Green Acres II', scheduled to be launched in the second half of 2003. This sequel provides a wider residential mix of 17 bungalow lots, 30 semi-detached units and 113 units of linked houses on 21.2 acres of land.

The Group had also earmarked 8.2 acres of land for the development of 'Casa Tropicana', a condominium project located within Tropicana Golf & Country Resort. Phase I involves 333 units with sizes ranging from 894 sq. ft. to 1,797 sq. ft. together with 24 units of shop lots with built-up areas ranging between 924 sq. ft. to 1,398 sq. ft. This phase offers purchasers 13 practical and attractive layout plans and was launched in March 2003, while 296 units

TINJAUAN OPERASI

Pusat peranginan dan Hartanah

Padang golf 27 lubang terkemuka kami di Tropicana Golf & Country Resort terus menarik penggemar golf dan pemain profesional untuk mencuba kemahiran mereka menakluki padang golf yang mencabar ini. Diiktiraf sebagai 'Rumah Kelab/Kemudahan Terbaik di Malaysia' dalam kajian di kalangan pembaca 'Course Poll 2001/2002', rumah kelab seluas 350,000 kaki persegi kami terus menjadi tempat sempurna dan dialu-alukan setelah mengharungi kesibukan kehidupan bandar dan menawarkan tempat yang ideal bagi aktiviti sukan, sosial, rekreasi dan perniagaan, ditambah pula dengan rangkaian kemudahan menjamu selera yang baik dan menawarkan makanan istimewa tempatan dan antarabangsa. Dilengkapi dengan gimnasium moden, kolam renang yang lebih besar daripada saiz Olimpik serta gelanggang tenis, skuasy dan badminton, seramai 4,530 ahli kami dijanjikan dengan yang terbaik bagi mengekalkan gaya hidup berkeluarga sihat mereka.

Pembangunan pusat peranginan kami diteruskan dengan projek 'Green Acres I' yang terdiri daripada 148 unit banglo berkembar dan 47 lot banglo pilihan, dan terletak di dalam kawasan Tropicana Golf & Country Resort. Projek ini dijadualkan siap pada suku kedua tahun 2003.

Sambutan baik terhadap Green Acres I, dengan jualan keseluruhan sebanyak 86%, mendorong Kumpulan untuk merancang 'Green Acres II', yang dijadualkan untuk dilancarkan pada separuh kedua tahun 2003. Projek susulan ini menawarkan lebih banyak campuran kediaman dengan 17 lot banglo, 30 unit rumah berkembar dan 113 unit rumah berangkai di atas tanah seluas 21.2 ekar.

Kumpulan juga telah mengenalpasti tanah seluas 8.2 ekar bagi pembangunan 'Casa Tropicana', projek kondominium yang terletak di dalam kawasan Tropicana Golf & Country Resort. Fasa I melibatkan 333 unit dengan saiz antara 894 kaki persegi hingga 1,797 kaki persegi berserta

Overwhelming response to the launch of the "Casa Kiara" condominium project, a development managed by the Company.

Sambutan memberangsangkan di pelancaran projek kondominium "Casa Kiara" yang diuruskan oleh Syarikat.



"The Palm" coffee house, one of the many dining facilities within the clubhouse of Tropicana Golf & Country Resort which was recognised as "The Best Clubhouse/Facilities in Malaysia" by the readers survey of "Course Poll 2001/2002."

"The Palm coffee house", salah satu daripada pelbagai kemudahan menjamu selera di rumah kelab Tropicana Golf & Country Resort yang diiktiraf sebagai "Kemudahan Rumah Kelab Terbaik di Malaysia" dalam kajian pembaca "Course Poll 2001/2002".



Phase 1 of "Casa Tropicana", a high-rise residential project in Tropicana Golf & Country Resort which received encouraging response from the public.

Fasa 1 "Casa Tropicana", projek kediaman bertingkat tinggi di Tropicana Golf & Country Resort telah menerima sambutan menggalakkan daripada orang ramai.

under Phase 2 is scheduled for launch in September 2003. Response following the recent launch of Phase I was rather encouraging with 57% sales to date.

The Group as a broad-based 'property supermarket', has also not forgotten its social responsibilities. Through a joint-venture, we are developing 960 units of medium-cost apartments, 320 units of low-medium cost apartments and 320 units of low-cost apartments known as 'Bayu Puteri' 'Permai' and 'Damai' respectively, together with 49 units of shops, situated at the outer fringe of the Resort. Launched in January 2002, the earthworks, piling, substructure works of the project had been completed, while the superstructure works are progressing well. Overall sales were good, with about 92% of the apartments sold.

The Group's Damansara Indah Resort Homes project, located next to Tropicana Golf & Country Resort, saw the launch of the long-awaited 'Green Haven Resort Villas'. Located next to the Seri Selangor golf course (which was designed and constructed by the Group), there are five unique tropical bungalow designs with various land sizes ranging from 6,480 sq. ft. to 16,275 sq. ft. and built-up areas of between 5,179 sq. ft. to 8,452 sq. ft. With prices commencing from RM1.8 million per unit, these 41 units of Resort Villas, which come with sophisticated smart-home features, were launched in December 2002, registering sales of 60% to date.

Continuing our trademark 'Green' concept, 'Villa Green 1', another phase of the Damansara Indah Resort Homes, featuring the innovative development of 140 units of specially designed semi-detached houses called "linked" bungalows, had been fully sold. The construction works of Villa Green 1 had also been completed and these beautiful smart-home abodes received the Certificates of Fitness in May 2002. Meanwhile, sales of 79% were recorded for the adjacent bungalow lots.

Further residential developments in Damansara Indah Resort Homes include the development of 38 units of luxurious 3-storey semi-detached houses ('Fairway Villas') in 'Villa Green 2'. Another project in the pipeline for Damansara Indah Resort Homes is Phase I of 'Casa Indah', an affordably-priced condominium development overlooking the Seri Selangor golf course, which is targeted for launch in the second half of 2003.

Moving out of our Resort zone and into the heart of Petaling Jaya, Phase IA and IB of the project, known as 'Casa Damansara 1' had been 99% sold and fully completed. Vacant possession of the units

24 unit lot kedai dengan kawasan binaan seluas antara 924 kaki persegi hingga 1,398 kaki persegi. Pembangunan kediaman ini menawarkan 13 pelan susun atur praktikal dan menarik kepada pembeli, dan telah dilancarkan pada bulan Mac 2003, manakala 296 unit di bawah Fasa 2 dijadualkan untuk pelancaran pada bulan September 2003. Sambutan berikutan pelancaran Fasa I baru-baru ini agak menggalakkan dengan jualan sebanyak 57% sehingga kini.

Sebagai 'pasaraya hartanah' dengan rangkaian produk yang luas, Kumpulan juga tidak lupa dengan tanggungjawab sosialnya. Melalui gabungan usahasama, kami sedang membangunkan 960 unit apartmen kos sederhana, 320 unit apartmen kos rendah-sederhana masing-masing dikenali sebagai 'Bayu Puteri', 'Permai' dan 'Damai', berserta dengan 49 unit kedai yang terletak di pinggir luar pusat peranginan ini. Kerja-kerja tanah, menanam cerucuk dan substruktur bagi projek yang dilancarkan pada bulan Januari 2002, telahpun siap, manakala kerja astaka berjalan dengan lancar. Jualan keseluruhan adalah baik dengan sekitar 92% daripada apartmen tersebut telah dijual.

Projek Damansara Indah Resort Homes Kumpulan, yang terletak di sebelah Tropicana Golf & Country Resort menyaksikan pelancaran 'Green Haven Resort Villas' yang ditunggu-tunggu. Dengan kedudukannya di sebelah Padang Golf Seri Selangor (yang telah direkabentuk dan dibina oleh Kumpulan), pelancaran ini menawarkan lima rekabentuk banglo tropika yang unik dengan pelbagai keluasan tanah antara 6,480 kaki persegi hingga 16,275 kaki persegi dan kawasan binaan seluas antara 5,179 kaki persegi dan 8,452 kaki persegi. Dengan harga permulaan sebanyak RM1.8 juta, 41 unit vila peranginan ini, yang dilengkapi dengan ciri-ciri rumah pintar serta canggih, dilancarkan pada bulan Disember 2002, dan sehingga kini mencatat jualan sebanyak 60%.

Meneruskan tradisi pembinaan kami yang berkonsepkan 'Hijau' ialah 'Villa Green 1', sebuah lagi fasa Damansara Indah Resort Homes, yang menonjolkan pembangunan inovatif 140 unit rumah berkembar direkabentuk khas yang dinamakan banglo "berangkai", telah habis dijual. Kerja pembinaan Villa Green 1 juga telah disiapkan dan kediaman rumah pintar yang cantik ini memperolehi Sijil Kelayakan Menduduki pada bulan Mei 2002. Sementara itu, jualan sebanyak 79% telah dicatat bagi lot banglo bersebelahan.

Pembangunan kediaman selanjutnya di Damansara Indah Resort Homes termasuk pembangunan 38 unit rumah berkembar 3 tingkat mewah ('Fairway Villas') di 'Villa Green 2'. Sebuah lagi projek yang

Phase 1 of "Casa Indah", an affordably-priced condominium development in Damansara Indah Resort Homes is to be launched soon.

Fasa 1 "Casa Indah", pembangunan kondominium yang mampu dimiliki di Damansara Indah Resort Homes akan dilancarkan tidak lama lagi.



was delivered to satisfied purchasers in July 2002, with Certificates of Fitness issued in August 2002. Meanwhile, 'Casa Damansara 2', located next to Casa Damansara 1, is progressing well. The superstructure has been completed while architectural works are nearing completion, and it is 97% sold. The innovative architecture of 'Casa Damansara 2' provides each of its 152 units of condominiums with a clear swimming pool view.

In Kuala Lumpur, leveraging on our reputation and project management expertise in the development of high-rise residential properties, the Company was appointed by the landowner of a 3.19-acre plot of land in the Mont Kiara area to be the project manager of the 'Casa Kiara' condominium project. The project comprises 223 units of condominiums spread over two blocks. It is hoped that this project will lead to more land owners appointing us to manage or jointly develop their land with them.

The Group's 20.5 acre land situated at 9¹/₂ Miles, Jalan Sungei Besi, Kuala Lumpur is being planned to be developed into 300 units of low-cost apartments and 700 units of medium-cost apartments. Meanwhile, Phase I of the mixed development on 200 acres of land next to the Sungei Buloh Country Resort, involving 200 units of double-storey terraced houses, is also envisaged to commence by 2004.

On a different note, through the Internet, we are looking to improving our business models through Dijaya e-Priority Club, which is an integral part of our website and designed to keep our e-Priority Club members informed via the internet of all the latest happenings in the Group, in the comfort of their homes and offices. Everything about our properties, from periodic news to property tips, will be e-mailed to our e-Priority Club members.

In the same vein, our completed 'Damansara Intan e-Business Park', through a tie-up with MIMOS, a leading local internet service provider, has been provided with wireless broadband connectivity. Departing from the conventional internet access mode, this IT-friendly commercial development capitalises on the powerful capabilities of the highly economical Broadband Fixed Wireless system of internet communication. Coupled with the existing leased line and ISDN facilities, we provide high-speed internet access of up to 2 mbps to our tenants and purchasers. This wireless system also draws on its 'spread spectrum technology' for sophisticated data encryption to ensure that the security of our internet traffic is not compromised.

dirancang di Damansara Indah Resort Homes adalah Fasa 1 'Casa Indah', pembangunan kondominium mampu milik yang memberi pandangan padang golf Seri Selangor, yang dijadualkan untuk pelancaran pada separuh kedua tahun 2003.

Dari zon peranginan, kita beralih ke pusat Petaling Jaya dimana Fasa 1A dan 1B projek tersebut yang dikenali sebagai 'Casa Damansara 1' telah 99% dijual dan siap dibina. Unit-unit tersebut telah diserahkan kepada pembeli yang berpuas hati pada bulan Julai 2002, dengan Sijil Kelayakan Menduduki dikeluarkan pada bulan Ogos 2002. Sementara itu, pembangunan 'Casa Damansara 2' yang terletak di sebelah Casa Damansara 1, sedang berjalan lancar. Astakanya telah disiapkan sementara kerja-kerja seni bina hampir selesai dan penjualannya sudah mencecah 97%. Seni bina inovatif 'Casa Damansara 2' menawarkan setiap 152 unit kondominiumnya pandangan kolam renang yang jelas.

Di Kuala Lumpur, berdasarkan reputasi dan kepakaran kami dalam pengurusan projek bagi pembangunan hartanah kediaman bertingkat tinggi, kami telah dilantik oleh pemilik tanah seluas 3.19 ekar di kawasan Mont Kiara untuk menjadi pengurus projek bagi projek kondominium 'Casa Kiara'. Projek ini terdiri daripada 223 unit kondominium yang dibangunkan dalam dua blok. Ini diharap akan menggalakkan lebih ramai pemilik tanah melantik kami untuk mengurus atau membangunkan tanah mereka secara usaha sama.

Tanah Kumpulan seluas 20.5 ekar di Batu 9¹/₂, Jalan Sungei Besi, Kuala Lumpur sedang dalam perancangan untuk dibangunkan dengan 300 unit apartmen kos rendah dan 700 unit apartmen kos sederhana. Sementara itu, Fasa I pembangunan bercampur di atas tanah seluas 200 ekar yang terletak di sebelah Sungei Buloh Country Resort, dengan 200 unit rumah teres dua tingkat, dijadualkan untuk pembangunan menjelang tahun 2004.

Meninjau bidang lain pula, kemudahan Internet memberikan kami peluang untuk mengukuhkan lagi model perniagaan kami menerusi Kelab e-Prioriti Dijaya, yang merupakan bahagian penting laman web kami dan diwujudkan untuk memaklumkan ahli Kelab e-Prioriti mengenai semua perkembangan terkini dalam Kumpulan tanpa perlu meninggalkan rumah atau pejabat mereka. Ahli Kelab e-Prioriti akan menerima e-mel mengenai semua perkara tentang hartanah kami, daripada berita semasa ke tip hartanah.

Sehubungan itu, 'Taman e-Niaga Damansara Intan' kami yang sudah siap, telah dibekalkan dengan sambungan Internet jalur lebar wayarles, melalui gabungan dengan MIMOS, sebuah penyedia

Vacant possession of "Casa Damansara 1" condominium with a well landscaped swimming pool, was delivered to the purchasers in July 2002, with Certificates of Fitness issued in August 2002.

