

# Financial STATEMENTS

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# Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December, 2001.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is 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
Profit after taxation	13,843,106	1,196,151
Minority interests	1,538,745	–
Net profit attributable to shareholders	<u>15,381,851</u>	<u>1,196,151</u>

## 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.

## RESERVES AND PROVISIONS

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.

## BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that 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.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off as bad debts or provided for as doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

## CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

## VALUATION METHODS

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

**CONTINGENT AND OTHER LIABILITIES**

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

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

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, in the opinion of the directors, will or may substantially affect the ability of the Group or the Company to meet their obligations when they fall due.

**CHANGE OF CIRCUMSTANCES**

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

**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group or the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 30 to the financial statements.

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

**SIGNIFICANT EVENTS**

The significant events during the financial year are as disclosed in Note 32 to the financial statements.

**SUBSEQUENT EVENTS**

The subsequent events are as disclosed in Note 33 to the financial statements.

**EMPLOYEES' SHARE OPTION SCHEME**

The Dijaya Corporation Berhad Employees' Share Option Scheme ("ESOS") is governed by the by-laws which was approved by the shareholders of the Company at the Extraordinary General Meeting held on 13 February, 1998 and became effective on 26 February, 2000.

The main features of the ESOS include inter-alia:

- (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.

### EMPLOYEES SHARE OPTION SCHEME (CONT'D)

- (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 as to the balance of any 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 Registrar of Companies from having to disclose the list of option holders and their holdings.

The movement in ESOS during the year is as follows:

	<b>Number of ordinary shares under option</b>
As at 1 January, 2001	2,602,000
Less: Forfeiture upon resignations during the year	(394,000)
As at 31 December, 2001	<u>2,208,000</u>

At 31 December, 2001, the Company has 2,208,000 unissued ordinary shares under option at an exercise price of RM3.266 per share. None of the ESOS was exercised during the financial year.

### DIRECTORS

The directors who served since the date of the last report are:

Tan Sri Datuk Ahmad Farouk Bin Isahak

Dato' Tan Chee Sing

Poh Pai Kong

Dato' Dr. Thong Kok Cheong

Michael Lim Hee Kiang

Azhar Bin Abdul Wahab

Roslan Bin Hj. Yahya

Tong Kien Onn (appointed on 18 January, 2002)

Dato' Thong Kok Khee (resigned on 18 January, 2002)

Tan Choon Kee (resigned on 31 December, 2001)

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the share options granted pursuant to the ESOS.

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 25 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 the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

**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			
	I January, 2001/ Date of Appointment	Bought	Sold	31 December, 2001
<b>The Company</b>				
<b>Direct</b>				
Dato' Tan Chee Sing	75,150,374	–	–	75,150,374
Dato' Dr.Thong Kok Cheong	–	484,910	–	484,910
<b>Indirect</b>				
Tan Sri Datuk Ahmad Farouk Bin Isahak	22,544	4,000,000	–	4,022,544
Dato' Tan Chee Sing	76,404,576	–	5,800,000	70,604,576
Dato' Dr.Thong Kok Cheong	4,900,000	484,910	4,000,000	1,384,910
Dato' Thong Kok Khee	12,750,000	–	–	12,750,000

	Number of Shares Options over Ordinary Shares			
	I January, 2001/ Date of Appointment	Granted	Exercised	31 December, 2001
<b>The Company</b>				
<b>Direct</b>				
Dato' Tan Chee Sing	100,000	–	–	100,000
Poh Pai Kong	100,000	–	–	100,000

By virtue of his interest in shares in the Company, Dato' Tan Chee Sing is also deemed interested in the Company's shareholdings in all its subsidiary companies.

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.

## Directors' Report

### **AUDITORS**

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

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

**Tan Sri Datuk Ahmad Farouk bin Isahak**  
Director

**Dato' Tan Chee Sing**  
Director

Petaling Jaya  
26 April, 2002

## Statement by Directors

We, TAN SRI DATUK AHMAD FAROUK BIN ISAHAK and DATO' TAN CHEE SING, being two of the directors of DIJAYA CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 37 to 71 give a true and fair view of the state of affairs of the Group and the Company as at 31 December, 2001 and of their results and their cash flows for the year then ended and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

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

**Tan Sri Datuk Ahmad Farouk bin Isahak**  
Director

**Dato' Tan Chee Sing**  
Director

Petaling Jaya  
26 April, 2002

## Statutory Declaration

I, TONG KIEN ONN, the director primarily responsible for the financial management of DIJAYA CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 37 to 71 are, to the best of my knowledge and belief, 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 )  
at Petaling Jaya in Selangor Darul Ehsan ) **Tong Kien Onn**  
on 26 April, 2002 )

Before me:

**Tee Kian @ Tee Sing PPN**  
NO.W 193  
Commissioner for Oaths

# Auditors' Report

To the Shareholders of  
DIJAYA CORPORATION BERHAD

We have audited the financial statements set out on pages 37 to 71. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:
  - (i) the state of affairs of the Group and the Company as at 31 December, 2001 and of their results and their cash flows 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 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 of all 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 in respect of subsidiaries incorporated in Malaysia, did not include any comment made under subsection (3) of Section 174 of the Act.

**Arthur Andersen & Co.**  
No. AF 0103  
Chartered Accountants

**Wong Kang Hwee**  
No. 1116/01/04(J)  
Partner of the Firm

26 April, 2002

# Consolidated Balance Sheet

31 December 2001

	Note	2001 RM	2000 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	262,821,619	272,480,669
Land held for development	4	36,039,851	35,820,089
Associated companies	6	44,088,750	24,157,588
Other investments	7	175,463,276	199,639,841
Security retainers accumulation fund	8	1,694,434	1,545,010
Goodwill on consolidation	9	27,372,705	28,003,123
		<b>547,480,635</b>	<b>561,646,320</b>
<b>CURRENT ASSETS</b>			
Inventories	10	62,604,193	76,370,920
Development properties	4	501,715,829	523,100,506
Trade receivables	11	38,010,465	45,994,456
Other receivables	12	18,101,070	20,298,504
Marketable securities	13	2,270,990	2,270,990
Cash and bank balances	14	58,342,468	47,521,976
		<b>681,045,015</b>	<b>715,557,352</b>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	15	146,343,208	211,763,015
Trade payables		42,104,167	64,871,506
Other payables	17	139,646,194	97,527,627
Taxation		22,199,358	18,417,449
		<b>350,292,927</b>	<b>392,579,597</b>
<b>NET CURRENT ASSETS</b>			
		<b>330,752,088</b>	<b>322,977,755</b>
<b>FINANCED BY:</b>			
Share capital	18	259,502,583	259,502,583
Reserves		295,527,061	279,871,303
Shareholders' equity		<b>555,029,644</b>	<b>539,373,886</b>
Minority interests		61,541,356	66,714,973
		<b>616,571,000</b>	<b>606,088,859</b>
Deferred taxation	19	101,607,051	106,784,751
Sinking fund reserve	20	3,506,986	2,589,351
Security retainers	21	27,370,000	27,370,000
Deferred license fees		67,333,432	67,551,291
Long term borrowings	22	61,844,254	74,239,823
Non-current liabilities		<b>261,661,723</b>	<b>278,535,216</b>
		<b>878,232,723</b>	<b>884,624,075</b>

The accompanying notes are an integral part of this balance sheet.

# Consolidated Income Statement

for the year ended 31 December, 2001

	Note	2001 RM	2000 RM
Revenue	23	<b>138,026,723</b>	213,085,767
Cost of sales		<b>(107,621,268)</b>	(173,417,331)
Gross profit		<b>30,405,455</b>	39,668,436
Other operating income		<b>18,261,253</b>	16,477,591
Administration expenses		<b>(20,876,378)</b>	(34,448,770)
Other operating expenses		<b>(17,948,290)</b>	(15,074,169)
Profit from operations	24	<b>9,842,040</b>	6,623,088
Finance cost	26	<b>(14,622,688)</b>	(13,651,651)
Share of results of associated companies	27	<b>22,815,907</b>	10,922,268
Profit before taxation		<b>18,035,259</b>	3,893,705
Taxation	28	<b>(4,192,153)</b>	(465,997)
Profit after taxation		<b>13,843,106</b>	3,427,708
Minority interests		<b>1,538,745</b>	756,969
Net profit attributable to shareholders		<b>15,381,851</b>	4,184,677
Earnings per share (sen)			
Basic	29	<b>5.9</b>	1.6

The accompanying notes are an integral part of this statement.

