

All abbreviations used herein shall have the same meaning as those defined in the "Definitions" page of this AP unless stated otherwise.

**THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.** If you have sold or transferred all your Dijaya Shares, you should at once hand this AP together with the NPA and the RSF (collectively referred to as "Documents") to the agent/broker through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Documents relating to the Rights Issue are only despatched to our shareholders who have a registered address in Malaysia and whose names appear in our Record of Depositors at 5.00 p.m. on 24 September 2012. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of Entitled Shareholders and/or their renounee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia to immediately consult their legal advisers and other professional adviser as to whether the acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be), would result in the contravention of any laws of such countries or jurisdictions. Neither we nor the Joint Advisers shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be) made by Entitled Shareholders and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their renounee(s) (if applicable) is a resident.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from our shareholders at the EGM held on 10 August 2012. Approval has been obtained from Bursa Securities vide its letter dated 18 July 2012 for the listing of and quotation for, amongst others, the Rights Shares and Bonus Shares on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares and Bonus Shares are in no way reflective of the merits of the Rights Issue. The official quotation of the Rights Shares and Bonus Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Your Board has seen and approved all the documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

The Joint Advisers for the Rights Issue acknowledge that, based on all available information, and to the best of their knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.



(Company No: 47908-K)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 491,302,655 NEW ORDINARY SHARES OF RMI.00 EACH IN DIJAYA ("DIJAYA SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RMI.20 PER RIGHTS SHARE, TOGETHER WITH AN ATTACHED BONUS ISSUE OF UP TO 122,825,664 NEW DIJAYA SHARES ("BONUS SHARES") TO BE CREDITED AS FULLY PAID UP, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING DIJAYA SHARES HELD AS AT 5:00 PM ON 24 SEPTEMBER 2012 AND ONE (1) BONUS SHARE FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR**

*Joint Advisers*



**RHB Investment Bank Berhad**

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



**Astramina Advisory Sdn Bhd**  
(Company No. 810705-K)

**IMPORTANT RELEVANT DATES AND TIMES**

Entitlement Date .....: Monday, 24 September 2012 at 5.00 p.m.

**LAST DATES AND TIMES FOR:-**

Sale of Provisional Rights Shares .....: Monday, 1 October 2012 at 5.00 p.m.

Transfer of Provisional Rights Shares.....: Thursday, 4 October 2012 at 4.00 p.m.\*

Acceptance and Payment.....: Tuesday, 9 October 2012 at 5.00 p.m.\*

Excess Application and Payment.....: Tuesday, 9 October 2012 at 5.00 p.m.\*

\* or such later date and time as your Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

**THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.**

**THE INCLUSION OF THE VALUATION CERTIFICATES IN RELATION TO THE REAL PROPERTIES IN THIS AP SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE REAL PROPERTIES.**

**INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this AP:-

Abridged Prospectus or AP	: This Abridged Prospectus dated 24 September 2012 in relation to the Rights Issue
Acquisitions	: Acquisitions by Dijaya and/or its nominee(s) of the entire equity interest in the Identified Companies and the Identified Properties from the respective Vendors for a total consideration of RM934,681,436 which was satisfied partly in cash and partly via the issuance of RCULS
ACSB	: Ambang Cendana Sdn Bhd (370926-D)
Act	: Companies Act, 1965
AEA	: The conditional amalgamation exercise agreement dated 6 March 2012 entered into between Dijaya and the Vendors in relation to the Acquisitions, Rights Issue and Proposed CP/MTN Programme, as amended by a supplemental agreement dated 6 July 2012
AFSB	: Aliran Firasat Sdn Bhd (392360-V)
AKSB	: Asas Kenari Sdn Bhd (705767-M)
AmInvestment Bank	: AmInvestment Bank Berhad (23742-V)
Astramina	: Astramina Advisory Sdn Bhd (810705-K)
Board	: Board of Directors
Bonus Shares	: Up to 122,825,664 new Shares to be issued pursuant to the Rights Issue
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
Business Day	: A day (other than a Saturday, Sunday or a public holiday) on which banks, licensed to carry on banking business under the provisions of the Banking and Financial Institutions Act 1989, are open for business in Kuala Lumpur and Selangor
CBRE	: CB Richard Ellis (Malaysia) Sdn Bhd (333510-P)
CCC	: Certificate of Completion and Compliance
CDS	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account(s)	: Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
CH Williams	: CH Williams Talhar & Wong Sdn Bhd (18149-U)
CH Williams (Sabah)	: CH Williams Talhar & Wong (Sabah) Sdn Bhd (34874-P)
CMSA	: Capital Markets and Services Act, 2007
Code	: Malaysian Code on Take-Overs and Mergers, 2010
Completion	: Completion of the Acquisitions as contemplated under the terms and conditions of the respective Definitive Agreements

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**DEFINITIONS (Cont'd)**


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Completion Date	: The Business Day falling three (3) months after the satisfaction of all the conditions precedent set out in the respective Definitive Agreements, or such other date as may be agreed upon between the parties upon which Completion is to take place
Corporate Exercises	: Collectively, the Acquisitions, Rights Issue and Proposed CP/MTN Programme
CP/MTN	: Commercial papers/medium term notes
CRCSB	: Coastal Recreation Centre Sdn Bhd (177870-V)
D & I Corporation	: D & I Corporation Sdn Bhd (57541-P)
D & I Enterprise	: D & I Enterprise Sdn Bhd (57959-M)
Daya Petaling	: Daya Petaling Sdn Bhd (677650-H)
Deed Poll	: The deed poll dated 28 October 2009 governing the Warrants 2009/2019
Definitive Agreements	: Collectively, the 23 conditional SPAs and 17 conditional SSAs
Desa Setia	: Desa Setia Sdn Bhd (152980-X)
Diana Tan	: Diana Tan Sheik Ni
Dickson Tan	: Dickson Tan Yong Loong
Dijaya or Company	: Dijaya Corporation Berhad (47908-K)
Dijaya Group or Group	: Dijaya and its subsidiaries
Dijaya Plaza	: Dijaya Plaza Sdn Bhd (196734-H)
Directors	: Directors of Dijaya
Documents	: Collectively, the AP, NPA and RSF
Dynamic Sensation	: Dynamic Sensation Sdn Bhd (221262-T)
EBITDA	: Earnings before interest, tax, depreciation and amortisation
EGM	: Extraordinary general meeting
ELSB	: Ebony Legacy Sdn Bhd (878381-P)
Entitled Shareholder(s)	: Our shareholder(s) whose name(s) appear in our Record of Depositors on the Entitlement Date
Entitlement Date	: 5.00 p.m. on 24 September 2012, being the time and date on which our shareholders must be registered in our Record of Depositors in order to be entitled to participate in the Rights Issue
EPS	: Earnings per Share
ESOS	: Employee Share Option Scheme of our Company
ESOS Option(s) or Option(s)	: Option(s) issued/to be issued pursuant to the ESOS

**DEFINITIONS (Cont'd)**

Excess Rights Shares	: Rights Shares with attached Bonus Shares which are not taken up or not validly taken up by Entitled Shareholders and/or their renounee(s)
FFL	: Fortune First Limited (646463)
Foreign Addressed Shareholders	: Our foreign shareholders on the Entitlement Date who have not provided an address in Malaysia for the service of documents to be issued for purposes of the Rights Issue
FPE	: Financial period ended
FYE	: Financial year(s) ended/ending, as the case may be
GDSB	: Golden Diversity Sdn Bhd (329212-V)
GDV	: Gross development value
GJSB	: Germewah Jaya Sdn Bhd (230531-X)
GSB	: Glorade Sdn Bhd (151106-U)
HGRSB	: Happy Graphic Recreation Sdn Bhd (210099-W)
IASB	: Impeccable Ace Sdn Bhd (323230-W)
IBMM	: IB Mentari Management Sdn Bhd (855370-K)
IBSB	: Istim Budi Sdn Bhd (705773-X)
Identified Companies	: Collectively, ACSB, AKSB CRCSB, Daya Petaling, Dijaya Plaza, ELSB, IBSB, IPSB, IRSB, KCSB, PCSB, PKSB, QPSB, STNSB, TPSB, USSB and WRSB
Identified Properties	: Collectively, the real properties held by D & I Corporation, D & I Enterprise, Desa Setia, Dynamic Sensation, GJSB, GSB, HGRSB, LESB, MCSB, MLSB, Mutiara Cempaka, PWSB, PRSB and UDSB
IPSB	: Image Pertiwi Sdn Bhd (349767-D)
IRSB	: Intan Recreation Sdn Bhd (39603-V)
Joint Advisers	: Collectively, RHB Investment Bank, AmInvestment Bank and Astramina
KCSB	: Kuasa Cekapmas Sdn Bhd (781254-K)
Knight Frank	: Knight Frank (Proprietor: Ooi & Zaharin Sdn Bhd) (585479-A)
Landlords	: Certain existing subsidiaries of Dijaya and certain Identified Companies
LESB	: Lion Establishment Sdn Bhd (251174-V)
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 7 September 2012, being the latest practicable date prior to the registration of this AP with the SC
M&A	: Memorandum and Articles of Association
Market Day(s)	: Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities

**DEFINITIONS (Cont'd)**

Maximum Scenario	: Assuming that all outstanding Warrants 2009/2019 and ESOS Options as at the LPD are exercised and all Entitled Shareholders and/or their renounee(s) subscribe in full for their respective entitlements under the Rights Issue at an issue price of RM1.20 per Rights Share
MCSB	: Moretune Corporation Sdn Bhd (251520-A)
Minimum Scenario	: Assuming that none of the outstanding Warrants 2009/2019 and ESOS Options as at the LPD are exercised and none of the Entitled Shareholders and/or their renounee(s) will subscribe for their entitlements save for TSDTCS, IASB and GDSB and/or their renounee(s) who will subscribe for their entitlements pursuant to the Undertakings at an issue price of RM1.20 per Rights Share
Minimum Subscription Level	: Minimum level of subscription for the Rights Issue to raise gross proceeds of RM250,000,000 which will be satisfied via the Undertakings
MLSB	: Metro Laris Sdn Bhd (691038-V)
Mutiara Cempaka	: Mutiara Cempaka Sdn Bhd (228116-X)
NA	: Net assets
NBV	: Net book value
NPA	: Notice of Provisional Allotment
PACs	: Persons acting in concert with TSDTCS, consisting of IASB, GDSB, AFSB, their directors and substantial shareholders and any other persons falling within the definition of Sections 216(2) and 216(3) of the CMSA for the purposes of the Code
PAT	: Profit after tax
PBT	: Profit before tax
PCSB	: Potensi Cekap Sdn Bhd (789119-M)
PKSB	: Punca Klasik Sdn Bhd (216410-U)
Principal Tenancy Period	: Tenancy of the property as described in the respective Property Lease Agreements for a term of three (3) years
Property Lease Agreements	: 26 conditional property lease agreements all dated 6 July 2012 between the Landlords with the Related Party Tenants for the letting/tenancy of the various properties acquired by Dijaya and/or its nominee(s) pursuant to the Acquisitions (after taking into consideration the lettable areas already tenanted by external parties) in order to fulfil the rental yield obligations provided of TSDTCS referred to in Section 5.1 of this AP
Proposed CP/MTN Programme	: Proposed establishment of a bank guaranteed programme of up to RM500,000,000 nominal value of CP/MTN
Provisional Rights Shares	: Rights Shares with attached Bonus Shares provisionally allotted to Entitled Shareholders
PRSB	: Prospect Region Sdn Bhd (242786-M)
PSDCST	: Puan Sri Datin Chan Shao Tsiu

**DEFINITIONS (Cont'd)**

Purchase Consideration	:	Being the purchase consideration payable to the Vendors in relation to the Acquisitions amounting to RM934,681,436
PWSB	:	Profile Wide Sdn Bhd (683631-X)
QPSB	:	Quantum Peace Sdn Bhd (408119-V)
Rahim & Co	:	Rahim & Co Chartered Surveyors (M) Sdn Bhd (69437-W)
RCULS	:	10-year 3% redeemable convertible unsecured loan stocks in our Company
Real Properties	:	Collectively, the Identified Properties and the real properties held by the Identified Companies
Record of Depositors	:	A record of depositors provided by Bursa Depository to our Company under Chapter 24.0 of the Rules of Bursa Depository
Related Party Tenants	:	Collectively, Desa Setia, D&I Enterprise, D&I Corporation, HGRSB, LESB, UDSB and IBMM
Reporting Accountants	:	Messrs Ernst & Young
RHB Investment Bank	:	RHB Investment Bank Berhad (19663-P)
Rights Issue	:	Renounceable rights issue of up to 491,302,655 Rights Shares at an issue price of RM1.20 per Rights Share, together with an attached bonus issue of up to 122,825,664 Bonus Shares to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing Dijaya Shares held as at the Entitlement Date and one (1) Bonus Share for every four (4) Rights Shares subscribed for
Rights Share(s)	:	Up to 491,302,655 new Shares to be issued pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen respectively
RSF	:	Rights subscription form
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission of Malaysia
SCBH	:	Sky City Budget Hotel Sdn Bhd (254302-U)
Secondary Tenancy Period	:	Automatic extension of a further two (2) terms of three (3) years each after the expiry of the Principal Tenancy Period
Share(s) or Dijaya Share(s)	:	Ordinary share(s) of RM1.00 each in our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SPA(s)	:	Sale and purchase agreement(s) dated 9 April 2012 between Dijaya and the respective Vendors in relation to the sale and purchase of the Identified Properties pursuant to the Acquisitions
SSA(s)	:	Share sale agreement(s) dated 9 April 2012 and 6 July 2012 (in respect of the share sale agreement entered into for the acquisition of IRSB) between Dijaya and the respective Vendors in relation to the sale and purchase of the entire equity interest in the Identified Companies pursuant to the Acquisitions

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**DEFINITIONS (Cont'd)**


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STNSB	:	Star Triangle Network Sdn Bhd (346500-D)
TEAP	:	Theoretical ex-all price, adjusted to include the effects from the issuance of the Rights Shares and Bonus Shares arising from the Rights Issue
Term	:	A term of three (3) years with an automatic extension of a further two (2) terms of three (3) years each
TPSB	:	Taraf Permata Sdn Bhd (843616-M)
TSDTCS	:	Tan Sri Dato' Tan Chee Sing
TSDTCS Undertaking	:	The letter of undertaking dated 9 April 2012 by TSDTCS whereby TSDTCS undertakes and covenants to procure such parties to be identified by himself (which may include the Vendors) to, on or before the Completion Date, enter into valid and binding contractual arrangements for the long-term tenancy/lease of all:- <ul style="list-style-type: none"> <li>(a) real properties with completed buildings owned by the Identified Companies; and</li> <li>(b) Identified Properties which comprise completed buildings,</li> </ul> for the Term at an average annual lease rental investment yield for all such properties throughout the Term equivalent to not less than 8% per annum or aggregate gross sum of RM42.7 million per annum, whichever is higher
UDSB	:	Unique Dynasty Sdn Bhd (215273-U)
Undertaking(s)	:	Irrevocable undertakings provided by TSDTCS, IASB and GDSB on 16 May 2012 to subscribe for their collective entitlements of 208,333,333 Rights Shares together with the attached 52,083,333 Bonus Shares under the Rights Issue
USSB	:	Ultimate Support Sdn Bhd (448537-U)
Valuers	:	Collectively, CH Williams, CH Williams (Sabah), Knight Frank, Rahim & Co and CBRE
Vendors	:	Collectively, TSDTCS, PSDCST, Dickson Tan, Diana Tan, FFL, SCBH, D & I Corporation, D & I Enterprise, Desa Setia, Dynamic Sensation, GJSB, GSB, HGRSB, LESB, MLSB, MCSB, Mutiara Cempaka, PWSB, PRSB and UDSB in relation to the Acquisitions
VWAP	:	Volume weighted average market price
Warrants 2009/ 2019	:	Warrants issued by our Company on 9 December 2009 and due to expire on 8 December 2019
WRSB	:	Windmax Region Sdn Bhd (848534-U)



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**DEFINITIONS** (*Cont'd*)

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All references to “**our Company**” in this AP are to Dijaya Corporation Berhad, and references to “**our Group**” are to our Company and our subsidiaries. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context otherwise requires, shall include our subsidiaries.

All references to “**you**” and “**your**” in this AP are to our Entitled Shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender(s), and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time or day in this AP is a reference to Malaysian time, unless otherwise stated.

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**CORPORATE DIRECTORY****OUR BOARD**

<b>Name (Designation)</b>	<b>Address</b>	<b>Nationality</b>	<b>Profession</b>
Dato' Rohana Binti Tan Sri Mahmood (Independent Non-Executive Chairman)	No. 8, Jalan Semantan Dua Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Tan Sri Dato' Tan Chee Sing (Group Chief Executive Officer)	No. 8, Jalan TR 5/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Dato' Tong Kien Onn (Managing Director)	No. 8, Lorong Burung Sintang 3 Taman Bukit Maluri Kepong 52100 Kuala Lumpur Malaysia	Malaysian	Company Director
Dickson Tan Yong Loong (Deputy Managing Director)	No. 8, Jalan TR 5/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Kong Woon Jun (Executive Director)	No. 21, Jalan USJ 18/1C UEP Subang Jaya 47630 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Koong Wai Seng (Executive Director)	No. 83, Jalan Tempua 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Dato' Khoo Poh Chye (Executive Director)	No. 21, Jalan USJ 18/4A UEP Subang Jaya 47630 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Datuk Seri Panglima Mohd Annuar Bin Zaini (Independent Non-Executive Director)	No. 7277, Jalan Nilam 1 Taman Setia, Gombak 58100 Kuala Lumpur Malaysia	Malaysian	Company Director
Dato' Ng Tian Sang @ Ng Kek Chuan (Independent Non-Executive Director)	No. 14, Jalan Bentara Dalam Taman Iskandar 80050 Johor Bahru Johor Darul Takzim Malaysia	Malaysian	Company Director