Pemilikan kediaman unit-unit kondominium "Casa Damansara 1" dengan kolam renang berlanskap indah, telah diberi kepada para pembeli pada bulan Julai 2002 sementara Sijil Kelayakan Menduduki dikeluarkan pada bulan Ogos 2002.



Our commercial development comes with a landscaped piazza for moments of quiet reflection.

Pembangunan komersial kami disediakan dengan piazza berlanskap untuk mewujudkan suasana yang tenang.

CHAIRMAN'S STATEMENT

PENYATA PENERUSI

Strategically located in the heart of Damansara and a stone's throw from SS2 town centre of Petaling Jaya, 86% of the units in 'Damansara Intan e-Business Park' have been sold. A 'Rent First, Buy Back Scheme' that was introduced in March 2002 in respect of the remaining commercial units has been well-received. Coupled with the value-added Broadband connectivity, the Group expects rentals to remain firm in spite of the gloomy market for commercial properties. The prolonged excess supply in the office space market resulted in further deferment of Phase 2 of the Damansara Intan e-Business Park involving the development of a 25-storey office block.

The superstructure works of the 6-storey retail and entertainment block of 'Dijaya Mall' project in Petaling Jaya continued to be deferred to a more opportune time. The Group is presently exploring various commercial alternatives in respect of its development plan.

Manufacturing

Tenaga Kimia Bhd, our 30%-owned associate company continued perform well, registering a consolidated after-tax profit of approximately RM6.1 million, depicting a rise of 32.6% from a relatively lower earnings of RM4.6 million in the preceding financial year.

Engineering & Trading

The Engineering & Trading Division reported an improved pre-tax profit of RM1.2 million against the previous year's profit of RM0.9 million. The better financial picture is due to additional contracts being secured and improved profit margins arising from enhanced budgetary control.

Internet-related venture

This Division recorded profit before tax of RM0.68 million for the year, as compared to about RM1 million previously.

perkhidmatan Internet tempatan yang terkemuka. Pembangunan komersial mesra IT ini berbeza daripada mod capaian Internet konvensional dan menggunakan kelebihan keupayaan besar komunikasi Internet berasaskan sistem Wayarles Tetap Jalur Lebar yang sangat menjimatkan, di samping talian pajak dan kemudahan ISDN yang sedia ada, untuk menyediakan capaian Internet berkelajuan tinggi sehingga 2 mbps kepada penyewa dan pembeli kami. Sistem wayarles ini juga menggunakan teknologi spektrum rebak untuk pengekodan data yang canggih bagi memastikan keselamatan lalu lintas Internet yang baik.

Dengan lokasi strategiknya di pusat Damansara dan berdekatan dengan pusat bandar SS2 di Petaling Jaya, 86% daripada unit di 'Taman e-Niaga Damansara Intan' telah dijual. 'Skim Sewa Dulu, Beli Balik' yang diperkenalkan pada bulan Mac 2002 bagi baki unit komersial telah mendapat sambutan baik. Berserta dengan hubungan Jalur Lebar yang bernilai tambah, Kumpulan menjangkakan sewa yang terus kukuh meskipun pasaran yang suram bagi hartanah komersial. Bekalan lebih yang berpanjangan bagi pasaran ruang pejabat mengakibatkan penangguhan selanjutnya Fasa 2, Taman e-Niaga Damansara Intan yang melibatkan pembangunan sebuah blok pejabat 25 tingkat.

Kerja-kerja astaka bagi blok runcit dan hiburan 6 tingkat bagi projek 'Dijaya Mall' di Petaling Jaya terus ditangguhkan kepada masa yang lebih sesuai. Kumpulan sedang mengkaji pelbagai alternatif komersial berhubung rancangan pembangunannya.

Perkilangan

Tenaga Kimia Berhad, syarikat bersekutu 30% milik kami terus berprestasi baik dengan mencatat keuntungan selepas cukai disatukan sekitar RM6.1 juta yang merupakan peningkatan sebanyak 32.6% berbanding pendapatan lebih rendah sebanyak RM4.6 juta pada tahun sebelumnya.



The joy of resort living is evident in the homes built by the Group.

Keistimewaan kehidupan di kawasan perumahan terus ditampilkan dalam kediaman yang dibina oleh Syarikat.

CORPORATE DEVELOPMENT

As announced on 6 January 2003, the deadline for the implementation of the Special Bumiputra Issue had been extended to 31 December 2003 as approved by the Securities Commission.

PROSPECTS

The main worry for Asia is whether SARS can be brought under control within a reasonable timeframe. Its debilitating effects on the economic growth in this part of the world can be quite far-reaching.

Meanwhile, in May 2003, the government unveiled an economic stimulus package worth RM7.3 billion to mitigate the adverse impact of the SARS outbreak, Iraqi war and sluggish global economic conditions, while maintaining the growth forecast at 4.5% for 2003.

Nonetheless, the Group shall continue to persevere in ensuring greater operational and management efficiency. Business plans would be skewed towards better product positioning, capitalising on our niche market, cultivating customer loyalty, reducing administrative time lag, conserving cash and reducing bank loans, where possible. The Group would continue to subscribe and adhere to the strictest requirements of the code of corporate governance and transparency to generate greater shareholders' confidence.

Besieged by continuous global economic uncertainties and health threats, the Group is nevertheless cautiously optimistic of its prospects for the coming year.

APPRECIATION

On behalf of the Board of Directors, I wish to extend my heartfelt 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

28 May / Mei 2003

Kejuruteraan & Perdagangan

Bahagian Kejuruteraan & Perdagangan melaporkan keuntungan sebelum cukai yang lebih baik sebanyak RM1.2 juta berbanding keuntungan RM0.9 juta pada tahun sebelumnya. Prestasi kewangan lebih baik ini disebabkan kontrak tambahan yang diperolehi dan margin keuntungan lebih baik berikutan kawalan belanjawan yang dipertingkatkan.

Usahaniaga berkaitan Internet

Bahagian ini mencatat keuntungan sebelum cukai sebanyak RM0.68 juta pada tahun ini berbanding RM1 juta pada tahun sebelumnya.

PERKEMBANGAN KORPORAT

Seperti yang diumumkan pada 6 Januari 2003, tarikh akhir pelaksanaan Terbitan Khas Bumiputera dilanjutkan kepada 31 Disember 2003 seperti yang diluluskan oleh Suruhanjaya Sekuriti.

PROSPEK

Kebimbangan lebih besar bagi Asia ialah sama ada SARS boleh dikawal dalam tempoh yang berpatutan. Kesannya yang melemahkan pertumbuhan ekonomi di rantau ini berkemungkinan menjadi lebih teruk.

Sementara itu, pada bulan Mei 2003, kerajaan telah mengumumkan pakej rangsangan ekonomi bernilai RM7.3 bilion untuk mengurangkan kesan wabak SARS, perang Iraq dan keadaan ekonomi yang lembap, sambil pada masa yang sama, mengekalkan ramalan pertumbuhan ekonomi sebanyak 4.5% pada tahun 2003.

Sementara itu, Kumpulan akan terus berusaha untuk memastikan peningkatan kecekapan operasi dan pengurusan. Rancangan perniagaan akan menekankan kedudukan produk yang lebih baik berdasarkan kelebihan pasaran khusus kami, dengan memupuk kesetiaan di kalangan pelanggan, memendekkan masa pemprosesan pentadbiran, menjimatkan tunai dan mengurangkan pinjaman bank, jika mungkin. Kumpulan akan terus memegang teguh dan mematuhi keperluan kos tadbir urus korporat dan ketelusan untuk meningkatkan keyakinan pemegang saham.

Meskipun berhadapan dengan ketidakpastian ekonomi global dan bahaya penyakit, Kumpulan masih optimistik tetapi secara berhati-hati mengenai prospeknya pada tahun depan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan kepada pengurusan dan kakitangan Kumpulan atas pengorbanan, dedikasi dan komitmen mereka.

Saya juga ingin mengucapkan penghargaan ikhlas kepada semua pemegang saham yang dihargai, pelanggan, institusi kewangan, pihak berkuasa kerajaan dan rakan perniagaan atas sokongan dan kerjasama berterusan mereka.

other

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Statement on Corporate Governance

The Board of Directors ("Board") of Dijaya Corporation Berhad ("DIC" or "Company") is supportive of the recommendations of the principles and best practices of corporate governance as set out in the Malaysian Code of Corporate Governance ("Code") to enhance higher standard of duties and to protect and enhance shareholders' value.

This statement sets out how the Company and its Group of Companies ("Group") have applied the principles and complied with the best practices of good corporate governance of the Code throughout the year ended 31 December 2002.

BOARD OF DIRECTORS

The Board of DIC currently has eight (8) members, comprising five (5) Independent Non-Executive Directors and three (3) Non-Independent Executive Directors. The present Board composition of DIC is in compliance with the requirements of the KLSE Listing Requirements. The present Directors of DIC bring collectively a diverse range of expertise and experience. A brief profile of each Director is presented on pages 6 and 7 of this Annual Report.

The interests of major shareholders and the investment of minority shareholders in equity interest in the Company are fairly reflected through Board representation.

The Board has overall responsibility for the strategic direction of the Group and the Directors meet on a scheduled basis once every quarter, therefore at least four times a year, to, amongst others, review the performances of business units within the Group.

There is a clear division of responsibility between the Chairman, the Group Chief Executive Officer ("CEO") and the Group Managing Director ("MD") to ensure balance of power and authority. The Chairman is responsible for the effective running of the Board while the CEO and the MD assisted by the Executive Director are overall responsible for the effective running of the business and implementation of Board's policies and decisions. The presence of Independent Non-Executive Directors ensures that there is a proper check and balance in the Board.

The Chairman, Tan Sri Datuk Ahmad Farouk Bin Isahak is the senior independent non-executive director to whom any concerns of the shareholders, management and others may be conveyed.

Board Meetings

The quarterly Board meetings are scheduled in advance prior to the start of the financial year. All Board meetings are formally structured with pre-set agenda and Board Papers covering corporate and financial developments are circulated to the Directors before the meetings are held. The Board mainly deliberates on the financial performance and results of the Group, strategic and corporate direction and other matters reserved specially for the Board's decision. Senior Management of the Group and external auditors are also invited to attend Board Meetings on specific items on the agenda which require clarification.

For the year 2002, a total of four (4) Board meetings were held. Set out below is the record of attendance of the Board members:-

Directors	Attendance
Tan Sri Datuk Ahmad Farouk Bin Isahak	4/4
Dato' Tan Chee Sing	4/4
Poh Pai Kong	4/4
Tong Kien Onn	4/4
Dato' Dr Thong Kok Cheong	4/4
Michael Lim Hee Kiang	3/4
Roslan Bin Hj Yahya	3/4
Azhar Bin Abdul Wahab	3/4

In the intervals between board meetings, for any matters requiring Board decisions, Board approvals are obtained through circular resolutions. The resolutions passed by way of circular resolutions are ratified in the next Board meeting.

STATEMENT ON CORPORATE GOVERNANCE**Supply of Information**

All Directors are supplied with full set of Board papers prior to each Board Meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board papers include, among others, the following:-

- a) Quarterly financial reports
- b) Corporate development
- c) Business development
- d) Minutes of previous Board Meeting and Audit Committee Meeting
- e) Directors' Circular Resolutions

In addition, the Board has full access to all information within the Company in furtherance of their duties. They are also entitled to obtain full disclosure by the management and advice or services from the Company Secretary. If necessary, the Directors are also entitled to seek independent professional advice from external consultants at the Company's expense.

Re-election of the Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board either to fill a casual vacancy or as an additional to the existing Directors are subject to election by shareholders at the Annual General Meeting following their appointment. The Articles also provide that at least one-third (1/3) of the remaining Directors be subject to re-election by rotation at each Annual General Meeting including the Group Chief Executive Officer, the Group Managing Director and the Executive Director provided always that all the Directors shall retire from their office once at least in each three (3) years but shall be eligible for re-election.

Directors' Training

All the Directors of the Company had duly completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysts Malaysia. The Directors will continue to undergo other relevant training programmes to keep them abreast with relevant changes in laws and regulations and the business environment.

BOARD COMMITTEES**Nomination Committee**

The Nomination Committee which was set up on 8 August 2001 has been given the responsibilities to recommend new appointment to the Board of DIC. The Nomination Committee also reviews the effectiveness of the existing Board, the committees of the Board and the contribution of each Director. The Nomination Committee comprises three (3) members, all being Independent Non-Executive Directors, are:-

- Tan Sri Datuk Ahmad Farouk Bin Isahak (Chairman)
- Dato' Dr. Thong Kok Cheong
- Roslan Bin Hj Yahya

The recommendations of the Nomination Committee are subject to the approval of the Board.

Remuneration Committee

The Company has set up the Remuneration Committee on 7 August 2001. The majority members of the Remuneration Committee are Independent Non-Executive Directors as follows:-

- Tan Sri Datuk Ahmad Farouk Bin Isahak (Chairman)
- Poh Pai Kong
- Dato' Dr Thong Kok Cheong

The Remuneration Committee is responsible, amongst other things, to review and recommend to the Board the remuneration framework of the Group Chief Executive Officer, the Group Managing Directors and the Executive Director. All non-executive directors of the Company receive annual Directors' fee upon recommendation of the Remuneration Committee and approval of the full Board but subject to shareholders' approval at the Company's annual general meeting. Meeting allowances are also paid to Non-Executive Directors for each meeting that the non-executive Directors attend.

STATEMENT ON CORPORATE GOVERNANCE

The policy practised on Directors' remuneration by the Remuneration Committee is that the level of remuneration should be sufficient to attract and retain directors of the quality required to manage the business of the Group. As for Non-Executive Directors, it reflects the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. All Directors had abstained from discussion and decision in their own remuneration.

Directors' Remuneration

Breakdown of Directors' remuneration for the year ended 31 December 2002, by category and in bands of RM50,000 are shown below: -

Category	Fees	Salaries, allowances and other emoluments	Bonus	Benefits (in-kind)	Total
Executive Directors	–	930,636	115,060	24,755	1,070,451
Non-Executive Directors	61,000	72,000	–	–	133,000
Total	61,000	1,002,636	115,060	24,755	1,203,451

Bands	No. of Directors	
	Executive Director	Non-Executive Director
0 - RM50,000	–	4
RM50,001 - RM100,000	–	1
RM100,001 - RM150,000 (paid to Group CEO)	1	–
RM300,000 - RM350,000	1	–
RM600,001 - RM650,000	1	–

SHAREHOLDERS

Dialogue Between the Company and Investors

The Group recognizes the importance of being accountable to its investors. As such, the Group makes timely dissemination of information, through appropriate channels of communications to shareholders to ensure that they are well-informed of major developments in the Group. The information is also communicated to them through the Annual Report and the various disclosures and announcements made to the KLSE, including the Quarterly and Annual Results.