# Consolidated Statement of Changes in Equity

for the year ended 31 December, 2001

	← Non-distributable →						Total RM
	Share capital RM	Share premium RM	Revaluation reserve RM	Foreign exchange reserve RM	Reserve on consolidation RM	Accumulated losses RM	
At 1 January, 2000 as previously stated	259,502,583	402,653,291	467,000	348,798	43,571,593	(148,069,124)	558,474,141
Prior year adjustments (Note 30)	–	–	–	–	(10,360,829)	(12,947,410)	(23,308,239)
At 1 January, 2000 as restated	259,502,583	402,653,291	467,000	348,798	33,210,764	(161,016,534)	535,165,902
Currency translation differences, representing net gains not recognised in the income statement	–	–	–	23,307	–	–	23,307
Net profit for the year	–	–	–	–	–	4,184,677	4,184,677
At 31 December, 2000	259,502,583	402,653,291	467,000	372,105	33,210,764	(156,831,857)	539,373,886
At 1 January, 2001 as previously stated	259,502,583	402,653,291	467,000	372,105	43,571,593	(137,541,706)	569,024,866
Prior year adjustments (Note 30)	–	–	–	–	(10,360,829)	(19,290,151)	(29,650,980)
At 1 January, 2001 as restated	259,502,583	402,653,291	467,000	372,105	33,210,764	(156,831,857)	539,373,886
Transfer of revaluation surplus in relation to the disposal of property in prior years	–	–	(467,000)	–	–	467,000	–
Currency translation differences, representing net gains not recognised in the income statement	–	–	–	273,907	–	–	273,907
Net profit for the year	–	–	–	–	–	15,381,851	15,381,851
At 31 December, 2001	<b>259,502,583</b>	<b>402,653,291</b>	<b>–</b>	<b>646,012</b>	<b>33,210,764</b>	<b>(140,983,006)</b>	<b>555,029,644</b>

The accompanying notes are an integral part of this statement.

# Consolidated Cash Flow Statement

for the year ended 31 December, 2001

	Note	2001 RM	2000 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		18,035,259	3,893,705
Adjustment for:			
Depreciation		6,588,821	7,029,439
Gain on disposal of property, plant and equipment		(230,114)	(2,120,328)
Property, plant and equipment written off		20,010	–
Share of results in associated companies		(22,815,907)	(10,922,268)
Gain on disposal of an associated company		–	(344,000)
Loss/(gain) on disposal of other investments		6,179,710	(3,082,034)
Loss on disposal of land held for development		–	12,650,887
Provision/(reversal of provision) for doubtful debts		121,178	(4,098,250)
Bad debts written off		32,235	–
Bad debts recovered		(84,871)	–
Reversal of provision for contract payable		(11,821,567)	(5,359,351)
Provision for impairment of goodwill		630,418	–
Unrealised returns on endowment policy		(160,564)	(172,911)
Amortisation of endowment fund premium		11,140	69,630
Gross dividend income from quoted investments		(594,725)	(791,681)
Rental income		(2,918,993)	(2,299,783)
Interest income		(2,001,681)	(3,158,955)
Interest expense		14,622,688	13,651,651
Operating profit before working capital changes		5,613,037	4,945,751
Decrease in receivables		10,279,406	3,839,729
Decrease/(increase) in inventories		13,766,727	(42,965,890)
Decrease in land held for development/ development properties		29,218,482	115,182,055
Increase in payables		27,925,980	13,794,723
Cash generated from operations		86,803,632	94,796,368
Taxes paid		(4,751,531)	(5,963,887)
Net cash generated from operating activities		82,052,101	88,832,481
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of an associated company		–	2,000,000
Proceeds from disposal of property, plant and equipment		2,110,172	6,217,318
Proceeds from disposal of land held for development		–	9,138,415
Proceeds from disposal of other investments		17,996,855	22,330,336
Net cash flow from acquisition of subsidiaries		–	(14,301,551)
Purchase of property, plant and equipment		(2,828,412)	(4,341,680)
Purchase of other investments		–	(5,123,195)
Rental income received		2,918,993	2,299,783
Interest received		2,001,681	3,158,955
Dividend income received			
– Associated company		2,048,332	–
– Other quoted investments		428,202	570,010
Repayment of associated companies' balances		–	19,040,000
Net cash generated from investing activities		24,675,823	40,988,391

## Consolidated Cash Flow Statement

for the year ended 31 December, 2001

	Note	2001 RM	2000 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of term loans		–	19,206,860
Repayment of term loans		<b>(65,120,155)</b>	(81,198,166)
Interest paid		<b>(18,044,862)</b>	(26,004,955)
Repayment of short term borrowings		<b>(12,427,740)</b>	(8,845,000)
Repayment of hire purchase and lease payables		<b>(515,158)</b>	(719,787)
Net cash used in financing activities		<b>(96,107,915)</b>	(97,561,048)
<hr/>			
Effects of exchange rate changes		<b>273,907</b>	23,307
<hr/>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>10,893,916</b>	32,283,131
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>27,494,197</b>	(4,788,934)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>38,388,113</b>	27,494,197
<hr/>			
Cash and cash equivalents comprise:			
Cash and bank balances	14	<b>58,342,468</b>	47,521,976
Bank overdrafts	15	<b>(17,379,720)</b>	(17,764,863)
		<b>40,962,748</b>	29,757,113
Less : Cash and cash equivalents not available for use	14	<b>(2,574,635)</b>	(2,262,916)
		<b>38,388,113</b>	27,494,197
<hr/>			

The accompanying notes are an integral part of this statement.

# Balance Sheet

31 December, 2001

	Note	2001 RM	2000 RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	1,724,226	2,068,233
Subsidiaries	5	243,298,027	248,670,384
Other investments	7	587,100	587,100
		<b>245,609,353</b>	251,325,717
<b>CURRENT ASSETS</b>			
Trade receivables	11	-	1,472,862
Other receivables	12	557,233,004	555,667,962
Cash and bank balances	14	721,494	1,913,889
		<b>557,954,498</b>	559,054,713
<b>CURRENT LIABILITIES</b>			
Short term borrowings	15	85,080,842	95,349,992
Trade payables		20,718	255,883
Other payables	17	90,522,895	88,024,674
Taxation		4,772,380	4,772,380
		<b>180,396,835</b>	188,402,929
<b>NET CURRENT ASSETS</b>		<b>377,557,663</b>	370,651,784
		<b>623,167,016</b>	621,977,501
<b>FINANCED BY:</b>			
Share capital	18	259,502,583	259,502,583
Reserves		363,664,433	362,468,282
Shareholders' equity		<b>623,167,016</b>	621,970,865
Long term borrowings	22	-	6,636
		<b>623,167,016</b>	621,977,501

The accompanying notes are an integral part of this balance sheet.

# Income Statement

for the year ended 31 December, 2001

	Note	2001 RM	2000 RM
Revenue	23	<b>23,000,000</b>	13,888,889
Cost of sales		–	–
Gross profit		<b>23,000,000</b>	13,888,889
Other operating income		<b>231,121</b>	1,281,773
Administrative expenses		<b>(3,499,557)</b>	(1,732,911)
Other operating expenses		<b>(6,488,123)</b>	(711,128)
Profit from operations	24	<b>13,243,441</b>	12,726,623
Finance cost	26	<b>(5,607,290)</b>	(7,388,139)
Profit before taxation		<b>7,636,151</b>	5,338,484
Taxation	28	<b>(6,440,000)</b>	(3,888,889)
Net profit attributable to shareholders		<b>1,196,151</b>	1,449,595

The accompanying notes are an integral part of this statement.

# Statement of Changes in Equity

for the year ended 31 December, 2001

	← Non-distributable →			Accumulated losses RM	Total RM
	Share capital RM	Share premium RM	Revaluation reserve RM		
At 1 January, 2000	259,502,583	402,653,291	467,000	(42,101,604)	620,521,270
Net profit for the year	–	–	–	1,449,595	1,449,595
At 31 December, 2000	259,502,583	402,653,291	467,000	(40,652,009)	621,970,865
Transfer of revaluation surplus in relation to the disposal of property in prior years	–	–	(467,000)	467,000	–
Net profit for the year	–	–	–	1,196,151	1,196,151
At 31 December, 2001	<b>259,502,583</b>	<b>402,653,291</b>	<b>–</b>	<b>(38,988,858)</b>	<b>623,167,016</b>

The accompanying notes are an integral part of this statement.