**CORPORATE DIRECTORY (Cont'd)****OUR BOARD (Cont'd)**

<b>Name (Designation)</b>	<b>Address</b>	<b>Nationality</b>	<b>Profession</b>
Loh Chen Peng (Independent Non-Executive Director)	11-6-3, Desa Damansara No. 99, Jalan Setiakasih Bukit Damansara 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Tang Vee Mun (Independent Non-Executive Director)	No. 54, Jalan Jelutong Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Diana Tan Sheik Ni (Non-Independent Non-Executive Director)	No. 8, Jalan TR 5/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Loh Chen Peng	Chairman	Independent Non-Executive Director
Datuk Seri Panglima Mohd Annuar Bin Zaini	Member	Independent Non-Executive Director
Dato' Ng Tian Sang @ Ng Kek Chuan	Member	Independent Non-Executive Director
Tang Vee Mun	Member	Independent Non-Executive Director

**COMPANY SECRETARY** : Teh Peng Peng (MAICSA 7021299)  
B1706 Ehsan Ria Condo  
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46200 Petaling Jaya  
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Malaysia

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Malaysia

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**CORPORATE DIRECTORY (Cont'd)**

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Email : corpcomm@dijayacorp.com

Website : www.dijaya.com.my

**AUDITORS AND REPORTING  
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ISSUE** : Ernst & Young  
Chartered Accountants  
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**SOLICITORS FOR THE RIGHTS ISSUE** : Mah-Kamariyah & Philip Koh  
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Fax : 03-7956 2208

**PRINCIPAL BANKERS** : Alliance Bank Malaysia Berhad  
Menara Multi-Purpose  
Capital Square  
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Malaysia

Tel : 03-2694 8800

Fax : 03-2694 6727

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Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

Tel : 03-2026 3939

Fax : 03-2026 6855

**CORPORATE DIRECTORY (Cont'd)**

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**PRINCIPAL BANKERS (Cont'd)**

: Affin Bank Berhad  
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80, Jalan Raja Chulan  
50200 Kuala Lumpur  
Malaysia

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Fax : 03-2026 1415

CIMB Bank Berhad  
UL Wisma Amanah Raya Berhad  
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Damansara Heights  
50490 Kuala Lumpur  
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Malayan Banking Berhad  
Menara Maybank  
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Fax : 03-9280 6167

**SHARE REGISTRAR**

: Symphony Share Registrars Sdn Bhd  
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**JOINT ADVISERS FOR THE RIGHTS  
ISSUE**

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Malaysia

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**CORPORATE DIRECTORY (Cont'd)**

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**JOINT ADVISERS FOR THE RIGHTS  
ISSUE (Cont'd)**

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**VALUERS**

: CB Richard Ellis (Malaysia) Sdn Bhd  
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CH Williams Talhar & Wong Sdn Bhd  
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50100 Kuala Lumpur  
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CH Williams Talhar & Wong (Sabah) Sdn Bhd  
2<sup>nd</sup> Floor, Menara MBf  
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Fax: 03-2289 9788

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**CORPORATE DIRECTORY (Cont'd)**

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**VALUERS (Cont'd)**

: Rahim & Co Chartered Surveyors (NS) Sdn Bhd  
No. 124, 1<sup>st</sup> Floor, Jalan Dato' Bandar Tunggal  
70000 Seremban  
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**STOCK EXCHANGE LISTING**

: Main Market of Bursa Securities

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46150 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

24 September 2012

**Board of Directors**

Dato' Rohana Binti Tan Sri Mahmood (*Independent Non-Executive Chairman*)  
Tan Sri Dato' Tan Chee Sing (*Group Chief Executive Officer*)  
Dato' Tong Kien Onn (*Managing Director*)  
Dickson Tan Yong Loong (*Deputy Managing Director*)  
Kong Woon Jun (*Executive Director*)  
Koong Wai Seng (*Executive Director*)  
Dato' Khoo Poh Chye (*Executive Director*)  
Datuk Seri Panglima Mohd Annuar Bin Zaini (*Independent Non-Executive Director*)  
Dato' Ng Tian Sang @ Ng Kek Chuan (*Independent Non-Executive Director*)  
Loh Chen Peng (*Independent Non-Executive Director*)  
Tang Vee Mun (*Independent Non-Executive Director*)  
Diana Tan Sheik Ni (*Non-Independent Non-Executive Director*)

**To: Our Shareholders**

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 491,302,655 RIGHTS SHARES AT AN ISSUE PRICE OF RM1.20 PER RIGHTS SHARE, TOGETHER WITH AN ATTACHED BONUS ISSUE OF UP TO 122,825,664 BONUS SHARES TO BE CREDITED AS FULLY PAID UP, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING DIJAYA SHARES HELD AS AT THE ENTITLEMENT DATE AND ONE (1) BONUS SHARE FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR**

**1. INTRODUCTION**

On 6 March 2012, the Joint Advisers had, on behalf of your Board, announced that we have entered into the AEA with the Vendors to undertake, *inter-alia*, the Acquisitions and Rights Issue.

On 18 July 2012, the Joint Advisers had, on behalf of your Board, announced that Bursa Securities had vide its letter dated 18 July 2012 approved the listing of and quotation for the following:-

- (i) up to 491,302,655 Rights Shares and up to 122,825,664 Bonus Shares;
- (ii) up to 653,846,153 new Shares to be issued pursuant to the conversion of the RCULS;
- (iii) up to 30,907,665 additional Warrants 2009/2019 to be issued pursuant to the adjustment under the deed poll dated 28 October 2009 constituting the Warrants 2009/2019 as a result of the Rights Issue; and

- (iv) up to 30,907,665 new Shares to be issued pursuant to the exercise of the additional Warrants 2009/2019,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to, *inter-alia*, the following conditions:-

	Conditions imposed	Status of compliance
(1)	Dijaya and its adviser must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	To be complied.
(2)	Dijaya and its adviser to inform Bursa Securities upon the completion of the Rights Issue;	To be complied.
(3)	Dijaya to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied.
(4)	Dijaya to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants 2009/2019 as at the end of quarter together with details of computation of listing fees payable.	To be complied.

The SC had, vide its letter dated 3 August 2012, provided its decision on the waiver application submitted by RHB Investment Bank and AmInvestment Bank, on behalf of our Company, for a waiver from having to comply with the requirements of Paragraph 7.04 of the Prospectus Guidelines - Abridged Prospectus in view of, amongst others, the limited operations of the Identified Companies. The SC's decision on the waiver application is as follows:-

- (a) approved in respect of eight (8) of the Identified Companies (which are dormant) ("**Dormant Identified Companies**"), namely AKSB, ELSB, PCSB, PKSB, STNSB, TPSB, USSB and WRSB, subject to compliance of the following:-

	Conditions imposed	Status of compliance
(i)	the audited financial statements of the Dormant Identified Companies for the past three (3) financial years being made available for public inspection for a period of at least 12 months from the date of the issue of the AP; and	Complied. Please refer to Section 7(xi) of Appendix XII of this AP.
(ii)	that the following information being provided in this AP on the Dormant Identified Companies:-	
	(1) statement that the companies are dormant;	Complied. Please refer to Section 1.1 of Appendix VIII of this AP.
	(2) key financial information based on the audited financial statements for the past three (3) financial years immediately preceding the last date of the financial statements;	Complied. Please refer to Section 1.1 of Appendix VIII of this AP.

	Conditions imposed	Status of compliance
	(3) disclosure on any material change in the accounting policies adopted, including a summary of such material change, the reason for such change and quantitative impact of such change on the financial results of the Dormant Identified Companies;	Complied. Please refer to Section 1.1 of Appendix VIII of this AP.
	(4) reasons for and details of any material qualification, modification or disclaimer contained in the audited financial statements	Complied. Please refer to Section 1.1 of Appendix VIII of this AP.
	(5) all contingent liabilities, if any; and	Complied. Please refer to Section 1.1 of Appendix VIII of this AP.
	(6) any other information contained in the audited financial statements of the Dormant Identified Companies which could have a material impact on the financial performance and position of Dijaya.	Noted.

- (b) rejected in respect of nine (9) of the Identified Companies (which have limited operations) ("**Limited Operations Companies**"), namely ACSB, Daya Petaling, Dijaya Plaza, IPSB, IBSB, QPSB, CRCSB, KCSB and IRSB.

Subsequently, RHB Investment Bank and AmInvestment Bank had, on behalf of our Company, notified the SC vide their letter dated 10 August 2012 that the acquisition of only three (3) out of the nine (9) Limited Operations Companies, namely CRCSB, IPSB and KCSB, will be funded via the proceeds to be raised from the Rights Issue. As such, an accountants' report will only be prepared in respect of CRCSB, IPSB and KCSB, for inclusion in this AP. The Accountants' Report for CRCSB, IPSB and KCSB is set out in Appendix VII of this AP.

At our EGM held on 10 August 2012, our shareholders had approved, *inter-alia*, the Acquisitions and the Rights Issue. A certified true extract of the ordinary resolutions approving the Acquisitions and Rights Issue passed by our shareholders at the aforesaid EGM is set out in Appendix I of this AP.

On 30 August 2012, the Joint Advisers had, on behalf of your Board, announced that the entitlement date of the Rights Issue will be on 14 September 2012. Subsequently, the Joint Advisers had, on behalf of your Board, announced that the entitlement date of the Rights Issue has been extended to 24 September 2012.