The Group has established a website (www.dijyacorp.com) to enhance shareholders' access to the Group's operational information.

Annual General Meeting

The Company's Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and Annual Reports are sent out to shareholders at least 21 days before the date of the meeting.

Besides the usual agenda for Annual General Meeting, the Board presents the progress and performance of the business as contained in the Annual Report and encourages shareholders to participate in the question and answer sessions. The Directors and Senior Management are available to respond to shareholder's questions during the Meeting.

For re-election of Directors, the Board ensures that full information is disclosed through the notice of meetings regarding Directors who are retiring and who are willing to serve if re-elected.

Items of special business included in the notice of the meeting will be accompanied by an explanatory statement to facilitate full understanding and evaluation of the issues involved.

STATEMENT ON CORPORATE GOVERNANCE**ACCOUNTABILITY AND AUDIT****Financial Reporting**

The Board aims to provide a balanced and comprehensive assessment of the Group's financial performance and prospects, primarily through the annual financial statement and quarterly announcement of results to shareholders as well as the Chairman's Statement and review of operations in the annual reports.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 to prepare the financial statements which give a true and fair view of the state of affairs of the Company and the Group at the financial year end and of the results and cashflows of the Company and the Group for the financial year.

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable accounting standards have been followed; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue operations for the foreseeable future.

The Directors acknowledge the responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to detect and prevent any fraud as well as any other irregularities.

Internal Control

The Board has overall responsibility for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' investment and the Company's assets. While acknowledging its responsibility for the system of internal controls the Board is aware that such a system cannot totally eliminate risks and thus can never be an absolute assurance against the Group failing to achieve its objectives.

Relationship with Auditors

The Company has always maintained an appropriate and transparent relationship with the external auditors. The Audit Committee meets up with the external auditors to discuss the annual audited financial statements and their audit findings.

Audit Committee

The report by the Audit Committee for the year ended 31 December 2002 is set out on pages 25 and 26 of this Annual Report.

SUMMARY

DIC was in compliance with the Code during the year under review.

STATEMENT ON CORPORATE GOVERNANCE

ADDITIONAL COMPLIANCE INFORMATION

Share Buybacks

During the financial year, the Company did not enter into any share buyback transactions.

Options, Warrants or Convertible Securities

During the year, the Company granted additional options of 4,152,000 ordinary shares pursuant to the Company's Employees Share Option Scheme at an exercise price of RM1.05 per share to eligible employees.

During the year, 23,000 ordinary shares of RM1.00 each pursuant to the Employees Share Options Scheme was exercised.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

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

Imposition of Sanctions and Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial period.

Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the year amounted to RM3,000.

Profit Estimate, Forecast or Projection

There was no variation between the unaudited results announced earlier and the audited results for the year ended 31 December 2002.

Profit Guarantee

The Company did not give any profit guarantee during the financial year.

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries that involved Directors' or major Shareholders' interest.

Revaluation Policy

The Company and the Group do not have a policy on regular revaluation of land and buildings.

Statement on Internal Control

INTRODUCTION

Dijaya Corporation Berhad and its subsidiaries' ("the Group") system of internal controls is designed to improve the Group's operations and risk management functions.

The Board of Directors ("the Board") is committed to maintaining a sound system of internal controls and risks management practices to safeguard the Group's assets and shareholders' investments. The Board is pleased to provide the following Statement of Internal Control which outlines the nature and scope of internal controls of the Group during the year pursuant to Paragraph 15.27(b) of the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE").

RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a sound system of internal control that covers all aspects of the Group's business including strategic, commercial, operational and financial areas. In recognition of that responsibility, the Board sets policies and seeks regular assurance that the system of internal control is operating effectively. While acknowledging their responsibility for the system of internal control, the Directors are aware that a sound system of internal control and risk management are designed to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable rather than absolute assurance against material misstatements, losses, fraud or breaches of law or regulations. However, the extent of responsibility for internal control does not extend to include that of the associated companies as not being part of the Group for the purpose of this review.

PRINCIPAL FEATURES AND KEY PROCESSES OF THE GROUP'S SYSTEM OF INTERNAL CONTROL

The principal features of the Group's system of internal control can be summarised as follows:-

- **Authorisation procedures**

The Group has a clearly defined authorisation procedure and a clear line of accountability, with strict authorisation, approval and control procedures which provide a sound framework of authority and accountability within the organisation and facilitate proper corporate decision-making at the appropriate level in the organisation's hierarchy. Responsibility levels are communicated throughout the Group which set out, amongst others, authorisation levels, segregation of duties and other control procedures.

- **Authority levels**

The Group has delegated authority levels for major project tenders, capital expenditures, assets and other significant transactions. Delegation of limits is subject to periodic reviews as to its implementation and continuing suitability.

- **Staffing policies**

Guiding policies and procedures on hiring and retention of staff have been established at Group level with individual business units having the flexibility to adapt these policies for their specific needs. High recruitment standards which identify talented individuals who possess qualities that fit into the Group's culture of excellence ensure the integrity and competence of staff. Successful recruits are guided on where and how they can contribute productively.

Employees' knowledge, skills and abilities are being continually enhanced to enable them to operate and monitor the systems of internal control effectively.

- **Financial Performance**

Quarterly, interim and full year results and analyses of the Group's state of affairs are disclosed to the shareholders after review and approval by the Board.

A computerised financial reporting system captures all financial transactions that are then collated into regular management financial statements. The Group's management team communicates regularly to monitor the financial performance of business units.

- **Internal Compliance**

The Group monitors compliance with its internal controls through management reviews and internal audit reports that are reviewed by key personnel. Regular updates of internal policies and procedures are undertaken to reflect changing risks or resolve operating deficiencies. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:-

- **Internal Audit Function**

The Group's internal audit function undertakes reviews of internal controls in all key activities of the Group. The internal auditors will monitor and report on the financial and operational controls implemented by the management and report to the Audit Committee, which in turn will review the effectiveness of

STATEMENT ON INTERNAL CONTROL

the system of internal controls in operation and report their conclusions to the Board. The internal auditors advise management on areas for improvement and subsequently review the extent to which its recommendations have been implemented.

During the year under review, the internal auditors conducted various audit assignments covering operational and compliance controls. The system of internal control will continue to be reviewed, enhanced or updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the internal auditors. The Board is of the opinion that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interests.

- **Senior Management Meetings**

The Group conducts regular meetings of senior management which comprises the Group Managing Director, Executive Director and all divisional heads. The purpose of these meetings is to deliberate and decide upon operational matters. The meetings help to remove barriers of bureaucracy and assist in ensuring effective implementation of all major and important decisions.

- **Reality Assessments**

The Group Managing Director and Executive Director carry out reality assessments by visiting the operating units and communicating with various levels of staff to gauge the effectiveness of strategies implemented.

RISK MANAGEMENT

The process of identifying and managing the key risks within the Group are an integral part of the internal control environment. The processes within the Group are continuously reviewed and improved upon.

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is an integral part of good business management practice. The Board acknowledges that all areas of the Group's business activities involve some degree of risk and is committed in ensuring that the Group has an effective risk management framework which allows the management to manage the risks within defined parameters and standards.

Identifying, evaluating and managing the significant risks faced by the Group is an ongoing process which is undertaken at each level of operations. This process is monitored by the Board to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

Management reports regularly on their review and management of risks to the Audit Committee, whose main role is to assess, on behalf of the Board, the key risks inherent in the business and the system of controls necessary to manage such risks and to present their findings to the Board. Internal audit independently reviews the risk identification procedures and control processes implemented by management and reports to the Audit Committee on a quarterly basis.

The Group Managing Director also reports to the Board on significant changes in the business and the external environment which may result in significant risks. Where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and the internal auditors.

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by the business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed.

CONCLUSION

The Board is satisfied that, during the year under review, the system of internal control being instituted throughout the Group is sound and effective. Notwithstanding this, reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard the Group's assets and shareholders' investments.

Report of Audit Committee

COMPOSITION

The present members of the Audit Committee are:-

Tan Sri Datuk Ahmad Farouk Bin Isahak (Chairman)	Independent Non-Executive Director
Tong Kien Onn	Non-Independent Executive Director (A member of the Chartered Institute of Management Accountants, United Kingdom)
Dato' Dr. Thong Kok Cheong	Independent Non-Executive Director
Michael Lim Hee Kiang	Independent Non-Executive Director
Roslan Bin Hj Yahya	Independent Non-Executive Director

The members of the Audit Committee consist mainly of Independent Non-Executive Directors.

TERMS OF REFERENCE

Function of the Audit Committee

The functions of the Committee amongst others, are:

- To review the following and report the same to the Board of Directors:-
 - with the external auditor, the audit plan;
 - with the external auditor, the evaluation of the system of internal controls;
 - with the external auditor, the audit reports;
 - the assistance given by the Company's employees to the external auditor;
 - the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing on:-
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements;

- any related party transactions and conflict of interest situation that may arise within the Company or Group;
- any letter of resignation from the external auditors; and
- whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

- To recommend the nomination of a person or persons as external auditors.

Authority of the Audit Committee

- The Committee is authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- The Committee is authorised to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- The Committee shall have unrestricted access to both the internal and external auditors and is able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

REPORT OF AUDIT COMMITTEE

MEETINGS

The Committee has four (4) meetings during the year. The Group Managing Director attended some of these meetings upon invitation by the Chairman of the Committee. The Group's Senior Finance Manager and the Internal Audit Manager attended all the Audit Committee meetings during the year.

The record of attendance of the members of the Audit Committee at the meeting during the year are as follows:-

Tan Sri Datuk Ahmad Farouk Bin Isahak	4/4
Tong Kien Onn	4/4
Dato' Dr Thong Kok Cheong	3/4
Michael Lim Hee Kiang	4/4
Roslan Bin Hj Yahya	3/4

SUMMARY OF ACTIVITIES DURING THE FINANCIAL PERIOD

During the year, the Audit Committee carried out its duties in accordance with its terms of reference.

In performing its functions, the Audit Committee reviewed the overall scope of internal audits. It met with the Group's internal auditors to discuss results of their examinations and their evaluation of the system of internal control of the Company and its subsidiary companies.

In addition, the Audit Committee discussed with the external auditors the audit plan which states the nature and scope of audits and the audit findings arising from their review. The Audit Committee also reviewed the quarterly financial statements of the Company and the consolidated financial statements together with the quarterly announcement to the Kuala Lumpur Stock Exchange. The Audit Committee recommended to the Board of Directors, subject to the shareholders' approval, the selection of the Company's and its subsidiary companies' statutory auditors.

Other main issues discussed by the Audit Committee were as follows:-

- related party transactions entered into by the Group
- updated disclosure requirements of the Kuala Lumpur Stock Exchange

- new Accounting Standards issued by the Malaysian Accounting Standards Board and their applicability to the consolidated financial statements of the Group for the year ended 31st December 2002

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced Internal Audit Department in carrying out its duties.

During the year, the internal audit activities were carried out according to the internal audit plan which was approved by the Audit Committee. The scope of the internal audit covered the audits of all units and operations, including subsidiaries to provide the Audit Committee with assurance that the system of internal control of the Group achieved the following:-

- The business was planned and conducted in an orderly, prudent and cost effective manner;
- Transactions and commitments were entered into in accordance with Management's authority;
- The Management was able to safeguard the assets and control the liabilities of the Group, i.e. there were measures to minimise and detect any loss from irregularities, frauds and errors; and
- The accounting and other records of the business provided complete, accurate and timely information.

Ten (10) audit reports were issued during the year 2002 incorporating findings and recommendations with regards to system and control, weaknesses noted in the course of audit, the management's responses and the remedial actions on the implementation of all findings and recommendations in its review process.

In the course of auditing, the Internal Auditors have identified some internal control weaknesses during the year, which have been or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

Analysis of Shareholdings

as at 6 May 2003

SHARE CAPITAL

Authorised Share Capital	: RM500,000,000
Issued and Fully Paid	: RM259,525,583
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One vote per Ordinary Share held

Size of Holdings	No. of Holders	% of holders	Total Holdings	% of Holdings
1 - 999	94	0.62	16,810	0.01
1,000 - 10,000	14,318	93.93	37,245,722	14.35
10,001 - 100,000	770	5.05	19,804,593	7.63
100,001 - 12,976,278 *	58	0.38	116,916,775	45.05
12,976,279 and above **	3	0.02	85,541,683	32.96
Total	15,243	100.00	259,525,583	100.00

Note: * - Less than 5% of issued shares

** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Deemed Interest	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Dato' Tan Chee Sing	75,150,374	28.96	70,604,576	27.21
Impeccable Ace Sdn Bhd	22,700,000	8.75	-	-
Golden Diversity Sdn Bhd	47,904,576	18.46	-	-

THIRTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
1. RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Security Account for Dato' Tan Chee Sing)	47,300,000	18.23
2. Golden Diversity Sdn Bhd	23,350,000	9.00
3. Dato' Tan Chee Sing	14,891,683	5.74
4. Permodalan Nasional Berhad	10,389,557	4.00
5. RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Impeccable Ace Sdn Bhd)	9,000,000	3.47
6. EB Nominees (Tempatan) Sendirian Berhad (Pledged Securities Account for Golden Diversity Sdn Bhd)	8,500,000	3.28
7. Impeccable Ace Sdn Bhd	7,700,000	2.97
8. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Golden Diversity Sdn Bhd)	7,070,000	2.72
9. Chan Chou Chian	6,996,000	2.70
10. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd (Kitson Foong & Associates for Dato' Danny Tan Chee Sing)	6,595,691	2.54
11. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Golden Diversity Sdn Bhd)	6,300,000	2.43