# Cash Flow Statement

for the year ended 31 December, 2001

	2001 RM	2000 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,636,151	5,338,484
Adjustment for:		
Depreciation	656,290	519,084
Bad debts written off	–	541,837
Gain on disposal of property, plant & equipment	(11,250)	–
Interest expense	5,607,290	7,388,139
Interest income	(214,293)	(1,131,790)
Gross dividend income	(23,000,000)	(13,888,889)
(Reversal of provision)/provision for doubtful debts:		
– Amount due from a subsidiary	344,958	–
– Other receivables	(14,636)	–
Provision for diminution in value of subsidiaries	5,422,355	–
Operating loss before working capital changes	(3,573,135)	(1,233,135)
Decrease in receivables	1,824,523	994,306
Decrease in payables	(650,651)	(413,479)
Net cash used in operating activities	(2,399,263)	(652,308)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(356,033)	(580,694)
Purchase of additional shares in a subsidiary	(49,998)	–
Advances to subsidiaries	(2,247,025)	(1,960,687)
Dividend received	16,560,000	10,000,000
Interest received	214,293	1,131,790
Proceeds from disposal of property, plant and equipment	55,000	–
Net cash generated from investing activities	14,176,237	8,590,409
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(5,607,290)	(7,388,139)
Advances from subsidiaries	2,913,707	24,331,906
Repayment of term loans	–	(14,987,911)
Repayment of short term borrowings	(10,257,166)	(8,000,000)
Repayment of hire purchase and lease payables	(18,620)	(181,856)
Net cash used in financing activities	(12,969,369)	(6,226,000)
<b>NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES</b>	(1,192,395)	1,712,101
<b>CASH AND BANK BALANCES AT BEGINNING OF YEAR</b>	1,913,889	201,788
<b>CASH AND BANK BALANCES AT END OF YEAR</b>	721,494	1,913,889

The accompanying notes are an integral part of this statement.

# Notes to the Financial Statements

31 December, 2001

## 1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activity of the Company is 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 560 (2000 : 580) and 16 (2000 : 20) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April, 2002.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

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

### (b) Basis of Consolidation

Consolidated financial statements include the financial statements of the Company and its subsidiaries. The subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. Companies acquired or disposed are included in the consolidated financial statements from the date of acquisition or to the date of disposal. Subsidiaries are consolidated using the acquisition method of accounting.

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.

The difference between the cost of an acquisition over 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 reserve on consolidation. Goodwill on consolidation is reviewed at balance sheet date and will be written down for impairment where it is considered necessary.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with goodwill and exchange differences which were not previously recognised in the consolidated income statement.

### (c) Revenue Recognition

#### (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 is recognised when 100% of the billings are raised. Revenue from the sales of completed residential and retail properties are recognised when 100% of the billings are raised.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) Revenue Recognition (Cont'd)****(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 jobs**

Revenue from engineering jobs is recognised on 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.

**(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.

**(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.

**(d) Property, Plant and Equipment and Depreciation**

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

The carrying values of property, plant and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and 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.

Freehold land is not depreciated. Leasehold land is depreciated over the period of the lease of 99 years which will expire on 29 April, 2059. Golf course is depreciated over the period of the remaining lease of 57 years.

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

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) Land Held for Development

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

Land held for development of subsidiaries, where applicable, are restated at fair value at the date of acquisition of subsidiaries in place of cost.

### (f) Development Properties

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

### (g) Associated Companies

The Group treats as associated companies 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 associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated companies.

The Group's share of post-acquisition profits less losses of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits or accumulated losses and reserves.

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

The difference between the purchase consideration and the fair value of net assets acquired is reflected as goodwill or reserve on acquisition. Goodwill on acquisition is reviewed at each balance sheet date and will be written down for impairment when it is considered necessary.

### (h) Investments

Investments in subsidiaries and other investments 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.

### (i) Marketable Securities

Marketable securities are carried at 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 its carrying amount is charged or credited to the income statement.

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

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

Properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on the proportionate basis and includes costs of land, construction and appropriate development overheads.

**(k) 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 review of all outstanding amounts as at the balance sheet date.

**(l) 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.

**(m) Deferred Taxation**

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse.

**(n) Finance Lease and Hire Purchase**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership.

The Group recognises finance leases as assets and liabilities in the balance sheets at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. 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. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for leased asset is consistent with that for depreciable property, plant and equipment as described in Note 3(d).

**(o) Borrowings**

Interest incurred on borrowings is charged to the income statement as expense as and when incurred.

Interest incurred on borrowings relating to construction of property, plant and equipment is capitalised until the assets are ready for their intended use. Borrowing costs relating to development properties are capitalised during the period of active development until they are ready for their intended purpose.

## Notes to the Financial Statements

31 December, 2001

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (p) 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.

#### (q) Currency Conversion and Translation

Transactions in foreign currencies are 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.

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 taken to reserves.

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:

	2001 RM	2000 RM
United States Dollar	3.80	3.80
100 Hong Kong Dollars	48.69	48.72

#### (r) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank, net of outstanding bank overdrafts.

### 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
<b>Cost</b>							
At 1 January, 2001	8,715,955	235,273,852	46,700,829	19,228,808	10,419,390	4,570,282	324,909,116
Additions	-	116,896	-	1,605,814	1,392,073	346,449	3,461,232
Disposals	(1,342,170)	-	-	(424,245)	(596,525)	(1,187,559)	(3,550,499)
Write off	-	-	-	(148,971)	(122,287)	-	(271,258)
Transfer to development properties	-	(4,921,342)	-	-	-	-	(4,921,342)
At 31 December, 2001	<b>7,373,785</b>	<b>230,469,406</b>	<b>46,700,829</b>	<b>20,261,406</b>	<b>11,092,651</b>	<b>3,729,172</b>	<b>319,627,249</b>

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

<b>Group</b>	<b>Freehold land RM</b>	<b>Long term leasehold land and buildings RM</b>	<b>Golf course RM</b>	<b>Plant and machinery RM</b>	<b>Office furniture, fittings and equipment RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Accumulated Depreciation</b>							
At 1 January, 2001	–	21,867,246	5,235,633	16,627,683	5,541,635	3,156,250	52,428,447
Charge for the year	–	3,049,337	817,265	1,431,600	778,968	511,651	6,588,821
Disposals	–	–	–	(423,375)	(169,694)	(1,077,372)	(1,670,441)
Write off	–	–	–	(148,971)	(102,277)	–	(251,248)
Transfer to development properties	–	(289,949)	–	–	–	–	(289,949)
At 31 December, 2001	–	<b>24,626,634</b>	<b>6,052,898</b>	<b>17,486,937</b>	<b>6,048,632</b>	<b>2,590,529</b>	<b>56,805,630</b>
<b>Net Book Value</b>							
At 31 December, 2001	<b>7,373,785</b>	<b>205,842,772</b>	<b>40,647,931</b>	<b>2,774,469</b>	<b>5,044,019</b>	<b>1,138,643</b>	<b>262,821,619</b>
At 31 December, 2000	8,715,955	213,406,606	41,465,196	2,601,125	4,877,755	1,414,032	272,480,669
<b>Depreciation charge for 2000</b>							
	–	2,513,433	817,264	1,930,683	1,210,935	557,124	7,029,439

<b>Company</b>	<b>Office furniture, fittings and equipment RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Cost</b>			
At 1 January, 2001	2,026,244	1,142,530	3,168,774
Additions	356,033	–	356,033
Disposals	–	(75,000)	(75,000)
At 31 December, 2001	<b>2,382,277</b>	<b>1,067,530</b>	<b>3,449,807</b>
<b>Accumulated Depreciation</b>			
At 1 January, 2001	392,423	708,118	1,100,541
Charge for the year	474,776	181,514	656,290
Disposals	–	(31,250)	(31,250)
At 31 December, 2001	<b>867,199</b>	<b>858,382</b>	<b>1,725,581</b>
<b>Net Book Value</b>			
At 31 December, 2001	<b>1,515,078</b>	<b>209,148</b>	<b>1,724,226</b>
At 31 December, 2000	1,633,821	434,412	2,068,233
<b>Depreciation charge for 2000</b>			
	315,371	203,713	519,084

## Notes to the Financial Statements

31 December, 2001

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

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

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Plant and machinery	959,860	—	—	—
Office furniture, fittings and equipment	94,867	128,873	—	—
Motor vehicles	841,054	812,707	36,000	54,000
	<b>1,895,781</b>	941,580	<b>36,000</b>	54,000

- (b) During the year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM3,461,232 (2000: RM4,646,514) and RM356,033 (2000: RM580,694) respectively of which RM1,204,077 (2000: RM514,000) were acquired by means of finance lease arrangements.