The listing of and quotation for the Rights Shares and Bonus Shares to be issued will commence after, amongst others, the receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or make any representation not contained in this AP in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or the Joint Advisers.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

## 2. PARTICULARS OF THE RIGHTS ISSUE

### 2.1 Details of the Rights Issue

In accordance with the terms of the Rights Issue as approved by our shareholders, and subject to the terms of this AP and the accompanying documents, we shall provisionally allot up to 491,302,655 Rights Shares to the Entitled Shareholders on the basis of four (4) Rights Shares for every five (5) existing Dijaya Shares held as at the Entitlement Date and one (1) Bonus Share for every four (4) Rights Shares subscribed for.

The issue price for the Rights Shares of RM1.20 each is payable in full upon acceptance.

As an Entitled Shareholder, you will find enclosed with this AP, a NPA setting out the number of Provisional Rights Shares for which you are entitled to subscribe for under the terms of the Rights Issue and a RSF, which is to be used for the acceptance of your Provisional Rights Shares as well as to apply for Excess Rights Shares if you choose to do so.

In determining the Entitled Shareholders' entitlements to the Provisional Rights Shares, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as your Board in its absolute discretion deems fit or expedient or in the best interest of our Company.

The Rights Issue is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for or renounce their entitlements to the Provisional Rights Shares in full or in part. Only Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Bonus Shares. For avoidance of doubt, the Bonus Shares are attached to the Rights Shares without any cost and will be issued only to Entitled Shareholders and/or their renounee(s) (if applicable) who subscribe for the Rights Shares. The Rights Shares and the Bonus Shares are not separately renounceable. Entitled Shareholders who renounce all or part of their entitlements to the Rights Shares shall be deemed to have renounced the accompanying entitlement to the Bonus Shares. If Entitled Shareholders decide to accept only part of their entitlement to the Rights Shares, they shall be entitled to the Bonus Shares in the proportion of their acceptance of their entitlement to the Rights Shares. You should also take note that, in order to be entitled to one (1) Bonus Share, you must subscribe for four (4) Rights Shares.

Your Board will allot Excess Rights Shares, if any, in a fair and equitable manner, and on such basis as it may deem fit or expedient or in the best interest of our Company. The indicative basis for the allotment of the Excess Rights Shares is as follows:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis, calculated based on the quantum of their respective Excess Rights Shares application; and
- (iv) fourthly, for allocation to transferee(s) and/or renounee(s) who have applied for Excess Rights Shares on a pro-rata basis based on the quantum of their respective Excess Rights Shares application.

The Rights Issue will be undertaken on a minimum level of subscription basis. Further details on the Minimum Subscription Level and shareholders' undertaking are set out in Section 10.1 of this AP.

The Rights Shares and Bonus Shares will, upon allotment and issue, be credited directly into the respective CDS Accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) who have successfully subscribed for such Rights Shares with attached Bonus Shares. No physical share certificate will be issued to the Entitled Shareholders and/or their renounee(s) (if applicable).

Within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares or such other period as may be prescribed by Bursa Securities, a notice of allotment will be despatched to you and/or your renounee(s) (if applicable). The Rights Shares and Bonus Shares will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation of the Rights Shares and Bonus Shares is made to Bursa Securities.

## 2.2 Basis of determining the issue price for the Rights Shares

The issue price for the Rights Shares has been fixed at RM1.20 per Rights Share. The issue price is payable in full upon acceptance.

The issue price represents a discount of approximately 4.76% from the TEAP of Dijaya Shares of approximately RM1.26, based on the five (5)-day VWAP of Dijaya Shares up to 1 March 2012, being the latest practicable date prior to the announcement of the execution of the AEA on 6 March 2012 of RM1.56.

The issue price also represents a discount of approximately 23.1% from the five (5)-day VWAP of Dijaya Shares up to 1 March 2012, being the latest practicable date prior to the announcement of the execution of the AEA on 6 March 2012 of RM1.56.

The issue price of RM1.20 per Rights Share was determined after taking into consideration, amongst others, the historical share price of Dijaya, prevailing market conditions and the conversion prices of the RCULS.

For information purposes, the issue price represents a premium of approximately 11.11% over the TEAP of Dijaya Shares of approximately RM1.08, based on the five (5)-day VWAP of Dijaya Shares up to the LPD of approximately RM1.20.

## 2.3 Capitalisation of reserves for the Bonus Shares

The issuance of the free Bonus Shares shall be wholly capitalised from the share premium account of our Company (inclusive of the share premium to be created arising from the subscription of the Rights Shares pursuant to the Rights Issue). For illustration purposes only, the movements in the share premium account of our Company are set out below:-

Company Level	<---Minimum Scenario--->		<---Maximum Scenario-->	
	Audited FYE 31 December 2011 (RM'000)	Unaudited FPE 30 June 2012 (RM'000)	Audited FYE 31 December 2011 (RM'000)	Unaudited FPE 30 June 2012 (RM'000)
Share premium	366,664	367,974	366,664	367,974
Exercise of ESOS Options and Warrants 2009/2019 up to the LPD	1,310	-	1,310	-
Full exercise of outstanding ESOS Options and Warrants 2009/2019	-	-	49,606	49,606
Issuance of Rights Shares <sup>(1)</sup>	39,437	39,437	95,928	95,928
Capitalised for the Bonus Shares <sup>(2)</sup>	(52,083)	(52,083)	(122,826)	(122,826)
Balance of the share premium account after the Rights Issue	355,328	355,328	390,682	390,682

Notes :-

- (1) Based on 208,333,333 and 491,302,655 Rights Shares at an issue price of RM1.20 per Rights Share, and after deducting estimated expenses amounting to RM2,229,791 and RM2,333,645 pursuant to the Rights Issue, under the Minimum Scenario and Maximum Scenario respectively.
- (2) Based on 52,083,333 and 122,825,664 Bonus Shares to be issued under the Minimum Scenario and Maximum Scenario respectively.

The Board confirms that based on our Company's latest audited consolidated financial statements for the FYE 31 December 2011 and the latest unaudited financial statements for the FPE 30 June 2012, the reserves available for capitalising the Bonus Shares are unimpaired by losses on a consolidated basis and are adequate to cover the Bonus Shares in compliance with Paragraphs 6.30(1) and 6.30(3) of the Listing Requirements.

Further, pursuant to Paragraph 6.30(3) of the Listing Requirements, the Reporting Accountants have vide its letter dated 11 September 2012 (as set out in Appendix III of this AP) confirmed that Dijaya has sufficient reserves available for capitalisation based on our Company's latest audited financial statements for the FYE 31 December 2011 and the latest unaudited consolidated interim financial statements for the six (6)-months FPE 30 June 2012.

#### **2.4 Ranking of the Rights Shares and Bonus Shares**

The Rights Shares and Bonus Shares shall, upon allotment and issue, be of the same class and rank *pari passu* in all respects with the then existing Dijaya Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares and Bonus Shares.

#### **2.5 Details of other corporate exercises**

Your Board has confirmed that as at the LPD, save for the Rights Issue, our Company does not have any other corporate proposals which have been approved by the authorities that are pending completion.

### **3. RATIONALE FOR THE RIGHTS ISSUE**

The Rights Issue will enable our Company to raise funds for the Acquisitions and for working capital purposes. After due consideration of the various options available, your Board is of the opinion that the Rights Issue, supplemented by the Proposed CP/MTN Programme, is the most appropriate means of raising funds for the following reasons:-

- (i) The Rights Issue will involve the issuance of new Dijaya Shares without diluting the existing shareholders' percentage shareholdings provided that all the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue. However, shareholders should note that the conversion of the RCULS in the future would have a dilutive impact on their percentage shareholdings in Dijaya;
- (ii) The Rights Issue provides an opportunity for Entitled Shareholders to participate in an equity offering in our Company on a pro-rata basis;
- (iii) The Rights Issue will strengthen our Company's financial position with enhanced shareholders' funds and reduced gearing level as compared to bank borrowings. These factors are expected to facilitate the continuous growth and expansion plans of Dijaya Group; and
- (iv) The Rights Issue will enable our Company to raise the requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing.

The Bonus Shares have been attached to the Rights Shares to provide the Entitled Shareholders with an added incentive to subscribe for the Rights Shares.



#### 4. UTILISATION OF PROCEEDS

The gross proceeds to be raised from the Rights Issue are expected to be utilised in the following manner:-

Proposed Utilisation of Proceeds	Note	Expected timeframe for utilisation after the listing of the Rights Shares and Bonus Shares	Minimum Scenario (RM mil)	Maximum Scenario (RM mil)
1. To partially settle the Purchase Consideration	(a)	In accordance with the terms of the Definitive Agreements	247.5	247.5
2. Working capital	(b)	(i) Minimum Scenario -- within one (1) year (ii) Maximum Scenario -- within five (5) years	2.5	336.0
3. Defray estimated expenses relating to the Acquisitions and Rights Issue	(c)	Within one (1) year	-	6.1
			<b>250.0</b>	<b>589.6</b>

Notes:-

- (a) Such proceeds will be utilised to partially settle the Purchase Consideration for the Acquisitions, further details of which are set out in Section 5 of this AP.
- (b) Working capital will be utilised to finance the day-to-day operations of the existing business of our Group as well as to partially finance our Group's future property development projects which include but are not limited to the landbanks acquired pursuant to the Acquisitions. For information purposes, development projects representing a total GDV of approximately RM2.01 billion out of the proposed GDV of approximately RM6.1 billion pursuant to the Acquisitions have approved development orders. The total GDV of approximately RM2.01 billion consists of, amongst others, development of service apartments, condominiums, retail and commercial units, which will commence development in stages from between 2012 till 2018.
- (c) The estimated expenses comprise, amongst others, the estimated professional fees and fees payable to relevant authorities, printing and advertising expenses as well as other miscellaneous charges. If the actual expenses incurred are higher than budgeted, the deficit will be funded from the portion allocated for our Group's working capital requirements. Conversely, any surplus of funds following payment of expenses will be utilised for our Group's working capital requirements. Under the Minimum Scenario, the estimated expenses of approximately RM6.0 million will be funded via internally generated funds.