ANALYSIS OF SHAREHOLDINGS

as at 6 May 2003

THIRTY LARGEST REGISTERED SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of Shares	% of Shares
12. RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Impeccable Ace Sdn Bhd)	6,000,000	2.31
13. Desiran Hebat Sdn Bhd	5,800,275	2.23
14. Chan Chau Cheng	5,097,000	1.96
15. Amsec Nominees (Tempatan) Sdn Bhd (Ambank Berhad for Dato' Tan Chee Sing)	4,000,000	1.54
16. Lanjut Persada Sdn Bhd	4,000,000	1.54
17. Bayangan Impresif Sdn Bhd	3,419,000	1.32
18. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd (Khadijah Binti Abdul Khalid)	3,250,000	1.25
19. Warisan Istimewa Sdn Bhd	3,140,260	1.21
20. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Golden Diversity Sdn Bhd)	2,680,000	1.03
21. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd (Kitson Foong & Associates for Desiran Hebat Sdn Bhd)	2,344,028	0.90
22. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Dato' Tan Chee Sing)	1,700,000	0.66
23. Tengku Adnan Bin Tengku Mansor	1,531,461	0.59
24. M & A Nominee (Asing) Sdn Bhd (Anglo Asia Investments Limited)	1,302,260	0.50
25. CL & Yew Construction Sdn Bhd	1,000,000	0.39
26. RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Sri Dato' Seri Tan Chee Yioun)	800,000	0.31
27. Chan Wan Moi	622,000	0.24
28. Yayasan Islam Negeri Kedah	570,075	0.22
29. Pak Fook & Sons Sdn Bhd	484,910	0.19
30. Dato' Dr Thong Kok Cheong	484,910	0.19
Total	196,319,110	75.66

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Tan Sri Datuk Ahmad Farouk Bin Isahak	–	–	4,022,544	1.55
2. Dato' Tan Chee Sing	75,150,374	28.96	70,604,576	27.21
3. Tong Kien Onn	20,000	0.01	51,000	0.02
4. Dato' Dr Thong Kok Cheong	484,910	0.19	1,384,910	0.53
5. Roslan Bin Hj Yahya	–	–	3,495,558	1.35

List of Properties

as at 31 December 2002

Location	Tenure	Approx. Age of Building	Net Book Value RM'000	Description
TROPICANA GOLF & COUNTRY RESORT BERHAD Tropicana Golf & Country Resort 47410 Petaling Jaya	Leasehold (99 years) - expiring on 25.10.2090	8 years	125,529	Golf course and mixed development
MAWAR HEBAT SDN BHD 1002-3, 1005, 1009-10, 1031, 1065, 1072, 2416 Mukim Ulu Behrang East Daerah Batang Padang	Freehold	N/A	4,000	Agriculture land
IKATAN ENGINEERING SDN BHD Lot 50-51, IGB International Industrial Park Jalan Kuala Kangsar Ipoh, Perak	Leasehold (99 years) - expiring on 17.10.2089	Lot 50 - 11 years Lot 51 - 8 years	1,874	Industrial land
Lot 92 IGB International Industrial Park Jalan Kuala Kangsar Ipoh, Perak	Leasehold (99 years) - expiring on 17.10.2089	N/A	840	Industrial land
Lot 35, Taman Alkaff Jalan Silibin Ipoh, Perak	Leasehold (99 years) - expiring on 16.07.2079	19 years	165	Shoplot
IZASAJA SDN BHD Lot No. PT 837 Mukim Ijuk Kuala Selangor Selangor	Leasehold (99 years) - expiring on 17.04.2089	N/A	96	Commercial/ residential development land
ASPEK ANALISA SDN BHD Lot No. 3049 & 3050 9½ Miles Jalan Sungai Besi Serdang, Selangor	Leasehold (99 years) - expiring on 21.01.2095	N/A	2,461	Development land
ARAH PELANGI SDN BHD Lot Nos. 405, 413, 415 & 417 Section 4, Town of Bukit Mertajam District of Seberang Perai Tengah Pulau Pinang	Freehold	N/A	12,415	Development land

LIST OF PROPERTIES

as at 31 December 2002

Location	Tenure	Approx. Age of Building	Net Book Value RM'000	Description
DICORP LAND SDN BHD Lot 673 (Grant 3473) Section 1, Pekan Sungei Penchala Selangor	Freehold	N/A	8,311	Development land
DIJAYA LAND SDN BHD Lot No. 26103 (Grant 22944) Mukim and District of Damansara District of Selangor Selangor	Freehold	N/A	74,680	Development land
DAMANSARA IMPIAN SDN BHD Section 1, Kota Damansara Daerah Petaling Selangor	Leasehold (99 years) - expiring on 19.05.2098	N/A	35,176	Development land
NADI JELITA SDN BHD Parcel No. 6, Storey No. PH, Block A, Meranti Park, Phase 1 Bukit Tinggi Resort Pahang Darul Makmur	Leasehold (99 years) - expiring on 04.05.2094	3 years	392	Residential Apartment

financial

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Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are described in Note 5 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss after taxation	(84,426,369)	(51,340,937)
Minority interests	(1,819,770)	-
Net loss for the year	(86,246,139)	(51,340,937)

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

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

- (a) provision for diminution in value of other investments and marketable securities amounting to RM37,942,523 and RM2,316,363, as disclosed in Note 7 and Note 12 to the financial statements respectively.
- (b) development expenditure written off due to the reduction in book value of development properties, resulting in a loss of RM71,843,132 as disclosed in Note 4 to the financial statements.
- (c) change in accounting policy with respect to the basis of recognition of goodwill on consolidation and negative goodwill resulting in a net decrease in the group's net loss for the year by RM174,526 as disclosed in Note 33 to the financial statements.
- (d) provision for doubtful debts on amounts due from subsidiaries amounting to RM85,795,553, as disclosed in Note 11 to the financial statements.

DIVIDENDS

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

DIRECTORS

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

Tan Sri Datuk Ahmad Farouk Bin Isahak

Dato' Tan Chee Sing

Poh Pai Kong

Tong Kien Onn

Dato' Dr. Thong Kok Cheong

Michael Lim Hee Kiang

Azhar Bin Abdul Wahab

Roslan Bin Hj. Yahya

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options to be granted pursuant to the Employees' Share Option Scheme ("ESOS") of the Company.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 27 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

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

	<----- Number of Ordinary Shares of RM1 each ----->				
	1 January 2002/ At Date of Appointment*	Bought	Sold	31 December 2002	
The Company					
Direct Interest					
Dato' Tan Chee Sing	75,150,374	-	-	75,150,374	
Dato' Dr. Thong Kok Cheong	484,910	-	-	484,910	
Tong Kien Onn*	20,000	-	-	20,000	
Indirect Interest					
Tan Sri Datuk Ahmad Farouk Bin Isahak	4,022,544	-	-	4,022,544	
Dato' Tan Chee Sing	70,604,576	-	-	70,604,576	
Dato' Dr. Thong Kok Cheong	1,384,910	-	-	1,384,910	
Tong Kien Onn*	51,000	-	-	51,000	
	<----- Number of Share Options over Ordinary Shares ----->				
	Option Price	1 January 2002/ At Date of Appointment*	Granted	Exercised	31 December 2002
The Company					
Direct Interest					
Dato' Tan Chee Sing	3.266	100,000	-	-	100,000
	1.050	-	100,000	-	100,000
Poh Pai Kong	3.266	100,000	-	-	100,000
	1.050	-	100,000	-	100,000
Tong Kien Onn*	3.266	80,000	-	-	80,000
	1.050	-	80,000	-	80,000

DIRECTORS' REPORT

Dato' Tan Chee Sing, by virtue of his interest in shares of the Company, is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

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

ISSUES OF SHARES

During the financial year, the Company increased its issued and paid-up share capital from RM259,502,583 to RM259,525,583 through the issuance of 23,000 new ordinary shares of RM1 each to eligible employees who exercised their options under the ESOS at RM1.05 per share. The new ordinary shares shall rank *pari passu* in all respects with existing ordinary shares.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Dijaya Corporation Berhad ESOS is governed by the by-laws approved by the shareholders of the Company at the Extraordinary General Meeting held on 13 February 1998 and became effective on 26 February 2000.

On 7 January 2002, the Company granted additional options of 4,152,000 ordinary shares pursuant to the ESOS at an exercise price of RM1.05 per share.

The main features of the ESOS are as follows:

- (a) Eligible employees (including full-time Executive Directors) are employees who have been confirmed in the employment of the Company or its non-listed subsidiaries (excluding dormant subsidiaries) and served at least one continuous year with the Group on or prior to the date of offer, the date on which a selected employee is notified in writing of the offer to participate in the ESOS ("Date of Offer").
- (b) The maximum number of shares that may be offered under the ESOS shall not be more than ten per centum (10%) of the total issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the ESOS which shall be in force for a period of five years, expiring on 26 February 2005 ("Date of Expiry").
- (c) No option shall be granted for less than 1,000 shares or more than 500,000 shares.
- (d) The options granted may be exercised at any time, whilst the option holder is in the employment of the Group from the Date of Offer to the Date of Expiry or such shorter period prescribed in the offer.
- (e) An option may be exercised in respect of such lesser number of ordinary shares provided that the number shall be in multiples of and not less than 1,000 shares. Such partial exercise of an option shall not preclude the holder from exercising the options on the balance of the ordinary shares, if any, which the option holder is entitled to subscribe under the ESOS.
- (f) The exercise price for each ordinary share under the option scheme shall be based on the average of the mean market quotation of the ordinary shares of the Company as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five (5) market days immediately preceding the respective dates of offer or at the par value of the ordinary shares of the Company of RM1, whichever is the higher.
- (g) The options granted do not confer any right to participate in any share issue of any other company.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their shareholdings.

The movement in ESOS during the year is as follows:

Date of Grant	Number of Share Options				Option Price (RM)	Date of Expiry
	1 January 2002 or Date of Grant	Exercised	Cancelled *	31 December 2002		
26.2.2000	2,208,000	–	(165,000)	2,043,000	3.266	26.2.2005
7.1.2002	4,152,000	(23,000)	(402,000)	3,727,000	1.050	26.2.2005

* Forfeiture upon resignations during the year.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render:
- the amount written off for bad debts or the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Arthur Andersen & Co., retire and do not seek re-appointment. A resolution to appoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board
in accordance with a resolution
of the directors

TAN SRI DATUK AHMAD FAROUK BIN ISAHAK
Director

POH PAI KONG
Director

Petaling Jaya, Malaysia
22 April 2003

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, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 39 to 80 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2002 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

TAN SRI DATUK AHMAD FAROUK BIN ISAHAK

Director

POH PAI KONG

Director

Petaling Jaya, Malaysia

22 April 2003

Statutory Declaration

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

I, TONG KIEN ONN, being the director primarily responsible for the financial management of DIJAYA CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 39 to 80 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
 by the abovenamed TONG KIEN ONN) **TONG KIEN ONN**
 at Kuala Lumpur in Wilayah Persekutuan)
 on 22 April 2003.)

Before me,

TEE KIAN @ TEE SING PPN

No. W 193

Commissioner for Oaths

Report of the Auditors

to the Members of Dijaya Corporation Berhad

We have audited the accompanying financial statements set out on pages 39 to 80. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2002 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

ARTHUR ANDERSEN & CO.

AF: 0103

Chartered Accountants

WONG KANG HWEE

1116/01/04(J)

Partner

Kuala Lumpur, Malaysia

22 April 2003

Consolidated Balance Sheet

as at 31 December 2002

	Note	2002 RM	2001 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	258,564,628	262,821,619
Land held for development	4	30,641,958	36,039,851
Investment in associates	6	43,971,605	43,619,243
Other investments	7	42,180,457	80,122,980
Security retainers accumulation fund	8	1,847,709	1,694,434
		377,206,357	424,298,127
CURRENT ASSETS			
Development properties	4	392,306,977	501,715,829
Inventories	9	53,652,998	62,604,193
Trade receivables	10	38,082,820	38,010,465
Other receivables	11	14,009,426	18,101,070
Marketable securities	12	25,280,634	97,611,286
Cash and bank balances	13	46,266,256	58,342,468
		569,599,111	776,385,311
CURRENT LIABILITIES			
Provision for liabilities	14	724,525	2,242,422
Short term borrowings	15	103,667,481	146,343,208
Trade payables	17	42,798,932	42,104,167
Other payables	18	89,935,266	137,187,988
Tax payable		13,276,534	22,199,358
		250,402,738	350,077,143
NET CURRENT ASSETS		319,196,373	426,308,168
		696,402,730	850,606,295
FINANCED BY:			
Share capital	19	259,525,583	259,502,583
Reserves		176,697,722	263,076,645
Shareholders' equity		436,223,305	522,579,228
Minority interests		61,764,935	61,541,356
Negative goodwill, net	23	4,316,301	4,608,204
		502,304,541	588,728,788
Long term borrowings	15	10,549,720	61,844,254
Deferred taxation	20	84,726,941	101,607,051
Sinking fund reserve	21	4,629,644	3,722,770
Security retainers	22	27,370,000	27,370,000
Deferred license fees		66,821,884	67,333,432
Non-current liabilities		194,098,189	261,877,507
		696,402,730	850,606,295

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

Consolidated Income Statement

for the year ended 31 December 2002

	Note	2002 RM	2001 RM
Revenue	24	210,307,054	138,026,723
Cost of sales	25	(146,666,216)	(107,621,268)
Gross profit		63,640,838	30,405,455
Other operating income		11,546,256	18,435,779
Administration expenses		(55,259,466)	(20,876,378)
Other operating expenses		(94,939,832)	(17,948,290)
(Loss)/profit from operations	26	(75,012,204)	10,016,566
Finance cost	28	(10,656,142)	(14,622,688)
Share of results of associates	29	1,702,415	22,815,907
(Loss)/profit before taxation		(83,965,931)	18,209,785
Taxation:		(460,438)	(4,192,153)
Company and subsidiaries	30	16,238	(3,355,740)
Associates		(476,676)	(836,413)
(Loss)/profit after taxation		(84,426,369)	14,017,632
Minority interests		(1,819,770)	1,538,745
Net (loss)/profit for the year		(86,246,139)	15,556,377
(Loss)/earnings per share (sen)			
Basic	31	(33.2)	6.0