- (c) The net book values of property, plant and equipment pledged to financial institutions for bank borrowings as referred to in Notes 15 and 22 are as follows:

	Group	
	2001 RM	2000 RM
Freehold land	7,373,785	8,715,955
Long term leasehold land and buildings	87,433,802	93,876,863
Golf course	40,647,931	41,465,196
	<b>135,455,518</b>	144,058,014

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

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Plant and machinery	13,774,053	10,569,367	—	—
Office furniture, fittings and equipment	1,269,159	1,273,137	—	—
Motor vehicles	1,627,472	1,714,318	730,220	—
	<b>16,670,684</b>	13,556,822	<b>730,220</b>	—

**4. LAND HELD FOR DEVELOPMENT/DEVELOPMENT PROPERTIES**

	Group	
	2001 RM	2000 RM
Cost:		
Land held for development and resale	<b>506,901,876</b>	529,430,102
Development expenditure	<b>232,887,205</b>	244,223,297
	<b>739,789,081</b>	773,653,399
Less: Non-current portion, classified as land held for development	<b>(36,039,851)</b>	(35,820,089)
	<b>703,749,230</b>	737,833,310
Add: Attributable profits	<b>13,038,945</b>	15,630,644
	<b>716,788,175</b>	753,463,954
Less: Progress billings	<b>(215,072,346)</b>	(230,363,448)
Current portion classified as development properties	<b>501,715,829</b>	523,100,506

The freehold land and leasehold land of the Group amounting to RM249,007,996 (2000: RM349,595,847) have been charged as security for its short term borrowings and term loans as referred to in Notes 15 and 22.

Included in development expenditure of the Group is interest capitalised during the financial year amounting to RM3,422,174 (2000: RM12,353,304).

Cost of development properties of the Group recognised as an expense during the financial year amounted to RM72,115,385 (2000: RM143,357,263).

**5. SUBSIDIARIES**

	Company	
	2001 RM	2000 RM
Unquoted shares at cost	<b>248,720,382</b>	248,670,384
Less: Provision for diminution in value	<b>(5,422,355)</b>	-
	<b>243,298,027</b>	248,670,384

(a) Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Interest (%)		Principal Activities
		2001	2000	
Accroway Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Arah Pelangi Sdn. Bhd.	Malaysia	100.0	100.0	Investment and property holding
* Aspek Analisa Sdn. Bhd.	Malaysia	100.0	100.0	Property development
* Dijaya Management Services Sdn. Bhd.	Malaysia	100.0	100.0	Management services
JMI Manufacturing Sdn. Bhd.	Malaysia	100.0	100.0	Dormant

## Notes to the Financial Statements

31 December, 2001

### 5. SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Interest (%)		Principal Activities
		2001	2000	
Terbit Berkat Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Jasa Megah Marketing Sdn. Bhd.	Malaysia	69.4	69.4	Dormant
* Dijaya Credit & Leasing Sdn. Bhd.	Malaysia	100.0	100.0	Credit and leasing
* Dijaya Construction Sdn. Bhd.	Malaysia	100.0	100.0	Dormant
* Bright Phase Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Ikatan Engineering Sdn. Bhd.	Malaysia	80.1	80.1	Mechanical engineering and general trading
* Malaysian PR Services Sdn. Bhd.	Malaysia	100.0	100.0	Dormant
* Banjaran Mutiara Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiary:				
* Izasaja Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
* Nagasari Cerdas Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiary:				
* Desiran Realiti Sdn. Bhd.	Malaysia	51.0	51.0	Investment holding
* Seleksi Kembara Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiary:				
* Dijaya Wangsa Sdn. Bhd.	Malaysia	60.0	60.0	Property development
Sumber Saujana Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiary:				
Sinbor Corporation Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
Tropicana Golf and Country Resort Berhad and its subsidiaries:	Malaysia	100.0	100.0	Real property and resort development
* Tropicana Management Services Sdn. Bhd.	Malaysia	100.0	100.0	Management services
Nadi Jelita Sdn. Bhd.	Malaysia	100.0	100.0	Property development
Puncak Suria Sdn. Bhd.	Malaysia	100.0	100.0	Property development
Mawar Hebat Sdn. Bhd.	Malaysia	55.0	55.0	Property development
* Desiran Idaman Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
* Dijaya Digital Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiaries:				
* Dijaya dotcom.Ventures Limited and its subsidiary:	Hong Kong	100.0	100.0	Investment holding
* Diva Gold International Ltd	British Virgin Islands	70.0	70.0	Management consultancy services
* Atlantic Marketing Sdn. Bhd.	Malaysia	100.0	100.0	Marketing and promotion of websites and internet related products
Bakat Rampai Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiaries:				
Dijaya Land Sdn. Bhd.	Malaysia	60.0	60.0	Property development
Dicorp Land Sdn. Bhd.	Malaysia	100.0	100.0	Property development
Maxi Legacy Sdn. Bhd.	Malaysia	100.0	100.0	Property development
Irama Sejati Sdn. Bhd.	Malaysia	100.0	100.0	Investment holding
and its subsidiary				
* Damansara Impian Sdn. Bhd.	Malaysia	70.0	70.0	Property development
Ikatan Oilfield Services Sdn. Bhd.	Malaysia	–	100.0	Dormant

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

**5. SUBSIDIARIES (CONT'D)**

## (b) Disposal of subsidiary

On 21 August, 2001, the Group completed the disposal of a wholly-owned dormant subsidiary, Ikatan Oilfield Services Sdn. Bhd. for a cash consideration of RM4. This disposed subsidiary has no material impact to the financial results of the Group.

The effect of the disposal of the subsidiary on the financial position of the Group is as follows:

	21.8.2001 RM	31.12.2000 RM
Cash on hand, representing net assets disposed and consideration received from disposal	4	4
Less: Cash and cash equivalents of subsidiary disposed	(4)	
Net cash flow from disposal of interest in subsidiary	-	

**6. ASSOCIATED COMPANIES**

	Group	
	2001 RM	2000 RM
In Malaysia:		
Unquoted investments at cost	26,546,105	26,546,105
Share of post acquisition profits/(losses)	17,542,645	(2,388,517)
	<b>44,088,750</b>	<b>24,157,588</b>
Represented by:		
Share of net tangible assets	41,497,626	17,377,399
Share of intangible assets	243,587	4,432,652
	<b>41,741,213</b>	<b>21,810,051</b>
Premium on acquisition	2,347,537	2,347,537
	<b>44,088,750</b>	<b>24,157,588</b>

The associated companies are:

Name of Company	Country of Incorporation	Effective Interest (%)		Financial Year End	Principal Activities
		2001	2000		
Tenaga Kimia Berhad	Malaysia	30.0	30.0	31 December	Manufacture of explosives chemicals and blasting accessories
Ikatan Hulee Engineering (J.V.) Sdn. Bhd.	Malaysia	50.0	50.0	31 December	Mechanical engineering works
Ikatan Technology Sdn. Bhd.	Malaysia	33.3	33.3	30 June	Dormant

## Notes to the Financial Statements

31 December, 2001

### 6. ASSOCIATED COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Effective Interest (%)		Financial Year End	Principal Activities
		2001	2000		
South Johor Equities Sdn. Bhd.	Malaysia	30.5	30.5	30 October	Investment holding
South Johor Securities Sdn Bhd	Malaysia	–	30.5	30 October	Stockbroking and asset management

On 26 February, 2001, South Johor Equities Sdn. Bhd., an associated company of the Company, completed the sale of its wholly-owned subsidiary, South Johor Securities Sdn Bhd to Arab-Malaysian Securities Sdn Bhd for a total cash consideration of RM173,729,253.

### 7. OTHER INVESTMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
At cost:				
Unquoted shares	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	138,628,924	162,805,489	–	–
Transferable club membership	587,100	587,100	587,100	587,100
	175,463,276	199,639,841	587,100	587,100
Market value of quoted shares	80,514,412	92,174,520	–	–

Investment in quoted shares of the Group of RM77,113,298 (2000:RM77,113,298) have been charged as security for certain term loan and bank overdraft facilities as disclosed in Notes 15 and 22.

The directors are of the opinion that the decline in the market value of quoted shares is temporary in nature.

### 8. SECURITY RETAINERS ACCUMULATION FUND

	Group	
	2001 RM	2000 RM
At 1 January	1,614,640	1,441,729
Unrealised returns	160,564	172,911
Less: Accumulated amortisation	(80,770)	(69,630)
At 31 December	1,694,434	1,545,010

**8. SECURITY RETAINERS ACCUMULATION FUND (CONT'D)**

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 of 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. GOODWILL ON CONSOLIDATION**

	Group	
	2001 RM	2000 RM
As at 1 January	28,003,123	14,703,131
Arising from acquisition of subsidiaries	–	13,299,992
	<b>28,003,123</b>	<b>28,003,123</b>
Less: Provision for impairment of goodwill	<b>(630,418)</b>	–
As at 31 December	<b>27,372,705</b>	<b>28,003,123</b>

**10. INVENTORIES**

	Group	
	2001 RM	2000 RM
At cost:		
Completed buildings	61,504,522	75,746,115
Consumable stores and spares	493,501	488,391
Finished goods	606,170	136,414
	<b>62,604,193</b>	<b>76,370,920</b>

The cost of inventories recognised as an expense during the year in the Group amounted to RM13,766,727 (2000: RM4,287,044).