The exact quantum of proceeds that may be raised by Dijaya from the Rights Issue would depend on the actual number of Rights Shares subscribed.

The remaining proceeds from the Rights Issue (after deducting the cash amount for the Acquisitions) will be placed in deposits with financial institutions and/or short-term money market instruments(s) in the event that the proceeds are not immediately utilised. Any interest income arising from the deposits placed with financial institutions and/or short-term money market instrument(s) will be utilised for working capital.

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## 5. DETAILS OF THE ACQUISITIONS

Pursuant to the AEA which entails, *inter-alia*, the Acquisitions, the Joint Advisers had on 9 April 2012, on behalf of your Board, announced that we have entered into the Definitive Agreements with the respective Vendors in relation to the Acquisitions for a total indicative consideration of RM949,919,998.

On 6 July 2012, the Joint Advisers had, on behalf of your Board, announced that certain existing subsidiaries of our Company and certain Identified Companies had entered into the Property Lease Agreements with the respective Related Party Tenants. It was also mentioned in the said announcement that our Company had entered into a deed of rescission with IRSB to rescind the SPA for the acquisition of certain Identified Properties held by IRSB (“**IRSB SPA**”). Simultaneously, in replacement of the IRSB SPA, our Company had entered into a share sale agreement with TSDTCS and PSDCST for the acquisition by our Company of the entire issued and paid-up share capital of IRSB for a purchase consideration of RM168,068,456 to be satisfied via the issuance of RCULS at 100% of their nominal value (“**Variation**”). Accordingly, the purchase consideration was revised from RM949,919,988 (as disclosed in the announcement dated 9 April 2012) to RM942,988,454. A supplemental agreement to the AEA was also concurrently executed on 6 July 2012 by our Company and the Vendors to accommodate the Variation by revising and restating Schedules 1 to 3 of the AEA which set out the particulars of the Identified Companies, Identified Properties and the respective Vendors.

On 30 August 2012, the Joint Advisers had, on behalf of your Board, announced that, after taking into consideration the adjustments as set out in Section 5.2 of this AP, the final purchase consideration for the Acquisitions as at 30 August 2012 was RM934,681,436, which was satisfied in the following manner:-

- (i) RM250,000,000 in cash, of which RM2,500,000 was paid as deposit upon the execution of the SSAs whilst the balance of RM247,500,000 constitutes a debt due and owing by Dijaya to the relevant Vendors which will be payable within three (3) business days following the completion of the Rights Issue; and
- (ii) the issuance of RM684,681,436 RCULS at their nominal value on 30 August 2012 to AFSB, a party nominated by the Vendors to receive and hold the RCULS.

Accordingly, the Acquisitions were completed on 30 August 2012 in accordance with the terms of the Definitive Agreements.

For information purposes, AFSB is a wholly-owned subsidiary of D & I Corporation, which in turn is held by TSDTCS and PSDCST via their respective shareholdings of 77.5% and 22.5%. AFSB is principally involved in property development. As at the LPD, the directors of AFSB are TSDTCS, PSDCST, Dickson Tan and Diana Tan.

### 5.1 Rationale for the Acquisitions

The Acquisitions are aimed at amalgamating the assets of our Group with those held by the Vendors which would ultimately mitigate potential conflict of business interests between our Company and our major shareholders (namely TSDTCS and his related parties) whilst at the same time help transform our Group into a single real estate flagship with greater access to larger landbank for future development and long-term real estate investments as well as greater economies of scale. The Acquisitions are expected to enhance our Group’s GDV by approximately RM6.1 billion.

The introduction of additional long-term real estate investments will provide our Group with a more stable and sustainable income stream arising from rental income pursuant to the Property Lease Agreements. In addition, the Property Lease Agreements which were entered into, following the TSDTCS Undertaking, together with tenancies by various external parties, are aimed at providing our Group with an average rental yield for the buildings acquired pursuant to the Acquisitions of not less than 8% per annum or an aggregate gross sum of RM42.7 million per annum, whichever is higher, for the duration of three (3) years with an automatic extension of a further two (2) terms of three (3) years each at an average annual lease rental investment yield (computed based on total lease rental per annum over the respective Purchase Consideration for certain completed buildings owned by the Identified Companies and certain Identified Properties which comprise completed buildings). The nine (9) years tenancy was arrived at after taking into consideration the proposed tenure of the borrowings to be undertaken under the Proposed CP/MTN Programme.

A diversified asset mix and a stable income stream could potentially increase current shareholders' value and lead to greater prospective investors' interest in our Company, which will in turn enhance the liquidity of our Shares. With a larger asset base, our enlarged Group will gain improved access to both debt and equity capital markets.

## 5.2 Basis of arriving at the Purchase Consideration

The purchase consideration as set out in the Definitive Agreements was arrived at on a willing-buyer willing-seller basis after taking into consideration, *inter-alia*, the following:-

- (i) the market value of the Real Properties as appraised by the Valuers as at the date of the Definitive Agreements;
- (ii) the adjusted NA of the Identified Companies based on their latest available audited financial statements as at the date of the Definitive Agreements and after taking into consideration the market value of the real properties held by the Identified Companies and the intended capitalisation of the loans or advances provided by the directors/shareholders of the respective Vendors (and their related parties and persons connected to them) of the Identified Companies ("**Related Party Advances**") into new convertible loan stocks or redeemable preference shares or other convertible securities to be issued to the respective Vendors (and their related parties and persons connected to them) of the Identified Companies ("**Recapitalisation Amount**") and/or waiver of their rights to receive or recover the Related Party Advances, in full or in part, as the case may be, such that the Identified Companies shall, as at the Completion Date, be free of any Related Party Advances; and
- (iii) the deferred taxation amount arising from the revaluation of the real properties held by the Identified Companies.

The open market value of the Real Properties amounted to RM1,105,488,000 based on the appraisal by the respective Valuers as set out in the announcement dated 9 April 2012. Subsequently, the abovementioned open market value was adjusted to RM1,106,826,000. The respective certificates of valuation in relation to the Real Properties are set out in Appendix IX of this AP.

The unaudited NA of the Identified Companies as at the Completion Date amounted to RM658,447,434 whilst the deferred taxation arising from the revaluation of the real properties held by the Identified Companies amounted to RM39,951,999.

In accordance with the Definitive Agreements, the final Purchase Consideration for the Acquisitions has been determined after taking into consideration the adjustment to the open market value of the Real Properties and the unaudited NA of the Identified Companies as at the Completion Date.

### 5.3 Mode of settlement

The final purchase consideration will be satisfied in the following manner:-

- (i) A deposit of RM2,500,000 to be satisfied in cash upon the execution of the Definitive Agreements. The deposit was paid by Dijaya to the respective Vendors on the date of execution of the Definitive Agreements and was funded through internally generated funds;
- (ii) A fixed sum of RM247,500,000 to be satisfied in cash, which shall constitute a debt due and owing by Dijaya to the Vendors, and which will be payable without interest within three (3) Business Days following completion of the Rights Issue.

The cash payment of RM247,500,000 shall be funded through the proceeds arising from the Rights Issue; and

- (iii) The remaining balance to be satisfied via the issuance of such nominal value of RCULS at 100% of their nominal value. Accordingly, our Company had on 30 August 2012 issued RM684,681,436 RCULS at 100% of their nominal value to AFSB, a party nominated by the Vendors to receive and hold the RCULS.

### 5.4 Basis of determining the issue price and conversion price of the RCULS

Our Company had taken into consideration, *inter-alia*, the following in determining the issue price and conversion price of the RCULS:-

#### (i) Issue price of the RCULS

The issue price of the RCULS has been fixed at RM1.00 per RCULS, being 100% of their nominal value.

The issue price of the RCULS was determined after taking into consideration, *inter-alia*, the coupon rate of the RCULS, historical trading price and volatility of Dijaya Shares, prevailing market conditions and future prospects of Dijaya.

#### (ii) Conversion prices of the RCULS

The conversion prices of the RCULS of between RM1.30 to RM2.50 were arrived at based on premiums ranging from 3.2% to 98.4% to the TEAP of Dijaya Shares of approximately RM1.26, based on the five (5)-day VWAP of Dijaya Shares up to 1 March 2012, being the latest practicable date prior to the execution of the AEA and also the price-fixing date for the Rights Issue, and after taking into consideration, *inter-alia*, the historical and prevailing market prices of Dijaya as well as the future earnings potential of the enlarged Dijaya Group.

### 5.5 Ranking of the RCULS and new Dijaya Shares to be issued upon conversion of the RCULS

The RCULS shall constitute direct, unconditional, unsecured and unsubordinated obligations of Dijaya and will rank *pari passu*, without discrimination, preference or priority among themselves.