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

Consolidated Statement of Changes in Equity

for the year ended 31 December 2002

	Note	<----- Non-distributable ----->				Total RM
		Share Capital RM	Share Premium RM	Other Reserves (Note 32) RM	Accumulated Losses RM	
At 1 January 2001						
As previously stated		259,502,583	402,653,291	839,105	(156,831,857)	506,163,122
Prior year adjustment	33	-	-	-	585,822	585,822
<hr/>						
At 1 January 2001 (restated)						
Transfer of revaluation surplus in relation to the disposal of property in prior years		-	-	(467,000)	467,000	-
Foreign exchange differences, representing net gains not recognised in the income statement		-	-	273,907	-	273,907
Net profit for the year		-	-	-	15,556,377	15,556,377
<hr/>						
At 31 December 2001		259,502,583	402,653,291	646,012	(140,222,658)	522,579,228
<hr/>						
At 1 January 2002						
As previously stated		259,502,583	402,653,291	646,012	(140,983,006)	521,818,880
Prior year adjustment	33	-	-	-	760,348	760,348
<hr/>						
At 1 January 2002 (restated)						
Issuance of ordinary shares	19	23,000	1,150	-	-	24,150
Foreign exchange differences, representing net losses not recognised in the income statement		-	-	(133,934)	-	(133,934)
Net loss for the year		-	-	-	(86,246,139)	(86,246,139)
<hr/>						
At 31 December 2002		259,525,583	402,654,441	512,078	(226,468,797)	436,223,305

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

Consolidated Cash Flow Statement

for the year ended 31 December 2002

	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(83,965,931)	18,209,785
Adjustment for:		
Depreciation	6,254,747	6,588,821
Gain on disposal of property, plant and equipment	(1,051,134)	(230,114)
Property, plant and equipment written off	-	20,010
Share of results in associates	(1,702,415)	(22,815,907)
Loss on disposal of marketable securities	6,102,665	6,179,710
Provision for diminution in value of other investments	37,942,523	-
Provision for diminution in value of marketable securities	2,316,363	-
Provision for doubtful debts	661,018	121,178
Bad debts written off	113,202	32,235
Bad debts recovered	-	(84,871)
Reversal of provision for contract payable	-	(11,821,567)
Provision for impairment of goodwill	605,768	630,418
Land and development expenditure written off	71,843,132	-
Amortisation of endowment fund premium	11,141	11,141
Reversal of provision for liquidated ascertained damages	(289,595)	-
Unrealised returns on endowment policy	(164,416)	(160,564)
Net accretion of negative goodwill	(174,526)	(174,526)
Gross dividend income from quoted investments	(329,576)	(594,725)
Rental income	(3,770,110)	(2,918,993)
Interest income	(1,653,731)	(2,001,681)
Interest expense	10,656,142	14,622,688
Operating profit before working capital changes	43,405,267	5,613,038
Decrease in receivables	2,560,232	10,279,405
Decrease in inventories	8,951,195	13,766,727
Decrease in land held for development/development properties	25,078,485	29,218,482
(Decrease)/increase in payable	(23,148,113)	27,925,980
Cash generated from operations	56,847,066	86,803,632
Taxes paid	(25,786,696)	(4,751,531)
Net cash generated from operating activities	31,060,370	82,052,101

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002

	2002 RM	2001 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,638,811	2,110,172
Proceeds from disposal of marketable securities	56,867,439	17,996,855
Consideration paid for the acquisition of equity interest in subsidiaries	(15)	-
Purchase of property, plant and equipment	(2,112,053)	(2,828,412)
Rental income received	3,770,110	2,918,993
Interest received	1,653,731	2,001,681
Dividend income received		
An associate	756,000	2,048,332
Other quoted investments	237,295	428,202
Net cash generated from investing activities	62,811,318	24,675,823
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	24,150	-
Repayment of long term borrowings	(50,891,941)	(65,120,155)
Interest paid	(11,698,494)	(18,044,862)
Repayment of short term borrowings	(44,524,928)	(12,427,740)
Repayment of hire purchase and lease payables	(897,394)	(515,158)
Net cash used in financing activities	(107,988,607)	(96,107,915)
Effects of exchange rate changes	(133,934)	273,907
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(14,250,853)	10,893,916
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	38,388,113	27,494,197
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 13)	24,137,260	38,388,113

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

Balance Sheet

as at 31 December 2002

	Note	2002 RM	2001 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,167,885	1,724,226
Investment in subsidiaries	5	243,298,027	243,298,027
Other investments	7	587,100	587,100
		245,053,012	245,609,353
CURRENT ASSETS			
Other receivables	11	450,204,896	557,233,004
Cash and bank balances	13	203,844	721,494
		450,408,740	557,954,498
CURRENT LIABILITIES			
Short term borrowings	15	69,775,983	85,080,842
Trade payables	17	-	20,718
Other payables	18	52,182,397	90,522,895
Tax payable		1,653,143	4,772,380
		123,611,523	180,396,835
NET CURRENT ASSETS		326,797,217	377,557,663
		571,850,229	623,167,016
FINANCED BY:			
Share capital	19	259,525,583	259,502,583
Reserves		312,324,646	363,664,433
Shareholders' equity		571,850,229	623,167,016

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

Income Statement

for the year ended 31 December 2002

	Note	2002 RM	2001 RM
Revenue	24	60,000,000	23,000,000
Cost of sales		-	-
Gross profit		60,000,000	23,000,000
Other operating income		76,517	231,121
Administrative expenses		(3,260,517)	(3,499,557)
Other operating expenses		(86,344,492)	(6,488,123)
(Loss)/profit from operations	26	(29,528,492)	13,243,441
Finance cost	28	(5,012,445)	(5,607,290)
(Loss)/profit before taxation		(34,540,937)	7,636,151
Taxation	30	(16,800,000)	(6,440,000)
Net (loss)/profit for the year		(51,340,937)	1,196,151

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

Statement of Changes in Equity

for the year ended 31 December 2002

	Note	<— Non-Distributable —>				Total RM
		Share Capital RM	Share Premium RM	Revaluation Reserve RM	Accumulated Losses RM	
At 1 January 2001		259,502,583	402,653,291	467,000	(40,652,009)	621,970,865
Net profit for the year		—	—	—	1,196,151	1,196,151
Transfer of revaluation surplus in relation to the disposal of property in prior years		—	—	(467,000)	467,000	—
At 31 December 2001		259,502,583	402,653,291	—	(38,988,858)	623,167,016
Net loss for the year		—	—	—	(51,340,937)	(51,340,937)
Issuance of ordinary shares	19	23,000	1,150	—	—	24,150
At 31 December 2002		259,525,583	402,654,441	—	(90,329,795)	571,850,229

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

Cash Flow Statement

for the year ended 31 December 2002

	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(34,540,937)	7,636,151
Adjustment for:		
Depreciation	545,910	656,290
Interest expense	5,012,445	5,607,290
Provision/(reversal of provision) for doubtful debts		
– Amounts due from subsidiaries	85,795,553	344,958
– Other receivables	–	(14,636)
Provision for impairment losses on investment in subsidiaries	–	5,422,355
Gain on disposal of property, plant and equipment	(60,383)	(11,250)
Interest income	(15,769)	(214,293)
Gross dividend income	(60,000,000)	(23,000,000)
Operating loss before working capital changes	(3,263,181)	(3,573,135)
Decrease in receivables	18,113,319	1,824,523
Decrease in payables	(38,408,450)	(650,651)
Net cash used in operating activities	(23,558,312)	(2,399,263)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(116,239)	(356,033)
Consideration paid for the acquisition of equity interest in a subsidiary	(1)	(49,998)
Advances to subsidiaries	–	(2,247,025)
Dividend received	43,200,000	16,560,000
Interest received	15,769	214,293
Proceeds from disposal of property, plant and equipment	187,053	55,000
Net cash generated from investing activities	43,286,582	14,176,237
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(4,965,211)	(5,607,290)
Proceeds from issuance of ordinary shares	24,150	–
Advances from subsidiaries	–	2,913,707
Repayment of term loans	(500,000)	–
Repayment of short term borrowings	(14,796,842)	(10,257,166)
Repayment of hire purchase and lease payables	(8,017)	(18,620)
Net cash used in financing activities	(20,245,920)	(12,969,369)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(517,650)	(1,192,395)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	721,494	1,913,889
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 13)	203,844	721,494

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

Notes to the Financial Statements

31 December 2002

1. CORPORATE INFORMATION

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 5. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Kuala Lumpur Stock Exchange. The principal place of business of the Company is located at Lot 301, 3rd Floor, Wisma Dijaya, No. 1A, Jalan SS20/1, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The number of employees in the Group and in the Company at the end of the financial year were 676 (2001 : 560) and 25 (2001 : 16) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 April 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation. The policy for the measurement of goodwill and negative goodwill is in accordance with Note 2(c).

Prior to 1 January 2002, goodwill was reviewed at each balance sheet date and was written down for impairment where it was considered necessary. The directors considered that the change to amortise goodwill and accrete negative goodwill gives a fairer presentation of the results and financial position of the Group.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Basis of Consolidation (Cont'd)****(ii) Associates**

Associates are those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as the balance of unamortised goodwill on acquisition.

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

(c) Goodwill and Negative Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of subsidiaries and associates as at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(q). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of an associate is included within the carrying amount of investment in associates. Goodwill is amortised on a straight-line basis over its estimated useful life of 20 years.

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of subsidiaries over the cost of acquisition.

Negative goodwill is stated at cost less accumulated accretion and is accreted on a straight-line basis over its estimated useful life of 20 years. Negative goodwill is presented as a deduction from assets in the same balance sheet classification as goodwill on consolidation, as negative goodwill, net.

(d) Investments in Subsidiaries and Associates

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(q).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is charged or credited to the income statement.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Property, Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(q).

Freehold land is not depreciated. Leasehold land and golf course are depreciated over the period of the lease of 99 years which will expire on 29 April 2059. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Leasehold buildings	2% – 5%
Plant and machinery	5% – 15%
Office furniture, fittings and equipment	10% – 25%
Motor vehicles	20%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(f) Development Properties and Land Held for Development

Land and development expenditure are classified as development properties when significant development work has been undertaken and is expected to be completed within the normal operating cycle. Development properties are stated at cost plus attributable profits less foreseeable losses and progress billings. Cost includes cost of land, all direct building costs, and other related development expenditure, including interest expenses incurred during the period of active development.

Land held for development consists of land held for future development where no significant development has been undertaken, and is stated at cost. Cost includes cost of land and attributable development expenditure. Such assets are classified as development properties when significant development work has been undertaken and the development is expected to be completed within the normal operating cycle.

(g) Engineering Contracts

Where the outcome of an engineering contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Inventories**

Inventories represent completed residential and retail properties, consumables and finished goods.

Inventories of completed residential and commercial properties are stated at the lower of cost and net realisable value. Cost is determined on the proportional basis and includes costs of land, construction and appropriate development overheads.

Inventories of consumables are stated at the lower of cost and net replacement cost. Cost is determined on the first-in, first-out basis.

Finished goods are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Cost of finished goods includes direct materials, direct labour, other direct costs and appropriate production overheads.

(i) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call, net of outstanding bank overdrafts.

(j) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

(i) Finance leases

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

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(e).

(ii) Operating leases

Operating lease payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

(k) Deferred Tax

The tax expense for the year is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

Deferred taxation is provided under the liability method for all material timing differences except when there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(l) Provisions for Liabilities**

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expected expenditure required to settle the obligation.

(m) Sinking Fund Reserve

Sinking fund reserve of the Group is established for the purpose of covering 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 are invested by the Trustee. Any income arising out of the investment is accrued to the fund.

(n) Deferred License 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 income statement over the remaining terms of the membership licenses, which would expire on 9 October 2051.

(o) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Development properties

Revenue from sale of development properties are accounted for under the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated. All anticipated losses are fully provided for.

Revenue from the sale of land and completed residential and retail properties are recognised when 100% of the billings are raised.

(ii) Recreation and resort operations

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

(iii) Engineering contracts

Revenue from engineering contracts is recognised based on the percentage of completion method as described in Note 2(g).

(iv) Sale of goods

Revenue relating to sale of goods is recognised net of discounts and returns when transfers of risks and rewards have been completed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(o) Revenue Recognition (Cont'd)****(v) Investment income**

Dividend income is recognised when the shareholder's right to receive payment is established. Interest and rental income are recognised on accrual basis except where there exists doubt as to its recoverability.

(vi) Internet related ventures

Revenue from internet related ventures is recognised upon performance of services rendered.

(p) Foreign Currencies**(i) Foreign currency transactions**

Transactions in foreign currencies are initially converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

(ii) Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	2002	2001
	RM	RM
United States Dollar	3.80	3.80
100 Hong Kong Dollars	48.23	48.69

(q) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying value of assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(r) Financial Instruments**

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other Non-Current Investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less provision for any permanent diminution in value. Such provision is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the period in which the decline occurred.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(ii) Marketable Securities

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

(iii) Trade and Other Receivables

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

(iv) Trade and Other Payables

Trade and other payables are stated at cost, representing the fair value of the consideration to be paid in the future for goods and services received.

(v) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition and construction of development properties and property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. All other borrowing costs are charged to the income statement as an expense in the period in which they were incurred.

(vi) Equity Instruments

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

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3. PROPERTY, PLANT AND EQUIPMENT

Group	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
Cost							
At 1 January 2002	7,373,785	230,469,406	46,700,829	20,261,406	11,092,651	3,729,172	319,627,249
Additions	–	323,060	–	940,012	562,463	759,898	2,585,433
Disposals	–	(81,768)	–	(44,607)	(263,631)	(818,037)	(1,208,043)
Write off	–	–	–	–	(26,863)	–	(26,863)
At 31 December 2002	7,373,785	230,710,698	46,700,829	21,156,811	11,364,620	3,671,033	320,977,776
Accumulated Depreciation							
At 1 January 2002	–	24,626,634	6,052,898	17,486,937	6,048,632	2,590,529	56,805,630
Charge for the year	–	2,932,349	817,265	810,706	1,389,627	304,800	6,254,747
Disposals	–	(44,311)	–	(44,277)	(74,811)	(456,967)	(620,366)
Write off	–	–	–	–	(26,863)	–	(26,863)
At 31 December 2002	–	27,514,672	6,870,163	18,253,366	7,336,585	2,438,362	62,413,148
Net Book Value							
At 31 December 2002	7,373,785	203,196,026	39,830,666	2,903,445	4,028,035	1,232,671	258,564,628
At 31 December 2001	7,373,785	205,842,772	40,647,931	2,774,469	5,044,019	1,138,643	262,821,619
Depreciation charge for 2001							
	–	3,049,337	817,265	1,431,600	778,968	511,651	6,588,821

Company	Office furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Cost			
At 1 January 2002	2,382,277	1,067,530	3,449,807
Additions	116,239	–	116,239
Disposals	(210)	(236,310)	(236,520)
At 31 December 2002	2,498,306	831,220	3,329,526
Accumulated Depreciation			
At 1 January 2002	867,199	858,382	1,725,581
Charge for the year	510,356	35,554	545,910
Disposals	–	(109,850)	(109,850)
At 31 December 2002	1,377,555	784,086	2,161,641
Net Book Value			
At 31 December 2002	1,120,751	47,134	1,167,885
At 31 December 2001	1,515,078	209,148	1,724,226
Depreciation charge for 2001			
	474,776	181,514	656,290

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

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

- (a) Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Plant and machinery	1,189,603	959,860	-	-
Office furniture, fittings and equipment	-	94,867	-	-
Motor vehicles	514,035	841,054	-	36,000
	1,703,638	1,895,781	-	36,000

- (b) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM2,585,433 (2001: RM3,461,232) and RM116,239 (2001: RM356,033) respectively of which RM550,022 (2001: RM1,204,077) of the property, plant and equipment of the Group were acquired by means of finance lease arrangements.