**11. TRADE RECEIVABLES**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	38,337,652	45,775,980	–	1,472,862
Due from customers on contracts	2,124,650	2,793,223	–	–
Retention sums on contracts	84,153	1,019,596	–	–
Less: Provision for doubtful debts	<b>(2,535,990)</b>	<b>(3,594,343)</b>	–	–
	<b>38,010,465</b>	<b>45,994,456</b>	<b>–</b>	<b>1,472,862</b>

## Notes to the Financial Statements

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### 12. OTHER RECEIVABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Due from subsidiaries	–	–	<b>571,202,568</b>	568,955,543
Less: Provision for doubtful debts	–	–	<b>(24,284,386)</b>	(23,939,428)
	–	–	<b>546,918,182</b>	545,016,115
Tax recoverable	<b>11,142,646</b>	11,034,895	<b>10,045,977</b>	10,045,977
Deposits				
– Acquisition of land	<b>21,943,738</b>	29,163,667	<b>5,007,035</b>	5,007,035
– Other	<b>1,317,634</b>	2,120,350	–	–
Less: Provision for doubtful debts	<b>(21,943,738)</b>	(29,046,576)	<b>(5,007,035)</b>	(5,007,035)
	<b>1,317,634</b>	2,237,441	–	–
Sundry receivables	<b>6,133,510</b>	7,533,524	<b>365,734</b>	717,395
Less: Provision for doubtful debts	<b>(492,720)</b>	(507,356)	<b>(96,889)</b>	(111,525)
	<b>5,640,790</b>	7,026,168	<b>268,845</b>	605,870
	<b>18,101,070</b>	20,298,504	<b>557,233,004</b>	555,667,962

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

### 13. MARKETABLE SECURITIES

	Group	
	2001 RM	2000 RM
At cost:		
Quoted shares, in Malaysia	<b>13,790,550</b>	13,790,550
Less : Provision for diminution in value	<b>(11,646,868)</b>	(11,647,185)
	<b>2,143,682</b>	2,143,365
Quoted loan stocks, in Malaysia	<b>408,600</b>	408,600
Less : Provision for diminution in value	<b>(281,292)</b>	(280,975)
	<b>127,308</b>	127,625
	<b>2,270,990</b>	2,270,990
Market value:		
Quoted shares	<b>2,327,355</b>	2,285,365
Quoted loan stocks	<b>127,308</b>	127,625

Investment in quoted shares and loan stocks of the Group of RM12,714,525 (2000: RM12,714,525) have been charged as security for certain bank overdraft facilities as disclosed in Note 15.

**14. CASH AND BANK BALANCES**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Deposits with licensed banks	2,854,883	2,472,708	–	–
Cash on hand and at bank	55,487,585	45,049,268	721,494	1,913,889
	<b>58,342,468</b>	<b>47,521,976</b>	<b>721,494</b>	<b>1,913,889</b>

Included in cash at banks of the Group are amounts of RM30,354,005 (2000: RM38,681,674) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and Housing Regulations, 1991.

Included in deposits with licensed banks are :

- Deposits held in trust by a trustee of RM2,574,635 (2000: RM2,262,916), representing cash and cash equivalents not available for use.
- Deposits amounting to RM173,440 (2000: RM113,538) which were pledged as security for bank guarantees granted to certain subsidiaries.

**15. SHORT TERM BORROWINGS**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Secured:				
Bank overdrafts	<b>16,952,439</b>	17,338,042	–	–
Revolving credits	<b>88,902,260</b>	100,999,000	<b>82,743,834</b>	93,000,000
Bankers' acceptance	<b>1,220,000</b>	1,220,000	–	–
Term loans, due within 12 months (Note 22)	<b>38,178,572</b>	90,889,413	<b>2,328,991</b>	2,328,991
Hire purchase and lease payables (Note 16)	<b>587,656</b>	483,739	<b>8,017</b>	20,001
	<b>145,840,927</b>	210,930,194	<b>85,080,842</b>	95,348,992
Unsecured:				
Bank overdrafts	<b>427,281</b>	426,821	–	–
Revolving credits	<b>75,000</b>	406,000	–	1,000
	<b>502,281</b>	832,821	–	1,000
	<b>146,343,208</b>	211,763,015	<b>85,080,842</b>	95,349,992

The above short term borrowings of the Group and the Company bear interest of between 3.0% to 9.3% (2000 : 2.5% to 9.3%) per annum.

The secured short term borrowings of the Group and the Company are secured by the following:

- Fixed charge over certain development properties as disclosed in Note 4;
- Fixed charge over the property, plant and equipment of certain subsidiaries as disclosed in Note 3; and
- Fixed charge over certain quoted shares and loan stocks as disclosed in Notes 7 and 13.

## Notes to the Financial Statements

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### 16. HIRE PURCHASE AND LEASE PAYABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Future minimum payments:				
Payable within one year	<b>726,386</b>	527,452	<b>8,233</b>	24,801
Payable between one and five years	<b>224,797</b>	508,810	–	8,236
Payable after five years	<b>561,149</b>	366,386	–	–
	<b>1,512,332</b>	1,402,648	<b>8,233</b>	33,037
Less: Finance charges	<b>(226,411)</b>	(234,389)	<b>(216)</b>	(6,400)
	<b>1,285,921</b>	1,168,259	<b>8,017</b>	26,637
Representing hire purchase and lease liabilities:				
Due within 12 months (Note 15)	<b>587,656</b>	483,739	<b>8,017</b>	20,001
Due after 12 months (Note 22)	<b>698,295</b>	684,520	–	6,636
	<b>1,285,951</b>	1,168,259	<b>8,017</b>	26,637

The hire purchase and lease bear interests of 5.9% (2000: 6.0%) per annum.

### 17. OTHER PAYABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Due to subsidiaries	–	–	<b>90,213,202</b>	87,299,495
Due to associated company	<b>33,757,400</b>	–	–	–
Due to shareholders of:				
– Company	<b>8,730,400</b>	8,730,400	–	–
– Subsidiaries	<b>859,676</b>	859,676	–	–
Advances from third parties	<b>16,812,800</b>	16,812,800	–	–
Due to directors of subsidiaries	<b>40,065,851</b>	38,672,829	–	–
Provision for liquidated damages	<b>2,242,422</b>	2,958,680	–	–
Sundry payables	<b>37,177,645</b>	29,493,242	<b>309,693</b>	725,179
	<b>139,646,194</b>	97,527,627	<b>90,522,895</b>	88,024,674

The amounts due to subsidiary, associated company, shareholders, directors and advances from third parties are unsecured, interest free and have no fixed terms of repayment.

**18. SHARE CAPITAL**

	Number of Ordinary Shares of RMI Each		Amount	
	2001	2000	2001 RM	2000 RM
At 1 January / 31 December:				
Authorised	<b>500,000,000</b>	500,000,000	<b>500,000,000</b>	500,000,000
Issued and fully paid	<b>259,502,583</b>	259,502,583	<b>259,502,583</b>	259,502,583

The Dijaya Corporation Berhad Employees' Share Option Scheme ("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 include inter-alia:

- (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 as to the balance of any 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 RMI, whichever is the higher.
- (g) The options granted do not confer any right to participate in any share issue of any other company.

At 31 December, 2001, the Company has 2,208,000 unissued ordinary shares under option at an exercise price of RM3.266 per share. None of the ESOS was exercised during the financial year.

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### 19. DEFERRED TAXATION

	Group	
	2001 RM	2000 RM
At 1 January, as previously stated	110,150,708	121,770,567
Prior year adjustment (Note 30)	<b>(3,365,957)</b>	(942,530)
At 1 January, as restated	<b>106,784,751</b>	120,828,037
Transfer to income statement (Note 28)	<b>(5,177,700)</b>	(11,619,859)
Prior year adjustment (Note 30)	-	(2,423,427)
At 31 December	<b>101,607,051</b>	106,784,751

The prior year adjustment relates to the tax effect on additional cost of development land charged to the income statement. The deferred taxation of the Group is mainly in respect of timing differences between book depreciation of property, plant and equipment and capital allowances for taxation purposes.