The new Dijaya Shares to be issued upon conversion of the RCULS will be fully paid and shall upon allotment and issue, rank *pari passu* in all respects with the then existing Dijaya Shares, save and except that they shall not be entitled any rights, dividends, benefits entitlements, allotments and/or any other distributions, declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Dijaya Shares to be issued pursuant to the conversion of the RCULS.

**5.6 Listing of the RCULS and new Dijaya Shares to be issued pursuant to the conversion of the RCULS**

The RCULS will not be listed, quoted or traded on Bursa Securities or on any other stock exchange.

Bursa Securities had vide its letter dated 18 July 2012 approved, *inter-alia*, the listing of and quotation for the new Dijaya Shares to be issued pursuant to the conversion of the RCULS on the Main Market of Bursa Securities.

Further details on the Acquisitions are set out in Appendix VIII of this AP.

**6. RISK FACTORS**

In addition to the other information contained in this AP, you should carefully consider the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Shares:-

**6.1 Risks relating to the Rights Issue**

**6.1.1 Investment risk**

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of our Shares, the outlook of the property market, changes in regulatory requirements or market conditions, our financial performance and fluctuations in our Group's operating results and revenue levels, announcements of developments relating to our Group's business and potential payment of dividends by our Group. In view of this, there can be no assurance that the Rights Shares and Bonus Shares will trade above the issue price for the Rights Shares or TEAP upon or subsequent to the listing of and quotation for the Rights Shares and Bonus Shares on the Main Market of Bursa Securities.

**6.1.2 Capital market risk**

The performance of our local bourse is influenced by external factors such as the performance of regional and world bourses, flow of foreign funds and prices of certain commodities. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country, interest rates, foreign exchange policies as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes on Bursa Securities, thus adding risk to the market price of our Shares.

Notwithstanding this, it should be noted that our financial performance is not dependent on and has no direct correlation with the performance of the local as well as other bourses.

**6.2 Risks relating to our Group**

**6.2.1 Political, economic and regulatory risks**

Political and economic conditions as well as regulatory developments in Malaysia or foreign country(ies) (if applicable) could have a material effect on the financial performance of our Group. Adverse political, economic and/or regulatory conditions or developments including (but not limited to) risk of war, change in political leadership and environment, unfavourable changes in government policies, nationalisation and changes in interest rate or legislation.

While our Group continues to take measures to mitigate these risks including close monitoring of the Government's masterplan in respect of long-term economic and development policies so that we can stay ahead as well as capitalise on any regulatory changes in the industry in which our Group operates, there can be no assurance that any changes to political, economic and regulatory factors will not have a material and adverse effect on the business and prospects of our Group.

#### **6.2.2 Dependence on key personnel**

As in any other business, our Group's continued success depends largely on the abilities, skill, experience, competency and continued efforts of our existing Board and senior management. The loss of any of our directors and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our operations and hence, our revenue and profitability.

To this end, we have implemented strategies such as offering competitive compensation package, establishing an ESOS and providing relevant training to retain our key personnel as well as attract and retain qualified experienced personnel who are essential towards addressing our succession plan. Notwithstanding this, there can be no assurance that these measures will always prove to be successful in retaining key management and personnel or ensuring a smooth transition should changes occur.

#### **6.2.3 Branding of our Group**

Our Group had established the "Tropicana" brand over the past 18 years with two (2) signature projects, namely the Tropicana Golf & Country Resort and Tropicana Indah Resort. Our Group's continuous success depends to a large extent on our ability to maintain and enhance the value of our brand.

Our brand value may be affected by events which are beyond our control, such as negative publicity arising from litigation and/or falsified claims. Consumer demand for our property and our brand value may be adversely affected if such incidents erode consumer confidence in our Group. Such occurrences may have an adverse impact on our operations and financial performance. Nevertheless, we will continue to maintain and build our brand reputation by continuously delivering quality property development projects which meet the market's demand and expectations.

### **6.3 Risks inherent in property investment and property development**

#### **6.3.1 Ownership and management risks in property investment**

Certain risks will arise from the ownership and management of the investment properties acquired pursuant to the Acquisitions, including but not limited to increasing competition from newly developed or upgraded properties, loss of attractiveness of the properties, increasing maintenance costs including renovations which requires capital outlay as the properties age, decline in rental rates or occupancy levels and failure to secure new tenants.

In order to mitigate the abovementioned risks, there will be regular repairs and maintenance to the properties to ensure that they will be in good condition to remain competitive. In addition, long-term lease arrangements with the tenants of the investment properties acquired have been secured via the Property Lease Agreements.

### **6.3.2 Risk of fluctuations in the fair value of the investment properties**

Adverse fluctuations in the fair value of the investment properties acquired pursuant to the Acquisitions may adversely affect the net asset value and profitability of Dijaya as investment properties are carried at fair value and are revalued on a yearly basis based on the market values of the investment properties as assessed by independent valuers. Unrealized gains or losses due to the rise or fall in the market value of the investment properties will be recognized in the income statement immediately and hence, any decline in the market value of the properties may adversely affect the financial results and profitability of our Group.

### **6.3.3 Risk of failure in or delays in obtaining requisite governmental approvals for future property development projects**

The Acquisitions include the acquisition of vacant lands for future development, which will require various permits, licences, certificates and approvals from various governmental authorities, and at various stages of development. There can be no assurance that all permits, licences, certificates and approvals will be successfully obtained within the scheduled timeframe for each development project. Failure or delays in obtaining such approvals may result in significant delays in the development schedules and/or cost overruns for the affected projects which may in turn affect the profitability of our Group.

Nevertheless, we shall endeavour, to the best of our ability, to obtain all the necessary permits, licences, certificates and approvals required for the development projects.

### **6.3.4 Other inherent risks of the property development and property investment industry**

Other inherent risks of the property development and property investment industry may include, *inter-alia*, changes in general economic conditions, inflation and changes in operating or business conditions such as changes in laws and regulations, property oversupply affecting property prices and take-up rates of property launches, shortages of labour supply and increases in labour, raw material and financing costs.

Nevertheless, we endeavour to minimize these risks by maintaining quality standards in products and services offered and providing value to existing and potential customers.

## **6.4 Risks in relation to the Property Lease Agreements**

### **6.4.1 Risk of devaluation of the buildings caused by negligence of tenants**

Tenants may, due to their negligence, cause damage to the structure, infrastructure and furniture, fittings, furnishings and equipment of any of the buildings resulting in significant costs being incurred beyond those recoverable through insurance policies taken out by our Company to bring the buildings back to its original state and fitness for occupation. Such damage could potentially affect the market value of the said buildings due to the negative public perception of the soundness of a building's structure following a serious incident and damage.

Nevertheless, we are entitled to demand that the tenants make good any such damage caused to the buildings in accordance with the terms of the Property Lease Agreements, though there can be no assurance that the tenants will fulfil their obligations in accordance with the Property Lease Agreements.

#### **6.4.2 Upward movements in market rental rates**

The rental rates have been agreed upon prior to the commencement of the Principal Tenancy Period and will be reviewed and may be revised prior to the Secondary Tenancy Period. Once the rental rates are agreed upon, the rental rates will be locked-in for the respective tenancy period. As such, in the event of upward movements in the then prevailing rental rates, Dijaya will not be able to benefit from the higher rental rates during the tenancy period.

Nevertheless, the review of rental rates for the Secondary Tenancy Period will take into consideration the then prevailing and forecasted industry performance and may be factored into the revised rental rates. Notwithstanding this, there can be no assurance that the revised rental rates will be reflective of the prevailing market rates during the tenancy period.

#### **6.4.3 Rental yields may not be sustainable upon the expiry of the Term**

The average annual rental yield from the buildings is fixed for the Term pursuant to the TSDTCS Undertaking. However, upon the expiry of the Term, the terms under the lease arrangements will no longer apply and tenants may opt not to renew their respective tenancies. There can be no assurance that the Group will be able to secure suitable tenants at the lease rental rates that are not less than that provided by the Property Lease Agreements. In such circumstances, the Group may not be able to achieve the same level of rental yields for the buildings after the Term.

Nevertheless, the Term covers a duration of nine (9) years which will provide the Group with sufficient time for planning to minimise the likelihood of the abovementioned risk from materialising.

#### **6.4.4 Compulsory acquisition by the Government**

Under the Land Acquisition Act, 1960, the Ruler or Governor of the State has the power to acquire any land, whether in whole or in part, which is needed:-

- (a) for any public purpose;
- (b) by any person or corporation for any purpose which in the opinion of the State Authority is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or
- (c) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

The amount of compensation awarded as a result of the compulsory acquisition may be less than the market price of the building if it were to be sold in the open market. If such an event occurs, our Group may lose its existing lease rental income stream from that building.

#### **6.5 Forward-looking statements**

Certain statements in this AP are historical in nature and are not necessarily reflective of future results, which are subject to uncertainties. Similarly, other statements are forward-looking and based on our assumptions and estimates. Although we believe that these statements and assumptions are reasonable, they are subject to risks known and unknown, as well as uncertainties and uncontrollable events that may cause the actual performance and results to differ significantly from what is forecasted in this AP.

There can be no assurance that any of these forward looking statements can be realised. As a result, such forward-looking statements should not be interpreted as a warranty or representation by our Company or any other person that the plans and objectives of our Group will be accomplished.