- (c) The net book values of property, plant and equipment pledged to financial institutions for short term borrowings as referred to in Note 15 are as follows:

	Group	
	2002 RM	2001 RM
Freehold land	7,373,785	7,373,785
Long term leasehold land and buildings	90,030,546	91,812,653
Golf course	39,830,666	40,647,931
	137,234,997	139,834,369

- (d) Included in property, plant and equipment of the Group and the Company are the costs of fully depreciated property, plant and equipment which are still in use as follows:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Plant and machinery	15,629,125	13,774,053	-	-
Office furniture, fittings and equipment	1,603,400	1,269,159	-	-
Motor vehicles	1,609,633	1,627,472	730,220	730,220
	18,842,158	16,670,684	730,220	730,220

NOTES TO THE FINANCIAL STATEMENTS

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4. LAND HELD FOR DEVELOPMENT/DEVELOPMENT PROPERTIES

	Group	
	2002	2001
	RM	RM
Cost:		
Freehold land	120,002,658	163,021,912
Leasehold land	296,569,106	343,879,964
Development expenditure	149,461,135	232,887,205
	566,032,899	739,789,081
Less: Non-current portion, classified as land held for development	(30,641,958)	(36,039,851)
	535,390,941	703,749,230
Add: Attributable profits	28,393,682	13,038,945
	563,784,623	716,788,175
Less: Progress billings	(171,477,646)	(215,072,346)
Current portion classified as development properties	392,306,977	501,715,829

The freehold and leasehold land of the Group amounting to RM188,729,363 (2001: RM249,007,996) have been pledged as security for bank borrowings as referred to in Note 15.

Included in development expenditure of the Group is interest capitalised during the financial year amounting to RM1,042,352 (2001: RM3,422,174).

Cost of development properties of the Group recognised as an expense during the financial year amounted to RM127,136,933 (2001: RM72,115,385).

Development expenditure of the Group written off during the financial year amounted to RM71,843,132 (2001: RMNil).

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2002	2001
	RM	RM
Unquoted shares at cost	248,720,382	248,720,382
Less: Accumulated impairment losses	(5,422,355)	(5,422,355)
	243,298,027	243,298,027

NOTES TO THE FINANCIAL STATEMENTS

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2002	2001	
Accroway Sdn. Bhd.	Malaysia	100	100	Investment holding
Arah Pelangi Sdn. Bhd.	Malaysia	100	100	Investment and property holding
* Aspek Analisa Sdn. Bhd.	Malaysia	100	100	Property development
* Dijaya Management Services Sdn. Bhd.	Malaysia	100	100	Property management and maintenance services
JMI Manufacturing Sdn. Bhd.	Malaysia	100	100	Dormant
Terbit Berkat Sdn. Bhd.	Malaysia	100	100	Investment holding
Jasa Megah Marketing Sdn. Bhd. (Note 36(d))	Malaysia	100	69.4	Dormant
* 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	80.1	80.1	Mechanical engineering and general trading
* Malaysian PR Services Sdn. Bhd.	Malaysia	100	100	Dormant
* Banjaran Mutiara Sdn. Bhd. and its subsidiary:	Malaysia	100	100	Investment holding
* Izasaja Sdn. Bhd.	Malaysia	100	100	Property development
* Nagasari Cerdas Sdn. Bhd. and its subsidiary:	Malaysia	100	100	Investment holding
* Desiran Realiti Sdn. Bhd. (Note 36(a))	Malaysia	100	51	Investment holding
* Seleksi Kembara Sdn. Bhd. : and its subsidiary	Malaysia	100	100	Investment holding
* Dijaya Wangsa Sdn. Bhd.	Malaysia	60	60	Property development
Sumber Saujana Sdn. Bhd. and its subsidiary:	Malaysia	100	100	Investment holding
Sinbor Corporation Sdn. Bhd.	Malaysia	100	100	Investment holding
Tropicana Golf and Country Resort Berhad and its subsidiaries:	Malaysia	100	100	Real property and resort development
* Tropicana Management Services Sdn. Bhd.	Malaysia	100	100	Property management and maintenance services
Nadi Jelita Sdn. Bhd.	Malaysia	100	100	Property holding
Puncak Suria Sdn. Bhd.	Malaysia	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS

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5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows: (Cont'd)

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2002	2001	
Mawar Hebat Sdn. Bhd.	Malaysia	55	55	Property development
* Desiran Idaman Sdn. Bhd.	Malaysia	100	100	Dormant
* Dijaya Digital Sdn. Bhd. and its subsidiaries:	Malaysia	100	100	Investment holding
* Dijaya dotcom.Ventures Limited and its subsidiary:	Hong Kong	100	100	Investment holding
* Diva Gold International Ltd.	British Virgin Islands	70	70	Management consultancy services
* Atlantic Marketing Sdn. Bhd.	Malaysia	100	100	Marketing and promotion of websites and internet related products
Bakat Rampai Sdn. Bhd. and its subsidiaries:	Malaysia	100	100	Investment holding
Dijaya Land Sdn. Bhd. and its subsidiary (Note 36(b))	Malaysia	100	60	Property development
* DiCasa Management Services Sdn. Bhd. (Note 36(c)) (formerly known as Affluent Heritage Sdn. Bhd.)	Malaysia	100	–	Property management and maintenance
Dicorp Land Sdn. Bhd.	Malaysia	100	100	Property development
Maxi Legacy Sdn. Bhd.	Malaysia	100	100	Dormant
Irama Sejati Sdn. Bhd. and its subsidiary:	Malaysia	100	100	Investment holding
* Damansara Impian Sdn. Bhd.	Malaysia	70	70	Property development

* Audited by firms of auditors other than Arthur Andersen & Co.

6. INVESTMENT IN ASSOCIATES

	Group	
	2002 RM	2001 RM
In Malaysia:		
Unquoted shares at cost	26,546,105	26,546,105
Share of post-acquisition reserve	18,248,384	17,778,645
	44,794,489	44,324,750
Less: Accumulated impairment losses	(236,000)	(236,000)
Accumulated amortisation of goodwill (Prior year adjustment – Note 33)	(586,884)	(469,507)
	43,971,605	43,619,243

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6. INVESTMENT IN ASSOCIATES (CONT'D)

	Group	
	2002 RM	2001 RM
Represented by:		
Share of net assets	42,210,952	41,741,213
Goodwill on acquisition	2,347,537	2,347,537
Less: Accumulated amortisation of goodwill (Prior year adjustment – Note 33)	(586,884)	(469,507)
	43,971,605	43,619,243

The amortisation of goodwill on acquisition of an associate, charged to the income statement of the Group during the financial year amounted to RM117,377 (2001: RM117,377).

Details of the associates are as follows:

Name of Company	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2002	2001	
Tenaga Kimia Berhad	Malaysia	30	30	Manufacture of explosives, chemicals and blasting accessories
Ikatan Hulee Engineering (J.V.) Sdn. Bhd.	Malaysia	50	50	Dormant
Ikatan Technology Sdn. Bhd.	Malaysia	33	33	Dormant
South Johor Equities Sdn. Bhd.	Malaysia	31	31	Dormant

7. OTHER INVESTMENTS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
At cost:				
Unquoted shares in Malaysia	103,455,133	103,455,133	-	-
Less : Provision for diminution in value	(67,207,881)	(67,207,881)	-	-
	36,247,252	36,247,252	-	-
Quoted shares in Malaysia	43,288,628	43,288,628	-	-
Less : Provision for diminution in value	(37,942,523)	-	-	-
	5,346,105	43,288,628	-	-
Transferable club memberships	587,100	587,100	587,100	587,100
	42,180,457	80,122,980	587,100	587,100
Market value of quoted shares	5,346,105	7,425,120	-	-

Investment in quoted shares of the Group at cost of RM4,782,776 (2001: RM4,782,776) have been pledged as security for bank overdraft facilities as disclosed in Note 15.

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8. SECURITY RETAINERS ACCUMULATION FUND

	Group	
	2002 RM	2001 RM
At 1 January	1,775,204	1,614,640
Unrealised returns	164,416	160,564
	1,939,620	1,775,204
Less: Accumulated amortisation	(91,911)	(80,770)
At 31 December	1,847,709	1,694,434

The security retainers accumulation fund of the golf and country resort of the Group relates to the unamortised portion of the single premium paid for the purchase of a "Group Endowment with Profits" policy from a local insurer in 1994 and the unrealised returns which accrues to this policy on a cumulative basis, annually. The total accumulated returns 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 licence term on 9 October 2051.

9. INVENTORIES

	Group	
	2002 RM	2001 RM
At cost:		
Completed buildings	52,665,673	61,504,522
Consumable stores and spares	550,454	493,501
Finished goods	436,871	606,170
	53,652,998	62,604,193

The cost of inventories recognised as an expense during the year in the Group amounted to RM10,846,548 (2001: RM15,065,419).

10. TRADE RECEIVABLES

	Group	
	2002 RM	2001 RM
Trade receivables	35,432,192	38,337,652
Due from customers on engineering contracts	5,299,842	2,124,650
Retention sums from engineering contracts	78,478	84,153
Less: Provision for doubtful debts	(2,727,692)	(2,535,990)
	38,082,820	38,010,465

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10. TRADE RECEIVABLES (CONT'D)

The retention sums and amounts due from customers on engineering contracts are represented as follows:

	Group	
	2002 RM	2001 RM
Engineering contract costs incurred to date	23,985,981	19,789,985
Attributable profits	4,201,099	3,292,730
Foreseeable losses	(4,061)	(22,565)
	28,183,019	23,060,150
Less: Progress billings	(23,144,118)	(21,406,929)
	5,038,901	1,653,221
Due from customers on engineering contracts, included under trade receivables	5,299,842	2,124,650
Due to customers on engineering contracts, included under trade payables (Note 17)	(260,941)	(471,429)
	5,038,901	1,653,221
Retention sums on engineering contracts, included under trade receivables	78,478	84,153
Advances received on contracts, included under trade payables (Note 17)	(311,150)	(567,544)
Contract cost recognised as an expense	20,950,453	18,393,183

The Group's normal trade credit term ranges from 14 to 120 days. Other credit terms are assessed and approved on a case-to-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

11. OTHER RECEIVABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Due from subsidiaries	-	-	553,069,549	571,202,568
Less: Provision for doubtful debts	-	-	(110,079,939)	(24,284,386)
	-	-	442,989,610	546,918,182
Tax recoverable	9,355,837	11,142,646	6,926,741	10,045,977
Deposits				
- Acquisition of land	21,943,738	21,943,738	5,007,035	5,007,035
- Other	36,113	1,317,634	-	-
Less: Provision for doubtful debts	(21,943,738)	(21,943,738)	(5,007,035)	(5,007,035)
	36,113	1,317,634	-	-
Sundry receivables	5,171,855	6,133,510	385,434	365,734
Less: Provision for doubtful debts	(554,379)	(492,720)	(96,889)	(96,889)
	4,617,476	5,640,790	288,545	268,845
	14,009,426	18,101,070	450,204,896	557,233,004

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

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12. MARKETABLE SECURITIES

	Group	
	2002 RM	2001 RM
At cost:		
Quoted shares, in Malaysia	39,200,057	109,130,846
Less: Provision for diminution in value	(14,002,898)	(11,646,868)
	25,197,159	97,483,978
Quoted loan stocks, in Malaysia	325,100	408,600
Less: Provision for diminution in value	(241,625)	(281,292)
	83,475	127,308
	25,280,634	97,611,286
Market values:		
Quoted shares in Malaysia	25,197,159	75,416,647
Quoted loan stocks in Malaysia	83,475	127,308

Investment in quoted shares and loan stocks of the Group costing RM21,222,428 (2001: RM21,222,428) have been pledged to a licensed bank for a bank overdraft facility as referred to in Note 15.

The shortfall in value of quoted shares was not provided for in the previous year as they were classified as non-current investments then to be held for long term investment yield purposes.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Deposits with licensed banks	8,176,140	2,854,883	–	–
Cash on hand and at banks	38,090,116	55,487,585	203,844	721,494
Cash and bank balances	46,266,256	58,342,468	203,844	721,494
Cash and bank balances	46,266,256	58,342,468	203,844	721,494
Less: Bank overdrafts (Note 15)	(19,250,342)	(17,379,720)	–	–
Cash and cash equivalents	27,015,914	40,962,748	203,844	721,494
Less: Cash and cash equivalents not available for use	(2,878,654)	(2,574,635)	–	–
	24,137,260	38,388,113	203,844	721,494

Included in cash at banks of the Group are amounts of RM19,717,528 (2001: RM30,354,005) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and Housing Developers (Housing Development Account) Regulations 1991 and therefore restricted from use in other operations.

NOTES TO THE FINANCIAL STATEMENTS

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13. CASH AND CASH EQUIVALENTS (CONT'D)

Included in deposits with licensed banks of the Group are :

- (a) Deposits held in trust by a trustee of RM2,878,654 (2001: RM2,574,635), representing cash and cash equivalents not available for use.
- (b) Deposits amounting to RM684,516 (2001: RM173,440) which were pledged as security for bank guarantees granted to the Group.

The weighted average interest rates during the financial year and the average maturities of deposits with licensed banks as at 31 December 2002 of the Group is 3.32% and 30 days respectively.

14. PROVISION FOR LIQUIDATED ASCERTAINED DAMAGES

	Group	
	2002 RM	2001 RM
At 1 January	2,242,422	2,958,680
Utilisation of provision during the year	(1,228,302)	(716,258)
Unused amount reversed during the year	(289,595)	-
At 31 December	724,525	2,242,422

Provision for liquidated ascertained damages is in respect of projects undertaken by the Group. The provision is recognised for expected liquidated ascertained damages claims based on the sale and purchase agreements, which are expected to be settled within one year.