### 20. SINKING FUND RESERVE

	Group	
	2001 RM	2000 RM
At 1 January	2,589,351	2,156,272
Additions	917,635	641,035
Claims made during the financial year	-	(207,956)
At 31 December	<b>3,506,986</b>	2,589,351

### 21. 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.

### 22. LONG TERM BORROWINGS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Term loans, unsecured	99,324,561	164,444,716	2,328,991	2,328,991
Due within 12 months (Note 15)	<b>(38,178,572)</b>	(90,889,413)	<b>(2,328,991)</b>	(2,328,991)
Due after 12 months	<b>61,145,989</b>	73,555,303	-	-
Hire purchase and lease payables due after 12 months (Note 16)	<b>698,265</b>	684,520	-	6,636
	<b>61,844,254</b>	74,239,823	-	6,636

**22. LONG TERM BORROWINGS (CONT'D)**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Maturity of borrowings (excluding hire purchase and lease):				
Within one year	<b>38,178,572</b>	90,889,413	<b>2,328,991</b>	2,328,991
Between one and two years	<b>49,440,063</b>	72,049,426	–	–
Between two and five years	<b>11,705,926</b>	1,505,877	–	–
	<b>99,324,561</b>	164,444,716	<b>2,328,991</b>	2,328,991

The term loans bear interest at rates ranging from 8.4% to 9.5% (2000: 6.9% to 9.8%) per annum. The term loans are secured by the following:

- Fixed charge over certain development properties as disclosed in Note 4;
- Fixed and floating charge over the property, plant and equipment of certain subsidiaries as disclosed in Note 3; and
- Fixed charge over certain quoted shares and loan stocks of certain subsidiaries as disclosed in Note 7.

**23. REVENUE**

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

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Progress billings net of discount from sale of development properties	<b>87,848,387</b>	169,733,341	–	–
Revenue from recreation and resort operations	<b>16,213,259</b>	15,647,375	–	–
Certified value of contracts and sales of trading goods	<b>22,128,610</b>	14,856,978	–	–
Revenue from internet related ventures	<b>7,864,158</b>	11,966,072	–	–
Property management and maintenance	<b>3,349,243</b>	–	–	–
Sales of manufactured goods at invoiced value net of discounts	<b>9,560</b>	–	–	–
Interest income from investment holding, credit and leasing activities	<b>18,781</b>	90,320	–	–
Dividend income:				
– Unquoted investments in subsidiary	–	–	<b>23,000,000</b>	13,888,889
– Quoted investments in Malaysia	<b>594,725</b>	791,681	–	–
	<b>138,026,723</b>	213,085,767	<b>23,000,000</b>	13,888,889

## Notes to the Financial Statements

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### 24. PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting):

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Staff costs	16,139,009	11,514,609	1,591,387	940,579
Directors' remuneration (Note 25)	1,052,100	933,300	128,800	81,000
Auditors' remuneration	174,000	171,900	40,000	43,000
Bad debts written off	32,235	–	–	541,837
Bad debts recovered	(84,871)	–	–	–
Provision/(reversal of provision) for doubtful debts				
– Trade receivables	135,814	(3,723,523)	–	–
– Other receivables	(14,636)	(374,727)	(14,636)	–
– Amount due from a subsidiary	–	–	344,958	–
Depreciation	6,588,821	7,029,439	656,290	519,084
Gain on disposal of property, plant and equipment	(230,114)	(2,120,328)	(11,250)	–
Property, plant and equipment written off	20,010	–	–	–
Loss/(gain) on disposal of quoted investments (Note 32(d))	6,179,710	(3,082,034)	–	–
Loss on disposal of land held under development	–	12,650,887	–	–
Gain on disposal of investment in an associated company	–	(344,000)	–	–
Provision for diminution in value of subsidiaries	–	–	5,422,355	–
Provision for impairment of goodwill	630,418	–	–	–
Realised loss on foreign exchange	18,955	6,400	–	–
Rental of office premises	760,114	593,009	466,930	467,597
Rental of office equipment	105,386	38,118	12,695	10,200
Reversal of provision for contract payable	(11,821,567)	(5,359,351)	–	–
Unrealised returns on endowment policy	(160,564)	(172,911)	–	–
Amortisation of endowment fund premium	11,140	69,630	–	–
Rental income	(2,918,993)	(2,299,783)	–	–
Interest income	(2,001,681)	(3,158,955)	(214,293)	(1,131,790)

### 25. DIRECTORS' REMUNERATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Directors of the Company</b>				
Executive:				
Salaries and other emoluments	710,000	656,000	–	–
Bonus	72,000	56,000	–	–
	<b>782,000</b>	<b>712,000</b>	<b>–</b>	<b>–</b>
Non-Executive:				
Fees	128,800	81,000	128,800	81,000

**25. DIRECTORS' REMUNERATION (CONT'D)**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>Other Directors</b>				
Executive:				
Salaries and other emoluments	24,000	24,000	-	-
Non-Executive:				
Fees	117,300	116,300	-	-
<b>Total</b>	<b>1,052,100</b>	<b>933,300</b>	<b>128,800</b>	<b>81,000</b>

**26. FINANCE COST**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest expense on borrowings	18,044,862	26,004,955	5,607,290	7,388,139
Less: Amount capitalised in land held for development and development properties	(3,422,174)	(12,353,304)	-	-
	<b>14,622,688</b>	<b>13,651,651</b>	<b>5,607,290</b>	<b>7,388,139</b>

**27. SHARE OF RESULTS OF ASSOCIATED COMPANIES**

Included in the share of results of associated companies in the current year is the Group's share of gain on disposal of South Johor Securities Sdn Bhd (as disclosed in Note 32(a)) of approximately RM20.8 million.

**28. TAXATION**

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Current year's provision on Malaysian income tax	8,533,440	14,051,505	6,440,000	3,888,889
Transfer from deferred taxation (Note 19)	(5,177,700)	(11,619,859)	-	-
Prior year adjustment (Note 30)	-	(2,423,427)	-	-
	<b>3,355,740</b>	<b>8,219</b>	<b>6,440,000</b>	<b>3,888,889</b>
Taxation underprovided in prior years	-	(3,999)	-	-
	<b>3,355,740</b>	<b>4,220</b>	<b>6,440,000</b>	<b>3,888,889</b>
Share of taxation of associated companies	836,413	461,777	-	-
	<b>4,192,153</b>	<b>465,997</b>	<b>6,440,000</b>	<b>3,888,889</b>

## Notes to the Financial Statements

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### 28. TAXATION (CONT'D)

The effective rate of taxation of the Group which is lower than the statutory rate of taxation was mainly due to non-taxable capital gain of an associated company, net of losses of certain subsidiary companies which cannot be set off against profits made by other companies in the Group as no group relief are available.

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

As at 31 December, 2001, the Company has unabsorbed tax losses and unabsorbed capital and reinvestment allowances of approximately RM14,700,000 (2000: RM5,900,000) and RM24,400,000 (2000: 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, 2001, the Company has a potential deferred tax benefit of approximately RM10,500,000 (2000: RM7,800,000), 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.

### 29. EARNINGS PER SHARE

- (a) Basic earnings per share of the Group is calculated by dividing the net profit attributable to shareholders of RM15,381,851 (2000: RM4,184,677) by the number of ordinary shares in issue during the financial year of 259,502,583 (2000: 259,502,583).

The comparative earnings per share information has been restated to take into account the effect on the net profit attributable to shareholders of a prior year adjustment as disclosed in Note 30.

- (b) The effects on the basic earnings per share for the current financial year arising from the assumed exercise of ESOS is anti-dilutive. Accordingly, diluted earnings per share for the current year has not been presented.

### 30. PRIOR YEAR ADJUSTMENTS

The prior year adjustments and effects on the financial statements consist of the following:

Prior Year Adjustments	← Accumulated losses →							
	Prior to 1 January, 2000 RM	Net Profit for Financial Year 2000 RM	Reserve on Consolidation RM	Minority Interests RM	Deferred Taxation RM	Development Properties RM	Other Investments RM	Associated Companies RM
• Being Group's cost of development land under allocated and charged to the income statements in prior years	(2,466,846)	(6,342,741)	-	(2,596,595)	(3,365,957)	(14,772,139)	-	-
• Being underprovision for diminution in value of long term investments in prior years	(9,043,739)	-	-	-	-	-	(9,043,739)	-

**30. PRIOR YEAR ADJUSTMENTS (CONT'D)**

Prior Year Adjustments	← Accumulated losses →							
	Prior to 1 January, 2000 RM	Net Profit for Financial Year 2000 RM	Reserve on Consolidation RM	Minority Interests RM	Deferred Taxation RM	Development Properties RM	Other Investments RM	Associated Companies RM
• Being dividend income received from an associated company prior to 1997 not eliminated against share of post acquisition reserves of an associated company	(1,436,825)	-	-	-	-	-	-	(1,436,825)
• Being restatement of reserve on consolidation and cost of investment of a long term investment which was overstated in prior years	-	-	(8,748,798)	-	-	-	(8,748,798)	-
• Being restatement of reserve on consolidation which was overstated due to under-allocation of share of net assets of acquired subsidiaries to minority interests in prior years	-	-	(1,612,031)	1,612,031	-	-	-	-
	<u>(12,947,410)</u>	<u>(6,342,741)</u>	<u>(10,360,829)</u>	<u>(984,564)</u>	<u>(3,365,957)</u>	<u>(14,772,139)</u>	<u>(17,792,537)</u>	<u>(1,436,825)</u>

These prior year adjustments have been accounted for retrospectively and comparative information have been restated. These prior year adjustments, however, has no effect on the Company's profit after taxation.