## 7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

### 7.1 Overview of the Malaysian economy

The global economic environment remained challenging in the second quarter of 2012, amidst heightened vulnerabilities in several key economies. Growth in the major advanced economies was weighed down by policy and domestic structural concerns. In Asia, economic activity was affected by weaker external demand. In spite of this challenging environment, the Malaysian economy recorded a higher growth of 5.4% (First quarter of 2012 (“1Q 12”): 4.9%), driven by stronger domestic demand, which rose by 13.8% (1Q 12: 9.7%). This was supported by robust growth in the expenditure of both the private and public sectors, while net exports moderated further due to weaker exports and higher imports. On the supply side, most major economic sectors continued to expand, led by the services, manufacturing and construction sectors.

Gross fixed capital formation recorded a stronger growth of 26.1% (1Q 12: 16.1%), amidst increased capital spending by both the private and public sectors. Private investment strengthened further, supported by investment in the domestic-oriented services sub-sectors, oil and gas and manufacturing industries. Expansion in public investment was driven by non-financial public enterprises’ capital spending in the transportation, oil and gas and utilities sectors, as well as the Federal Government’s development spending on transportation, trade and industry, public utilities and education.

Private consumption registered a strong growth of 8.8% (1Q 12: 7.4%), supported by firm labour market conditions, robust income growth and improved consumer sentiment. In addition, Government initiatives such as financial assistance to the lower income households and FELDA settlers, as well as increases in the salaries and pensions of civil servants also supported the increase in spending. Public consumption increased by 9.4% (1Q 12: 7.3%), led by higher spending on emoluments and supplies and services.

On the supply side, most economic sectors expanded further. This was supported by domestic-driven activity in the services sector, namely communication, real estate and business services, and the finance and insurance subsectors. The manufacturing sector was driven by higher growth in the export-oriented industries and a continued expansion of the domestic-oriented industries. The construction sector recorded a strong double-digit growth for the second consecutive quarter amidst increased activities in the civil engineering sub-sector. The mining sector expansion reflected the higher output of crude oil, while the agriculture sector recorded a contraction due to lower crude palm oil production.

The headline inflation rate, as measured by the annual change in the Consumer Price Index, moderated to 1.7% in the second quarter (1Q 12: 2.3%). Inflation in the food and non-alcoholic beverages category moderated amid a decline in the prices of meat and vegetables.

Financial stability remained intact throughout the second quarter of 2012, underpinned by strong capitalisation of financial institutions and orderly financial market conditions. Financial markets continued to demonstrate strong capacity to withstand external shocks and volatility arising from the escalation of sovereign risk in the Euro area.

The global economic recovery continued in the second quarter, albeit at a more modest pace. Going forward, the global economy faces increasing downside risks emanating from the developments in several major economies. Policy uncertainty surrounding the European sovereign debt crisis and fiscal issues in the US is expected to weigh on market sentiments and growth prospects.

For the Malaysian economy, the strong support provided by domestic demand, underpinned by activities in both the private and public sectors, has ensured higher growth amidst the challenging global environment. This trend is expected to be sustained going forward, although downside risks emanating from external developments remain.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2012, Bank Negara Malaysia)*

## 7.2 Overview and outlook of the Malaysian property market

In 2011, the Malaysian property market had maintained double digit growth of 14.3% in volume and 28.3% in value. The year registered 430,403 transactions worth RM137.83 billion (2010: 376,583 transactions worth RM107.44 billion). All property sub-sectors recorded positive growths. Residential and development land sub-sectors recorded double-digit growths of 18.9% and 14.7% respectively, followed by the commercial (9.7%), industrial (6.5%) and agricultural (4.6%) sub-sectors. The residential sub-sector took up 62.7% share of the activity, with residential transactions of below RM250,000 forming 75.5% of residential transactions. By value, all sub-sectors continued to register double-digit growths against 2010. Two sub-sectors surpassed 50% growth, namely agriculture (65.4%) and development land (54.8%), followed by residential (22.1%), industrial (17.4%) and commercial (15.9%).

The performance of residential primary market improved in 2011 despite more units launched. The year witnessed 49,290 units of new launches and achieved a slightly better sales performance of 46.3% (2010: 47,698 units; 45.7%). The five major states namely Kuala Lumpur, Selangor, Johor, Pulau Pinang and Perak secured 52.8%, 46.0%, 42.3%, 25.1% and 44.1% sales performance respectively. Selangor had the highest number of new launches, accounting for 20.2% (9,946 units) of the national total, followed by Johor (19.6%; 9,652 units) and Perak (11.4%; 5,618 units). In tandem with the better performance of new launches, the volume of residential overhang declined. As at year end, there were 19,607 units of residential overhang, indicating a decline of 15.2% in volume (2010: 23,133 units). On the other hand, the overhang value took an upturn of 16.8% (2011: RM4.92 billion; 2010: RM4.21 billion). The year saw 269,789 residential property transactions worth RM61.83 billion, the highest recorded in the last five years. Residential property continued to dominate the overall property market. Government initiatives to promote home ownership through My First Home Scheme as well as accommodative interest rates were supportive of the housing activity.

The national performance of purpose-built offices managed to obtain an overall occupancy rate of 82.9% (2010: 84.3%) despite more new spaces that entered the market. Completions increased by 29.5% from the entry of 40 new office buildings (600,975 square metre ("sq m")) recorded nationwide. The take-up space remained positive though lower at 256,792 sq m (2010: 925,064 sq m). Consequently, total vacant space in the country increased to 2.98 million sq m (2010: 2.63 million sq m).

The retail sub-sector saw a slight moderation as the average occupancy rate of shopping complexes declined marginally to 79.5% (2010: 80.6%). The disequilibrium between the increase in completions and the take-up of new spaces probably contributed to the pull-down in occupancy. The year saw the entry of 35 new shopping complexes, offering a total of 600,400 sq m of space (2010: 532,628 sq m). Nevertheless, the take-up of retail space (2011: 356,921 sq m; 2010: 358,843 sq m) was still favourable.

The better property market was supported by various implementations of Economic Transformation Program ("ETP") projects. Completed projects such as the Johor Premium Outlets and the RM50 million shaded walkway in the KLCC-Bukit Bintang area served as a tourism product-cum-initiative to attract more foreign tourists to the country whilst the newly launched infrastructure projects, such as the Klang Valley Mass Rapid Transit project starting with Sungai Buloh – Kajang Line, Senai-Pasir Gudang-Desaru Expressway and coastal road connecting Johor Bahru and Nusajaya stimulated market activities in Klang Valley and Johor Bahru respectively.

The liberalisation of the property industry will mark a new chapter in the local property market following the amendments to the Valuers, Appraisers and Estate Agents (Amendment) Act, 1981. The amendments took effect from 19 August 2011. Liberalisation would allow foreign companies to invest in Malaysia's real estate agencies, which in turn would enable local agencies to gain access to the global market. It would benefit the real estate investors as liberalisation would enable them to invest in local and international markets.

In 2012, the global economic prospect is expected to be more challenging. Nevertheless, the Malaysian economy is expected to grow, backed by strong economic fundamentals. A strong construction sector is expected as a spill-over effect from public and private investments. The ongoing implementation of ETP through various National Key Economic Areas will likely push private investment up amid shaky global economic prospects. In the 2012 Budget, a total of RM232.8 billion is allocated to implement all Government development plans.

On the overall property market performance for 2012, it is expected that the residential sub-sector will be sustained. Higher housing starts and building plan approvals in 2011 signify confidence of developers and investors in the development activity. The vacant space in the office and retail sub-sectors is foreseen to be absorbed as more space is taken up when ETP takes place. Development in various regional economic corridors and Greater Kuala Lumpur/Klang Valley would continue to give positive impacts on property development and the market in the coming years.

*(Source: Property Market Report 2011, Valuation and Property Services Department (JPPH), Ministry of Finance)*

### 7.3 Prospects of our Group

In 2011, we re-engineered our business model to include new potential areas of growth. Some of the landmark decisions that continue to contribute to the big picture were:

- Acquisition of land banks across Peninsular Malaysia
- Venture into investment properties for recurring income
- Develop projects with potential growth for sustainable development

We also diversified our line of business to include hospitality, education and mixed commercial components.

Our Group now has its footprint in Central, Southern and Northern regions, which are also amongst the major property development areas. With all these projects in the pipeline, we believe our Group is poised for new growth. The Real Properties are mainly situated in strategic locations in the Klang Valley, Penang, Perak, Negeri Sembilan, Johor and Sabah. Due to the scarcity of development land in prime areas, demand for properties is expected to remain positive. In general, the property market in Klang Valley has good medium to long-term prospects, benefiting from the existing and planned transportation infrastructure such as airports, light rail transit, mass rapid transit and highways.

Property demand in Penang is expected to continue on an uptrend due to state government initiatives to improve the infrastructure and attract investments into Penang, and acquisitions of development lands in Penang Island by developers have been active in 2011.

In Johor, the economic zone of Iskandar Malaysia will continue to be the driving factor in boosting demand for properties in Johor Bahru. The completion of several major ongoing road and highway projects in Iskandar Malaysia such as the New Coastal Highway, Eastern Dispersal Link Expressway (EDL) and Senai-Pasir Gudang-Desaru Expressway and the widening of Permas Jaya bridge would improve connectivity within Johor Bahru. Upon completion and commencement of operations, such infrastructure developments will provide a boost to demand of properties in Johor Bahru due to better connectivity.