15. BORROWINGS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Short Term Borrowings				
Secured:				
Bank overdrafts	19,250,342	16,952,439	-	-
Revolving credits	71,945,418	88,902,260	67,946,992	82,743,834
Bankers' acceptance	1,154,000	1,220,000	-	-
Term loan	1,838,986	28,403,572	1,828,991	2,328,991
Bridging loan	8,912,500	9,775,000	-	-
Hire purchase and finance lease payable (Note 16)	566,235	587,656	-	8,017
	103,667,481	145,840,927	69,775,983	85,080,842
Unsecured:				
Bank overdrafts	-	427,281	-	-
Revolving credits	-	75,000	-	-
	-	502,281	-	-
	103,667,481	146,343,208	69,775,983	85,080,842

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15. BORROWINGS (CONT'D)

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Long Term Borrowings				
Secured:				
Term loan	6,066,297	42,540,063	-	-
Bridging loan	4,187,751	18,605,926	-	-
Hire purchase and finance lease payable (Note 16)	295,672	698,265	-	-
	10,549,720	61,844,254	-	-
Total Borrowings				
Bank overdrafts (Note 13)	19,250,342	17,379,720	-	-
Revolving credits	71,945,418	88,977,260	69,946,992	82,743,834
Bankers' acceptance	1,154,000	1,220,000	-	-
Term loan	7,905,283	70,943,635	1,828,991	2,328,991
Bridging loan	13,100,251	28,380,926	-	-
Hire purchase and lease payables (Note 16)	861,907	1,285,921	-	8,017
	114,217,201	208,187,462	69,775,983	85,080,842
Maturity of borrowings (excluding hire purchase and finance lease payables):				
Within one year	103,101,246	145,755,552	69,775,983	85,072,825
Between one and two years	10,254,048	49,440,063	-	-
Between two and five years	-	11,705,926	-	-
	113,355,294	206,901,541	69,775,983	85,072,825

The bridging loan is repayable by 36 monthly instalments commencing November 2001 or by redemption of individual properties sold.

The term loan is repayable in a lump sum repayment within 36 months from the date of first drawdown or by way of redemption of individual properties sold.

The weighted average effective interest rates during the financial year for borrowings, excluding hire purchase and finance lease payables, were as follows:

	Group		Company	
	2002 %	2001 %	2002 %	2001 %
Bank overdrafts	8.69	8.34	-	-
Revolving credits	6.30	7.34	6.25	7.34
Bankers' acceptance	7.90	3.30	-	-
Term loan	8.52	8.38	7.31	7.34
Bridging loan	8.90	9.40	-	-

NOTES TO THE FINANCIAL STATEMENTS

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15. BORROWINGS (CONT'D)

The secured bank overdrafts, revolving credits and bankers' acceptance of the Group and of the Company are secured by certain assets of the Group and of the Company as follows:

- (i) Fixed charge over certain property, plant and equipments as disclosed in Note 3;
- (ii) Fixed charge over certain land held for development and development properties as disclosed in Note 4;
- (iii) Fixed charge over certain quoted shares and loan stocks of the Group as disclosed in Notes 7 and 12; and
- (iv) Fixed and floating charge over the assets of certain subsidiaries.

The term loans and bridging loans are secured by the following:

- (i) Fixed charge over certain land held for development and development properties as disclosed in Note 4; and
- (ii) Fixed and floating charge over the assets of a subsidiary.

16. HIRE PURCHASE AND LEASE PAYABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Minimum lease payments:				
Not later than one year	651,553	726,386	-	8,233
Later than 1 year and not later than 2 years	259,535	558,234	-	-
Later than 2 years and not later than 5 years	58,538	227,712	-	-
	969,626	1,512,332	-	8,233
Less: Future finance charges	(107,719)	(226,411)	-	(216)
Present value of finance lease liabilities	861,907	1,285,921	-	8,017
Present value of finance lease liabilities:				
Not later than 1 year	566,235	602,841	-	8,017
Later than 1 year and not later than 2 years	244,966	500,821	-	-
Later than 2 years and not later than 5 years	50,706	182,259	-	-
	861,907	1,285,921	-	8,017
Analysed as:				
Due within 12 months (Note 15)	566,235	587,656	-	8,017
Due after 12 months (Note 15)	295,672	698,295	-	-
	861,907	1,285,951	-	8,017

The hire purchase and lease liabilities bore interest during the year of between 5.95% to 7.00% (2001: 5.90%) per annum during the year.

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17. TRADE PAYABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Trade payables	42,226,841	41,065,194	-	20,718
Due to customers on engineering contracts (Note 10)	260,941	471,429	-	-
Advances received from engineering contracts (Note 10)	311,150	567,544	-	-
	42,798,932	42,104,167	-	20,718

The normal trade credit term granted to the Group ranges from 30 to 90 days.

18. OTHER PAYABLES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Due to subsidiaries	-	-	51,837,771	90,213,202
Due to an associate	33,757,400	33,757,400	-	-
Due to a director of the Company	25,273,400	8,730,400	-	-
Due to shareholders of subsidiaries	7,509,676	7,509,676	-	-
Due to directors of subsidiaries	5,506,227	40,065,851	-	-
Advances from third Parties	213,170	16,812,800	-	-
Deposits	6,203,760	9,622,617	-	-
Sundry payables	11,471,633	20,689,244	344,626	309,693
	89,935,266	137,187,988	52,182,397	90,522,895

The amounts due to subsidiaries, associate, shareholders of the Company and subsidiaries, directors of subsidiaries and advances from third parties are unsecured, interest free and have no fixed terms of repayment.

19. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2002 RM	2001 RM	2002 RM	2001 RM
Authorised:				
At 1 January / 31 December	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
At 1 January	259,502,583	259,502,583	259,502,583	259,502,583
Issued and paid up during the year, at par	23,000	-	23,000	-
At 31 December	259,525,583	259,502,583	259,525,583	259,502,583

NOTES TO THE FINANCIAL STATEMENTS

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19. SHARE CAPITAL (CONT'D)

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM259,502,583 to RM259,525,583 through the issuance of 23,000 ordinary shares of RM1 each via the exercise of share options under the ESOS of the Company for cash at an issue price of RM1.05 per share. The new ordinary shares shall rank pari passu in all respects with existing ordinary shares.
- (b) The Dijaya Corporation Berhad ESOS is governed by the by-laws which was approved by the shareholders of the Company at an Extraordinary General Meeting held on 13 February 1998 and became effective on 26 February 2000.

The main features of the ESOS are as follows:

- (i) Eligible employees (including full-time Executive Directors) are employees who have been confirmed in the employment of the Company or its non-listed subsidiaries (excluding dormant subsidiaries) and served at least one continuous year with the Group on or prior to the date of offer, the date on which a selected employee is notified in writing of the offer to participate in the ESOS ("Date of Offer").
- (ii) The maximum number of shares that may be offered under the ESOS shall not be more than ten percentum (10%) of the total issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the ESOS which shall be in force for a period of five years, expiring on 26 February 2005 ("Date of Expiry").
- (iii) No option shall be granted for less than 1,000 shares or more than 500,000 shares.
- (iv) The options granted may be exercised at any time, whilst the option holder is in the employment of the Group from the Date of Offer to the Date of Expiry or such shorter period prescribed in the offer.
- (v) An option may be exercised in respect of such lesser number of ordinary shares provided that the number shall be in multiples of and not less than 1,000 shares. Such partial exercise of an option shall not preclude the holder from exercising the options on the balance of the ordinary shares, if any, which the option holder is entitled to subscribe under the ESOS.
- (vi) The exercise price for each ordinary share under the option scheme shall be based on the average of the mean market quotation of the ordinary shares of the Company as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five (5) market days immediately preceding the respective dates of offer or at the par value of the ordinary shares of the Company of RM1, whichever is the higher.
- (vii) The options granted do not confer any right to participate in any share issue of any other company.

At 31 December 2002, the Company has 2,043,000 and 3,727,000 unissued ordinary shares under option at exercise prices of RM3.266 and RM1.05 per share respectively.

20. DEFERRED TAXATION

	Group	
	2002 RM	2001 RM
At 1 January	101,607,051	106,784,751
Transfer to income statement (Note 30)	(16,880,110)	(5,177,700)
At 31 December	84,726,941	101,607,051

The deferred taxation of the Group is mainly in respect of the surplus arising from the revaluation of freehold and leasehold land and timing differences between book depreciation and corresponding capital allowances for tax purposes.

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21. SINKING FUND RESERVE

	Group	
	2002 RM	2001 RM
At 1 January	3,722,770	2,589,351
Additions	1,415,176	1,133,419
Claims made during the financial year	(508,302)	–
At 31 December	4,629,644	3,722,770

22. 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 license on 9 October 2051 or upon revocation or termination of the membership at its discretion at any time before the expiry date.

23. NEGATIVE GOODWILL, NET

	Group	
	2002 RM	2001 RM
Goodwill:		
At 1 January	28,003,123	28,003,123
Arising from acquisition of subsidiaries	605,768	–
	28,608,891	28,003,123
Less: Accumulated amortisation (Prior year adjustment – Note 33)	(8,779,613)	(7,410,978)
Accumulated impairment losses	(1,236,186)	(630,418)
At 31 December	18,593,092	19,961,727
Negative goodwill:		
At 1 January	(33,210,764)	(33,210,764)
Add: Accumulated accretion (Prior year adjustment – Note 33)	10,301,371	8,640,833
At 31 December	(22,909,393)	(24,569,931)
Negative goodwill, net	(4,316,301)	(4,608,204)

Prior to 1 January 2002 goodwill was reviewed at each balance sheet date and was written down for impairment where it was considered necessary. The directors consider that the change to amortise goodwill and accrete negative goodwill over its estimated life of 20 years gives a fairer presentation of the results and financial position of the Group.

Following this change in accounting policy, the amounts for the current and comparative years have been stated on the new basis and a prior year adjustment has been made. The effects of this change in accounting policy are disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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24. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Progress billings net of discount from sale of development properties	157,574,199	87,848,387	-	-
Revenue from recreation and resort operations	16,654,168	16,213,259	-	-
Revenue from certified value of contracts and sales of trading goods	24,648,095	22,128,610	-	-
Revenue from internet related ventures	6,967,771	7,864,158	-	-
Property management and maintenance fee income	4,112,986	3,349,243	-	-
Sales of manufactured goods at invoiced value net of discounts	-	9,560	-	-
Interest income from investment holding, credit and leasing activities	20,259	18,781	-	-
Gross dividend income from:				
- Subsidiary	-	-	60,000,000	23,000,000
- Other quoted instruments	329,576	594,725	-	-
	210,307,054	138,026,723	60,000,000	23,000,000

25. COST OF SALES

Cost of sales of the Group represents cost of development properties and inventories sold, contract costs incurred and cost of consumables.

26. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/profit from operations is stated after charging/(crediting):

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Staff costs	14,046,848	16,139,009	1,863,246	1,591,387
Directors' remuneration (Note 27)	1,596,982	1,316,190	407,400	128,800
Auditors' remuneration:				
- Statutory audits	188,000	175,800	43,000	40,000
- Other services	3,000	-	3,000	-
Bad debts written off	113,202	32,235	-	-
Provision/(reversal of provision) for doubtful debts:				
- Trade receivables	448,727	135,814	-	-
- Other receivables	212,291	(14,636)	-	(14,636)
- Amounts due from subsidiaries	-	-	85,795,553	344,958
Depreciation	6,254,747	6,588,821	545,910	656,290
Property, plant and equipment written off	-	20,010	-	-
Loss on disposal of marketable securities	6,102,665	6,179,710	-	-
Provision for impairment losses on investment in subsidiaries	-	-	-	5,422,355

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

26. (LOSS)/PROFIT FROM OPERATIONS (CONT'D)

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
Provision for impairment of goodwill	605,768	630,418	-	-
Realised loss on foreign exchange	-	18,955	-	-
Rental of office premises	619,282	760,114	468,208	466,930
Rental of office equipment	48,880	105,386	24,495	12,695
Amortisation of endowment fund premium	11,141	11,141	-	-
Provision for diminution in value of				
- other investments	37,942,523	-	-	-
- marketable securities	2,316,363	-	-	-
Land and development expenditure written off	71,843,132	-	-	-
Reversal of provision for contract payable	-	(11,821,567)	-	-
Reversal of provision for liquidated ascertained damages written back	(289,595)	-	-	-
Unrealised returns on endowment policy	(164,416)	(160,564)	-	-
Bad debts recovered	-	(84,871)	-	-
Rental income	(3,770,110)	(2,918,993)	-	-
Interest income	(1,653,731)	(2,001,681)	(15,769)	(214,293)
Net accretion of negative goodwill arising from acquisition of subsidiaries and an associate (Note 33)	(174,526)	(174,526)	-	-
Gain on disposal of property, plant and equipment	(1,051,134)	(230,114)	(60,383)	(11,250)

27. DIRECTORS' REMUNERATION

	Group		Company	
	2002	2001	2002	2001
	RM	RM	RM	RM
Directors of the Company				
Executive:				
Salaries and other emoluments	930,636	710,000	239,400	-
Bonus	115,060	-	35,000	-
Benefits-in-kind	24,755	-	5,055	-
	1,070,451	710,000	279,455	-
Non-Executive:				
Fees	133,000	128,800	133,000	128,800
Other Directors				
Executive:				
Salaries and other emoluments	317,136	327,830	-	-
Bonus	24,750	32,260	-	-
Benefits-in-kind	9,500	-	-	-
	351,386	360,090	-	-

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27. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Non-Executive:				
Other emoluments	76,400	117,300	-	-
Total	1,631,237	1,316,190	412,455	128,800
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	1,387,582	1,070,090	274,400	-
Total non-executive directors' remuneration	209,400	246,100	133,000	128,800
Total directors' remuneration	1,596,982	1,316,190	407,400	128,800

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

	Number of Directors	
	2002	2001
Executive directors:		
RM100,001 – RM150,000	1	1
RM150,001 – RM200,000	-	1
RM300,001 – RM350,000	1	-
RM500,001 – RM550,000	-	1
RM600,001 – RM650,000	1	-
Non-Executive directors		
Below RM50,000	4	4
RM50,001 – RM100,000	1	1

28. FINANCE COSTS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Interest expense on borrowings	11,698,494	18,044,862	5,012,445	5,607,290
Less: Amount capitalised in land held for development and development properties	(1,042,352)	(3,422,174)	-	-
Total	10,656,142	14,622,688	5,012,445	5,607,290

29. SHARE OF RESULTS OF ASSOCIATES

Included in the share of results of associates in the previous year is the Group's share of gain on disposal of South Johor Securities Sdn Bhd, a wholly-owned subsidiary of an associate, of approximately RM20.8 million.