(a) The effects of the above adjustments on the accumulated losses of the Group are as follows:

	<b>Group RM</b>
For period prior to 1 January, 2000	(12,947,410)
For the financial year ended 31 December, 2000	(6,342,741)
For period prior to 1 January, 2001	<u>(19,290,151)</u>

## Notes to the Financial Statements

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### 30. PRIOR YEAR ADJUSTMENTS (CONT'D)

- (b) The effects of the above adjustments on the balance sheet and income statement of the Group as at 31 December, 2000 are as follows:

Group	As Previously Stated RM	Effects of Prior Year Adjustments RM	As Restated RM
<b>Income Statement</b>			
Cost of sales	(162,781,661)	(10,635,670)	(173,417,331)
Taxation	(2,889,424)	2,423,427	(465,997)
Minority interest	(1,112,533)	1,869,502	756,969
Net profit attributable to shareholders for the year ended 31 December, 2000	10,527,418	(6,342,741)	4,184,677
<b>Balance Sheet</b>			
Accumulated losses as at 1 January, 2000	(148,069,124)	(12,947,410)	(161,016,534)
Accumulated losses as at 1 January, 2001	(137,541,706)	(19,290,151)	(156,831,857)
Reserve on consolidation	43,571,593	(10,360,829)	33,210,764
Minority interests	67,699,537	(984,564)	66,714,973
Deferred taxation	110,150,708	(3,365,957)	106,784,751
Development properties	537,872,645	(14,772,139)	523,100,506
Other investments	217,432,378	(17,792,537)	199,639,841
Associated companies	25,594,413	(1,436,825)	24,157,588

### 31. CONTINGENT LIABILITIES

	Company	
	2001 RM	2000 RM
Unsecured corporate guarantee given to banks for credit facilities granted to certain subsidiaries	<b>48,600,000</b>	66,000,000

### 32. SIGNIFICANT EVENTS

- (a) On 26 February, 2001, South Johor Equities Sdn. Bhd., an associated company of the Company, completed the sale of its wholly-owned subsidiary, South Johor Securities Sdn Bhd to Arab-Malaysian Securities Sdn Bhd for a total cash consideration of RM173,729,253.
- (b) On 21 August, 2001, Ikatana Engineering Sdn. Bhd., a subsidiary of the Company, disposed its entire equity interest in its wholly-owned dormant subsidiary, Ikatana Oilfield Services Sdn. Bhd., comprising 4 ordinary shares of RM1.00 each to third parties for a total cash consideration of RM4.
- (c) On 23 August, 2001, the Company subscribed for an additional 49,998 ordinary shares of RM1.00 each in its wholly-owned subsidiary, Accroway Sdn. Bhd. ("Accroway"), for a total cash consideration of RM49,998, thereby increasing the Company's total shareholdings in Accroway from 2 to 50,000 shares, representing 100% of the enlarged issued and paid-up capital of Accroway.
- (d) On 6 September, 2001 and 10 September, 2001, Desiran Realiti Sdn. Bhd., a 51% indirect owned subsidiary of the Company, disposed an aggregate of 3,000,000 ordinary shares of RM1.00 each in MTD Capital Bhd ("MTD") for a cash consideration of RM15,905,620.

**33. SUBSEQUENT EVENTS**

- (a) On 7 January, 2002, the Company granted options for an additional 4,152,000 ordinary shares pursuant to the ESOS at an exercise price of RM1.05 per share.
- (b) 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 ("DVSb") 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.
- (c) On 28 February, 2002, DRSB entered into a share sale agreement with DVSb for the disposal of 2,113,054 ordinary shares of RM1.00 each of MTD for a cash consideration of RM11,279,998.
- (d) Between the period from 19 March, 2002 to 29 March, 2002, DRSB has via direct business transactions, disposed of an aggregate of 6,200,000 ordinary shares of RM1.00 each of MTD for a total cash consideration of RM35,850,120.
- (e) On 28 March, 2002 and 29 March, 2002, Terbit Berkat Sdn. Bhd. ("TBSB"), a wholly-owned subsidiary of the Company has via direct business transactions, disposed of an aggregate of 1,700,000 ordinary shares of RM1.00 each of MTD for a total cash consideration of RM9,829,820.
- (f) On 10 April, 2002, Bakat Rampai Sdn. Bhd. ("BRsb"), a wholly-owned subsidiary of the Company had acquired the balance of 5,200,000 ordinary shares of RM1.00 each in Dijaya Land Sdn. Bhd. ("DLSB") representing the remaining 40.0% equity interest in DLSB, for an aggregate nominal purchase consideration of RM2.00, thus turning DLSB into a wholly-owned subsidiary of BRsb.

**34. COMPARATIVE FIGURES**

The comparative figures have been audited by a firm of public accountants other than Arthur Andersen & Co.

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

<b>Group</b>	<b>As Restated RM</b>	<b>As Previously Stated RM</b>
Land held for development	35,820,089	26,553,082
Development properties	537,872,645 *	559,220,675
Inventories	76,370,920	64,289,897

\* This amount is shown before the effects of the prior year adjustments disclosed in Note 30.

The above reclassifications were made as the directors now consider a portion of the development properties as non-current assets which is reclassified as land held for development and as inventories, respectively.

Note 30 discloses the adjustments to comparatives arising from the prior year adjustments described in that note.

## Notes to the Financial Statements

31 December, 2001

### 35. SEGMENTAL INFORMATION

Segmental Information by Business Segments:

	Total Revenue RM	Revenue Derived From Other Segments*	Net Revenue Derived From External Customers RM	Profit/(Loss) Before Taxation And Share of Profits from Associated Companies RM	Share of Profits from Associated Companies RM	Total Assets Employed RM
<b>2001</b>						
Real property and resort development	107,410,889	–	107,410,889	12,402,632	–	1,002,388,688
Manufacturing	–	–	–	(86,464)	1,936,092	273,820
Engineering and trading	22,138,170	–	22,138,170	853,613	–	10,646,456
Investment holding	25,661,395	25,048,333	613,062	(18,926,754)	20,879,815	183,012,474
Credit and leasing	444	–	444	(5,227)	–	102,377
Stockbroking	–	–	–	–	–	–
Internet related venture	7,864,158	–	7,864,158	981,552	–	32,101,835
	<b>163,075,056</b>	<b>25,048,333</b>	<b>138,026,723</b>	<b>(4,780,648)</b>	<b>22,815,907</b>	<b>1,228,525,650</b>
<b>2000</b>						
Real property and resort development	185,380,716	–	185,380,716	19,790	–	1,069,627,708
Manufacturing	–	–	–	2,262,390	1,649,202	443,520
Engineering and trading	14,856,978	–	14,856,978	(70,503)	–	21,554,410
Investment holding	14,680,570	13,888,889	791,681	(10,045,993)	–	148,248,256
Credit and leasing	90,320	–	90,320	(3,157)	–	1,161,046
Stockbroking	–	–	–	–	9,273,066	15,083,117
Internet related venture	11,966,072	–	11,966,072	808,910	–	21,085,615
	<b>226,974,656</b>	<b>13,888,889</b>	<b>213,085,767</b>	<b>(7,028,563)</b>	<b>10,922,268</b>	<b>1,277,203,672</b>

\* Relates to dividend income received from other business segments

**35. SEGMENTAL INFORMATION (CONT'D)**

Segmental Information by Geographical Segment:

	Total Revenue# RM	Profit/(Loss) Before Taxation And Share of Profits from Associated Companies RM	Share of Profits from Associated Companies RM	Total Assets Employed RM
<b>2001</b>				
Malaysia	130,462,565	(7,488,295)	22,815,907	1,199,561,047
British Virgin Islands	7,564,158	2,715,932	-	15,664,611
Hong Kong	-	(8,285)	-	13,299,992
	<b>138,026,723</b>	<b>(4,780,648)</b>	<b>22,815,907</b>	<b>1,228,525,650</b>
<b>2000</b>				
Malaysia	204,269,695	(8,235,561)	10,922,268	1,259,861,395
British Virgin Islands	8,816,072	1,216,977	-	4,042,285
Hong Kong	-	(9,979)	-	13,299,992
	<b>213,085,767</b>	<b>(7,028,563)</b>	<b>10,922,268</b>	<b>1,277,203,672</b>

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

**36. CURRENCY**

All amounts are stated in Ringgit Malaysia unless otherwise stated.

# Analysis of Shareholdings

As at 8 May 2002

## SHARE CAPITAL

Authorised Share Capital	: RM500,000,000
Issued and Fully Paid Shares	: 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 Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
1 – 999	87	0.55	16,345	0.00
1,000 – 10,000	14,880	94.12	38,777,122	14.94
10,001 – 100,000	775	4.90	20,105,593	7.75
100,001 – 12,976,278 *	65	0.41	115,584,840	44.54
12,976,279 and above **	3	0.02	85,041,683	32.77
<b>Total</b>	<b>15,810</b>	<b>100.00</b>	<b>259,525,583</b>	<b>100.00</b>

Note: \* - Less than 5% of issued shares  
 \*\* - 5% and above of issued shares

## DIRECTORS' SHAREHOLDINGS

Name	Direct Holdings		Indirect Holdings	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued 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	27.20
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

## SUBSTANTIAL SHAREHOLDERS

(EXCLUDING BARE TRUSTEES) AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Holdings		Indirect Holdings	
	No. of Shares	% of Shares	No. of Shares	% of Shares
1. Dato' Tan Chee Sing	75,150,374	28.96	70,604,576	27.21
2. Golden Diversity Sdn Bhd	47,904,576	18.46	0	0.00
3. Impeccable Ace Sdn Bhd	22,700,000	8.75	0	0.00

**THIRTY LARGEST REGISTERED SHAREHOLDERS**

Name	No. of Shares Held	% of Issued Shares
1. RHB Capital Nominees (Tempatan) Sdn Bhd – Tan Chee Sing	42,300,000	16.30
2. Golden Diversity Sdn Bhd	26,850,000	10.35
3. Tan Chee Sing	15,891,683	6.12
4. Permodalan Nasional Berhad	10,389,557	4.00
5. Impeccable Ace Sdn Bhd	9,200,000	3.54
6. EB Nominees (Tempatan) Sendiran Berhad – Golden Diversity Sdn Bhd	8,500,000	3.28
7. RHB Capital Nominees (Tempatan) Sdn Bhd – Impeccable Ace Sdn Bhd	7,500,000	2.89
8. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd – Kitson Foong & Associates for Tan Chee Sing	6,595,691	2.54
9. PAB Nominee (Tempatan) Sdn Bhd – Tan Chee Sing	6,500,000	2.50
10. RHB Capital Nominees (Tempatan) Sdn Bhd – Impeccable Ace Sdn Bhd	6,000,000	2.31
11. Desiran Hebat Sdn Bhd	5,800,275	2.23
12. HLB Nominees (Tempatan) Sdn Bhd – Golden Diversity Sdn Bhd	5,570,000	2.15
13. Chan Chau Cheng	5,097,000	1.96
14. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd – Khadijah Binti Abdul Khalid	5,095,000	1.96
15. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd – Golden Diversity Sdn Bhd	4,300,000	1.66
16. Lanjut Persada Sdn Bhd	4,000,000	1.54
17. Bayangan Impresif Sdn Bhd	3,419,000	1.32
18. Warisan Istimewa Sdn Bhd	3,140,260	1.21
19. HLB Nominees (Tempatan) Sdn Bhd – Golden Diversity Sdn Bhd	2,680,000	1.03
20. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd – Kitson Foong & Associates for Desiran Hebat Sdn Bhd	2,344,028	0.90
21. HLB Nominees (Tempatan) Sdn Bhd – Tan Chee Sing	1,700,000	0.66
22. Tengku Adnan Bin Tengku Mansor	1,531,461	0.59
23. Amsec Nominees (Tempatan) Sdn Bhd – Tan Chee Sing	1,500,000	0.58
24. Advance Pacific Sdn Bhd	926,868	0.36
25. M & A Nominee (Asing) Sdn Bhd – M&A Securities (HK) Ltd for Anglo Asia Investments Limited	897,000	0.35
26. Chan Chou Chian	863,000	0.33
27. RHB Capital Nominees (Tempatan) Sdn Bhd – Tan Chee Yioun	800,000	0.31
28. M & A Nominee (Asing) Sdn Bhd – Richmond Limited	678,196	0.26
29. Asian Atlantic Holdings Limited	678,196	0.26
30. CL & Yew Construction Sdn Bhd	667,000	0.26

# List of Properties Owned by the Group

as at 31 December 2001

Location	Date of Acquisition	Tenure	Approximate Age of Building	Net Book Value (RM'000)	Description
Tropicana Golf & Country Resort 47410 Petaling Jaya	18.06.1994 <i>note (1)</i>	Leasehold (99 years) – expiring on 25.10.2090	7 years	128,228	Golf course and mixed development
Lot 3448-9, 3451, 3455-6, 3477, 3511, 4426 and 2007 Mukim Ulu Behrang East Daerah Batang Padang, Perak	09.11.1994	Freehold	N/A	4,000	Agriculture land
Lot 50-51, IGB International Industrial Park Jalan Kuala Kangsar Ipoh, Perak	Lot 51– 05.06.1990 Lot 50– 24.12.1992	Leasehold (99 years) – expiring on 17.10.2089	Lot 50 – 12 years Lot 51 – 10 years	2,900	Industrial land
Lot 92 IGB International Industrial Park Jalan Kuala Kangsar Ipoh, Perak	04.04.1994	Leasehold (99 years) – expiring on 17.10.2089	N/A	1,200	Industrial land
Lot 35, Taman Alkaff Jalan Silibin Ipoh, Perak	22.03.1984	Leasehold (99 years) – expiring on 16.07.2079	18 years	180	Shoplot
Lot No. PT 837 Mukim Ijuk Kuala Selangor Selangor	25.05.1995 <i>note (2)</i>	Leasehold (99 years) – expiring on 17.04.2089	N/A	300	Commercial/residential development land
Lot No. 3049 & 3050 9 1/2 Miles Jalan Sungai Besi Serdang, Selangor	11.10.1995 <i>note (3)</i>	Leasehold (99 years) – expiring on 21.01.2095	N/A	2,460	Development land
Lot Nos. 405, 413, 415 & 417 Section 4 Town of Bukit Mertajam District of Seberang Perai Tengah Pulau Pinang	13.08.1996	Freehold	N/A	12,415	Development land
Lot 673 (Grant 3473) Section I Pekan Sungei Penchala Selangor	30.05.1994	Freehold	N/A	8,311	Development land
Lot No. 26103 (Grant 22944) Mukim and District of Damansara Selangor	07.03.1995	Freehold	3 years	80,734	Development land
Section I Kota Damansara Daerah Petaling Selangor	18.05.1994	Leasehold (99 years) – expiring in 2098	N/A	43,934	Development land

## Note:

1. Date of which Tropicana Golf & Country Resort Berhad became a wholly-owned subsidiary of the Company.
2. Date of which Izasaja Sdn Bhd became a wholly-owned subsidiary of Banjaran Mutiara Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company.
3. Date of which Aspek Analisa Sdn Bhd became a wholly-owned subsidiary of the Company.

# Proxy Form

**Dijaya Corporation Berhad**  
(47908-K) (Incorporated in Malaysia)

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 Third (23<sup>rd</sup>) Annual General Meeting of the Company to 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 Friday, 28 June 2002 at 10.30 a.m. or any adjournment thereof.

**NO. RESOLUTIONS**

**FOR                      AGAINST**

1.	To receive and adopt the Audited Accounts of the Company for the financial year ended 31 December 2001 together with the Reports of the Directors and Auditors thereon.	_____	_____
2.	To re-elect Tan Sri Datuk Ahmad Farouk bin Isahak as Director.	_____	_____
3.	To re-elect Dato' Tan Chee Sing as Director.	_____	_____
4.	To re-elect Mr. Poh Pai Kong as Director.	_____	_____
5.	To re-elect Dato' Dr Thong Kok Cheong as Director.	_____	_____
6.	To re-elect Mr. Tong Kien Onn as Director.	_____	_____
7.	To approve the payment of Directors' fees for the financial year ended 31 December 2001.	_____	_____
8.	To re-appoint Messrs. Arthur Andersen & Co. as Auditors and to authorise the Directors to determine their remuneration.	_____	_____
9.	To grant to Mr. Tong Kien Onn, the Executive Director, options to subscribe for such number of ordinary shares up to a maximum of 500,000 new ordinary shares in the Company to be allotted and issued pursuant to the Employees' Share Option Scheme.	_____	_____
10.	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/proxies will vote or abstain from voting at his/their discretion.

No. of shares held

\_\_\_\_\_  
Signature of Shareholder(s)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2002

**NOTES:**

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the company and the provisions 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or in some other manner approved by its directors.
3. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. To be valid, the instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at Lot 302, 3rd Floor, Wisma Dijaya, No. 1A, Jalan 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.

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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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