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30. TAXATION

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Tax expense for the year	16,498,217	8,533,440	16,800,000	6,440,000
Transfer from deferred taxation (Note 20)	(16,880,110)	(5,177,700)	-	-
	(381,893)	3,355,740	16,800,000	6,440,000
Taxation underprovided in prior years	365,655	-	-	-
	(16,238)	3,355,740	16,800,000	6,440,000

The taxation charge for the Group is disproportionate to the results of the Group due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries as no group relief is available.

The effective rate of taxation of the Company is higher than the statutory rate of taxation due to certain expenses being disallowed for taxation purposes.

As at 31 December 2002, the Company has unabsorbed tax losses and unabsorbed capital and reinvestment allowances of approximately RM5,900,000 (2001: RM5,900,000) and RM23,700,000 (2001: RM23,700,000) respectively which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board.

As at 31 December 2002, the Company has a potential deferred tax benefit of approximately RM8,300,000 (2001: RM8,300,000) arising principally from tax losses carried forward and unutilised capital and reinvestment allowances, the effects of which are not included in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

31. (LOSS)/EARNINGS PER SHARE

- (a) Basic (loss)/earnings per share of the Group is calculated by dividing the net (loss)/profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2002 RM	2001 RM
Net (loss)/profit for the year	(86,246,139)	15,556,377
Weighted average number of ordinary shares in issue	259,517,916	259,502,583
Basic (loss)/earnings per share (sen)	(33.2)	6.0

Comparative earnings per share information has been restated to take into account the effects of prior year adjustments on the net profit for the previous year as disclosed in Note 33.

- (b) The effect on the basic earnings per share arising from the assumed exercise of ESOS is anti-dilutive. Accordingly, diluted earnings per share was not presented.

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32. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group	
	2002 RM	2001 RM
The movement in each category of reserve were as follows:		
Revaluation Reserve:		
At 1 January	-	467,000
Transfer of revaluation surplus in relation to the disposal of property in prior years	-	(467,000)
At 31 December	-	-
Foreign Exchange Reserve:		
At 1 January	646,012	372,105
Foreign exchange differences	(133,934)	273,907
At 31 December	512,078	646,012

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

- (a) Revaluation Reserve
This reserve includes the cumulative net change in fair values of investment properties.
- (b) Foreign Exchange Reserve
This reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

33. PRIOR YEAR ADJUSTMENTS

The prior year adjustments represent the effects of the change in accounting policy with respect to the basis of recognition of goodwill on consolidation and negative goodwill, as described in Notes 2(c) and 23 to the financial statements. The change in accounting policy has been accounted for retrospectively and comparative figures have been restated.

The change in accounting policy resulted in a decrease in the Group's net loss for the year by RM174,526.

The other effects of the change on the financial statements of the Group are as follows:

Prior Year Adjustments	<--- Accumulated losses --->				
	Prior to 1 January 2001 RM	Net Profit for Financial Year 2001 RM	Negative Goodwill RM	Goodwill RM	Investment in Associates RM
- Being goodwill on acquisition of subsidiaries amortised and charged to the income statement in prior years	(6,042,343)	(1,368,635)	-	(7,410,978)	-
- Being negative goodwill on acquisition of subsidiaries accreted to the income statement in prior years	6,980,295	1,660,538	8,640,833	-	-
- Being goodwill on acquisition of an associate amortised and charged to the income statement in prior years	(352,130)	(117,377)	-	-	(469,507)
Total	585,822	174,526	8,640,833	(7,410,978)	(469,507)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

33. PRIOR YEAR ADJUSTMENTS (CONT'D)

	As Previously Stated RM	Adjustments RM	At Restated RM
For the year ended 31 December 2001:			
Other operating income	18,261,253	174,526	18,435,779
Net profit for the year	15,381,851	174,526	15,556,377
Accumulated losses as at 1 January 2001	(156,831,857)	585,822	(156,246,035)
Accumulated losses as at 1 January 2002	(140,983,006)	760,348	(140,222,658)
Investment in associates	44,088,750	(469,507)	43,619,243
Goodwill on consolidation	27,372,705	(7,410,978)	19,961,727
Negative goodwill	(33,210,763)	8,640,833	(24,569,930)

34. CONTINGENT LIABILITIES

	Company	
	2002 RM	2001 RM
Unsecured corporate guarantee given to banks for credit facilities granted to certain subsidiaries	50,691,000	48,600,000

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Insurance charges payable to Berjaya General Insurance Berhad, a subsidiary of Berjaya Capital Berhad, of which Dato' Tan Chee Sing is a director	195,190	195,190	5,982	5,982
Rental expenses payable to Elite Meridien Sdn. Bhd., a company owned substantially by a director, Dato' Tan Chee Sing	465,300	232,650	465,300	232,650
Rental income receivable from Inland Sports and Recreation Sdn. Bhd., a company owned substantially by a director, Dato' Tan Chee Sing	211,968	211,968	-	-
Rental income receivable from TT Resources Berhad's subsidiaries, a group in which a director, Dato' Tan Chee Sing has substantial interest	226,103	38,997	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

36. SIGNIFICANT EVENTS

- (a) On 21 February 2002, Nagasari Cerdas Sdn. Bhd. ("NCSB"), a wholly-owned subsidiary of the Company, entered into a share sale agreement with Directvest Sdn Bhd, a third party for the acquisition of the balance of 49,000 ordinary shares of RM1.00 each in Desiran Realiti Sdn. Bhd. ("DRSB"), representing the remaining 49% equity interest in DRSB, for a nominal purchase consideration of RM10, thus turning DRSB into a wholly-owned subsidiary of NCSB.
- (b) On 10 April 2002, Bakat Rampai Sdn. Bhd. ("BRSB"), a wholly-owned subsidiary of the Company acquired the balance of 5,200,000 ordinary shares of RM1.00 each in Dijaya Land Sdn. Bhd. ("DLSB") representing the remaining 40% equity interest in DLSB, for a nominal purchase consideration of RM2, thus turning DLSB into a wholly-owned subsidiary of BRSB.
- (c) On 8 August 2002, DLSB acquired the entire issued and paid up capital of DiCasa Management Services Sdn. Bhd. (formerly known as Affluent Heritage Sdn. Bhd.), comprising 2 ordinary shares of RM1.00 each for a purchase consideration of RM2.
- (d) On 24 September 2002, the Company acquired the balance of 15,300 ordinary shares of RM1.00 each in Jasa Megah Marketing Sdn. Bhd. ("JMM"), representing the remaining 30.6% equity interest in JMM, for a nominal purchase consideration of RM1, thus turning JMM into a wholly-owned subsidiary of the Company.

37. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except for the following:

Group	As Restated	As Previously
	RM	Stated RM
Other investments *	80,122,980	175,463,276
Marketable securities *	97,611,286	2,270,990
Investment in associates (Note 33)	43,619,243	44,088,750
Goodwill on consolidation **	–	27,372,705
Negative goodwill **	–	(33,210,764)
Negative goodwill, net **	(5,838,059)	–
Provision for liabilities	(2,242,422)	–
Sinking fund reserve	(3,722,770)	(3,506,986)
Other payables	(137,187,988)	(139,646,194)

* The reclassification from non-current other investments to marketable securities was made as these investments are no longer held for long term investment yield purposes.

** The reclassification of negative goodwill from shareholders' reserves to non-current liabilities was made to present the negative goodwill net of goodwill on consolidation. The amounts shown are before the effects on the comparative figures arising from the prior year adjustments disclosed in Note 33.

Comparatives are not disclosed for certain information relating to financial instruments as permitted by MASB 24 - Financial Instruments: Disclosure and Presentation upon first application.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

38. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

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

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group had no substantial long term interest-bearing assets as at 31 December 2002. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits.

The Group actively reviews its debt portfolio, taking into account the interest rates and other terms of the debts. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's association to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(e) Fair Values

The aggregate net fair values of financial assets and liabilities which are not carried at fair value on the balance sheets of the Group and of the Company are as follows:

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets				
Non-current investment in club memberships	587,100	@	587,100	@
Security retainers accumulation fund (Note 8)	1,847,709	@	–	@
Amounts due from subsidiaries (Note 11)	–	–	442,989,610	*

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

38. FINANCIAL INSTRUMENTS (CONT'D)

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liabilities				
Hire purchase and finance lease payables** (Note 16)	861,907	872,460	–	–
Amounts due to subsidiaries (Note 18)	–	–	51,837,771	*
Amounts due to an associate (Note 18)	33,757,400	*	–	–
Amounts due to other related parties (Note 18)	38,232,673	*	–	–

@ It is not practical to estimate the fair value because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the carrying amount represents the approximate recoverable values.

* It is not practical to estimate the fair value of amounts due from/to subsidiaries, associates and other related parties due principally to a lack of fixed repayment term entered into by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

** The fair values of hire purchase and finance lease liabilities are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements.

The methods and assumptions used to estimate the fair values of the following classes of financial instruments are provided below:

- (i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings
The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.
- (ii) Other Investments and Marketable Securities
The fair value of quoted shares and loan stocks is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.
- (iii) Provision for liabilities
The carrying amount of provisions approximate their fair values.
- (iv) Long term borrowings
The carrying amounts of these floating rate loans are estimated to approximate fair value as the effective interest rates are not forecasted to differ from current market rates.

39. SEGMENTAL INFORMATION

(a) Business Segments:

The Group is organised on a worldwide basis into six major business segments:

- (i) Real property and resort development – development of residential and commercial properties and provision of golfing, sporting and recreational facilities
- (ii) Manufacturing – manufacture of chemicals products
- (iii) Engineering and Trading – mechanical and structural fabrication
- (iv) Investment holding – Investment income
- (v) Internet related ventures – marketing and promotion of websites and internet related products
- (vi) Credit and leasing – money lending and credit financing

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

39. SEGMENTAL INFORMATION (CONT'D)

Segmental Information by Business Segments:

	Real property and resort development		Engineering and trading		Investment holding		Internet related ventures		Credit and leasing		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue and Expenses												
Revenue												
External sales	178,341	107,411	-	24,648	22,138	350	613	6,968	7,864	-	210,307	138,026
Results												
(Loss)/profit from operations	(27,128)	19,118	(14)	1,269	856	(49,775)	(10,897)	677	982	(41)	(75,012)	10,017
Finance costs	(4,092)	(6,715)	(17)	(42)	(3)	(6,505)	(7,854)	-	-	-	(10,656)	(14,623)
Share of results of associates	-	-	2,557	-	-	(855)	20,880	-	-	-	1,702	22,816
Taxation	-	-	-	-	-	-	-	-	-	-	(460)	(4,192)
(Loss)/profit after taxation											(84,426)	14,018
Minority interests											(1,820)	1,538
Net (loss)/profit for the year											(86,246)	15,556
Assets and Liabilities												
Segment assets	583,192	1,002,389	50	13,464	10,610	278,331	138,960	27,736	32,102	60	902,833	1,157,064
Investment in equity method of associates	-	-	-	37	37	43,935	44,052	-	-	-	43,972	43,619
Consolidated total assets												
Segment liabilities	199,088	403,194	2	9,505	7,952	223,191	182,087	12,713	18,216	2	444,501	611,955
Other information												
Capital expenditure	2,112	2,828	-	-	-	-	-	-	-	-	2,112	2,828
Depreciation	8,058	5,044	-	252	362	546	657	429	526	-	6,255	6,589
Provision for diminution in value of other investment and marketable securities	-	-	-	-	-	40,259	-	-	-	-	40,259	-
Impairment losses	-	-	-	606	-	-	-	-	-	-	606	-
Non-cash expenses other than depreciation and impairment losses	72,551	-	-	-	-	6,103	-	-	-	37	78,692	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

39. SEGMENTAL INFORMATION (CONT'D)**(b) Geographical Segments**

The Group's six major business segments are managed in three geographical areas of the world with the principal area being in Malaysia, its home country.

	Total revenue # RM'000	Capital expenditure RM'000	Segment assets RM'000
2002			
Malaysia	203,339	2,112	921,190
British Virgin Islands	6,968	-	11,142
HongKong	-	-	14,473
	210,307	2,112	946,805
2001			
Malaysia	130,462	2,828	1,171,719
British Virgin Islands	7,564	-	15,664
HongKong	-	-	13,300
	138,026	2,828	1,200,683

Represents net revenue derived from external customers as there is no inter-segment revenue

40. SUBSEQUENT EVENTS

On 2 January 2003, the Securities Commission approved the Company's application for a further extension of time of one (1) year until 31 December 2003 for the implementation of the Special Bumiputra Issue of 31,000,000 new ordinary shares of RM1.00 each in the Company at par to Bumiputra Investors approved by the Ministry of International Trade and Industry.

41. CURRENCY

All amounts are stated in Ringgit Malaysia unless otherwise stated.

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 Fourth (24th) Annual General Meeting of the Company to be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Tropicana, Off Jalan Tropicana Utama, Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26th June 2003 at 10.00 a.m. or any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the audited accounts of the Company for the year ended 31 December 2002 and the Directors' and Auditors' Report thereon.		
2.	To re-elect Mr. Michael Lim Hee Kiang as Director.		
3.	To re-elect Encik Roslan Bin Hj Yahya as Director.		
4.	To re-elect Encik Azhar Bin Abdul Wahab as Director.		
5.	To approve the payment of Directors' fees.		
6.	To appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
7.	Special Business - Ordinary Resolution:- 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 discretion.

No. of shares held

Signed this _____ day of _____ 2003

Signature/Seal of Shareholder(s)

NOTES:

- (i) 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.
- (ii) To be valid, the instrument appointing a proxy or proxies, under the hand of the appointor or his attorney duly authorised in writing, must be deposited at the Company's Registered Office at Lot 302, 3rd Floor, Wisma Dijaya, No. 1A, Jalan SS20/1, 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.
- (iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- (iv) If the appointer is a corporation, the instrument appointing a proxy must be executed under its seal or under the hand of its attorney.

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Affix
Stamp

Dijaya Corporation Berhad

Lot 302, 3rd Floor, Wisma Dijaya

No. 1A, Jalan SS20/1

Damansara Utama

47400 Petaling Jaya

Selangor Darul Ehsan

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