With the improved accessibility to Seremban, demand for properties has been at an increasing trend over the past years. "The Affordable Homes" campaign which was implemented by the Malaysian Government has made Seremban a better living town. As for Ipoh, the property market is generally expected to remain stable.

Based on the information extracted from the Commercial Property Stock Table Q4 2011 produced by the Valuation and Property Services Department (JPPH), Malaysia, the current supply of existing stock of purpose-built office building in Perak stood at 210 buildings with a total space of approximately 6.675 million square feet in fourth quarter of 2011. It is noted that approximately 6.262 million square feet or 93.9% of the total space are occupied. The occupancy rate was due to the new completions enjoying full occupancy.

Among the 210 purpose-built office buildings in Perak, 62 buildings are located within Ipoh. The current supply of existing stock of purpose-built office building in Ipoh recorded a total space of approximately 4.070 million square feet and with an occupancy rate of 91.1% (approximately 3.707 million square feet) in fourth quarter of 2011.

Sabah's economy is generally based on agriculture, mining and quarrying, forestry and fisheries, and in recent years, tourism. Property markets in major towns of Sabah have enjoyed growth due mainly to favourable economic conditions especially in the palm oil, tourism and oil and gas sectors, coupled with competitive financing and attractive bank lending rates. Sabah's strong economic fundamentals and wealth of natural resources are expected to sustain its economy, and hence the property sector in Sabah.

We launched RM700 million worth of new projects during the FYE 31 December 2011, and are geared for more in 2012 estimated at RM1.6 billion. Our new growth pillars are being built on the strong and credible 'Tropicana' brand, backed by its two anchor projects – the 625-acre Tropicana Golf & Country Resort and 409-acre Tropicana Indah Resort Homcs.

Our aspiration is to achieve further growth and raise our market capitalisation from RM2 billion to RM3 billion in the next five (5) to six (6) years. While we pursue this mission, we also endeavour to enhance quality of life through improved lifestyle concepts. All our residential and commercial developments are unique in terms of the lifestyle experience that they create for Malaysians, while instilling a sense of pride from association with our flagship brand Tropicana.

Upon completion of the Corporate Exercises, our Company may be able to achieve PAT in excess of RM100 million per annum after taking into consideration our own projects in hand, the lease rental of RM42.7 million per annum pursuant to the Property Lease Agreements as well as the future development profits arising from the total GDV of projects of approximately RM6.1 billion. For information purposes, Dijaya had recorded profit margins ranging from 20% to 25% from its previously completed property development projects. Moving forward, the stable recurring income from the lease rentals pursuant to the Property Lease Agreements will provide a solid base to the future earnings of the Group on a yearly basis.

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## 8. EFFECTS OF THE RIGHTS ISSUE

The proforma effects of the other Corporate Exercises have also been included herein for completeness purpose and have taken into account the following:-

- (i) our issued and paid-up share capital as at the LPD of RM460,670,720 comprising 460,670,720 Dijaya Shares;
- (ii) 129,810,191 outstanding Warrants 2009/2019 as at the LPD; and
- (iii) 20,216,744 outstanding ESOS Options as at the LPD.

The effects of the Corporate Exercises have been shown based on the following scenarios:-

**Minimum Scenario** : Assuming that none of the outstanding Warrants 2009/2019 and ESOS Options as at the LPD are exercised and none of the Entitled Shareholders and/or their renounee(s) will subscribe for their entitlements save for TSDTCS, IASB and GDSB and/or their renounee(s) who will subscribe for their entitlements pursuant to the Undertakings at an issue price of RM1.20 per Rights Share

**Maximum Scenario** : Assuming that all outstanding Warrants 2009/2019 and ESOS Options as at the LPD are exercised and all Entitled Shareholders and/or their renounee(s) subscribe in full for their respective entitlements under the Rights Issue at an issue price of RM1.20 per Rights Share

### 8.1 Share capital

The proforma effects of the Corporate Exercises on our issued and paid-up share capital is as follows:-

	<----- Minimum Scenario ----->		<----- Maximum Scenario ----->	
	No. of Dijaya Shares ('000)	RM'000	No. of Dijaya Shares ('000)	RM'000
As at the LPD	460,670	460,670	460,670	460,670
After exercise of all outstanding Warrants 2009/2019	-	-	129,810	129,810
After exercise of all outstanding ESOS Options <sup>(1)</sup>	-	-	23,645	23,645
<b>To be issued:-</b>	460,670	460,670	614,125	614,125
Pursuant to the Rights Issue <sup>(2)</sup>	260,416	260,416	614,128	614,128
Pursuant to the conversion of RCULS <sup>(3)</sup>	412,458	412,458	412,458	412,458
<b>Enlarged issued and paid-up share capital after the Corporate Exercises</b>	<b>1,133,544</b>	<b>1,133,544</b>	<b>1,640,711</b>	<b>1,640,711</b>

Notes:-

<sup>(1)</sup> Assuming that approximately 3.43 million ESOS Options which has lapsed since the announcement dated 6 March 2012 in relation to the Corporate Exercises up to the LPD will be reissued.

<sup>(2)</sup> Based on the maximum number of Dijaya Shares which may be issued pursuant to the Rights Issue as per the announcement dated 6 March 2012 in relation to the Corporate Exercises.

<sup>(3)</sup> Assuming that the RCULS of RM684,681,436 are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.

## 8.2 NA per Dijaya Share and gearing

Based on our audited consolidated statements of financial position as at 31 December 2011 and on the assumption that the Corporate Exercises had been effected on that date, the proforma effects of the Corporate Exercises on the NA per Dijaya Share and gearing of our Group are as follows:-

### Minimum Scenario

	(I) Audited as at 31 December 2011 (RM'000)	(I) After adjusting for exercise of Warrants 2009/2019 and ESOS Options up to the LPD (RM'000)	(II) After (I) and the Acquisitions (RM'000)	(III) After (II) and the Rights Issue (RM'000)	(IV) After (III) and the Proposed CP/MTN Programme (RM'000)	(V) After (IV) and assuming full conversion of RCULS <sup>(6)</sup> (RM'000)
Share capital	458,119	460,670	460,670	721,086	721,086	1,133,544
Share premium	366,664	367,974	367,974	355,328 <sup>(3)</sup>	355,328	627,551
Warrant reserve	39,320	39,319	39,319	39,319	39,319	39,319
Share option reserve	4,081	3,128	3,128	3,128	3,128	3,128
Other reserves	(41)	(41)	(41)	(41)	(41)	(41)
RCULS reserves <sup>(1)</sup>	-	-	576,481	576,481	576,481	-
Retained earnings	82,486	82,486	81,954	78,456 <sup>(4)</sup>	78,456	78,456
Shareholders' funds/NA	950,629	953,536	1,529,485	1,773,757	1,773,757	1,881,957
No. of Dijaya Shares in issue ('000)	458,119	460,670	460,670	721,086	721,086	1,133,544
NA per Dijaya Share (RM)	2.08	2.07	3.32	2.46	2.46	1.66
Total borrowings (RM'000)	991,354	991,354	1,268,880 <sup>(2)</sup>	1,268,880	1,760,380 <sup>(5)</sup>	1,616,113
Gearing (times)	1.04	1.04	0.83	0.72	0.99	0.86

#### Notes:-

(1)

(2)

(3)

(4)

(5)

(6)

The RCULS reserves consist of RM540.41 million being the equity component of the RCULS and RM36.07 million of deferred tax assets.

Including the borrowings of the Identified Companies based on their latest available audited financial statements of approximately RM133.26 million and the liability component of the RCULS of approximately RM144.27 million.

After taking into consideration the share premium amounting to RM52,083,333 required for capitalisation of reserves for the Bonus Shares and estimated expenses of RM2,229,791 relating to the Rights Issue.

After defraying estimated expenses amounting to RM3,498,000 in relation to the Acquisitions and Rights Issue such as advisory fees, regulatory fees, printing and advertising costs and miscellaneous expenses.

After reduction for estimated expenses of RM8,500,000 in relation to the Proposed CP/MTN Programme.

Assuming that the RCULS are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.

**Maximum Scenario**

	(I) Audited as at 31 December 2011 (RM'000)	(I) After adjusting for exercise of Warrants 2009/2019 and ESOS Options up to the LPD (RM'000)	(II) After (I) and assuming the exercise of outstanding Warrants 2009/2019 and ESOS Options <sup>(2)</sup> (RM'000)	(III) After (II) and the Acquisitions (RM'000)	(IV) After (III) and the Rights Issue (RM'000)	(V) After (IV) and the Proposed CP/MTN Programme (RM'000)	(VI) After (V) and assuming full conversion of RCULS <sup>(7)</sup> (RM'000)
Share capital	458,119	460,670	614,125	614,125	1,228,253	1,228,253	1,640,711
Share premium	366,664	367,974	417,580	417,580	390,682 <sup>(4)</sup>	390,682	662,905
Warrant reserve	39,320	39,319	-	-	-	-	-
Share option reserve	4,081	3,128	-	-	-	-	-
Other reserves	(41)	(41)	(41)	(41)	(41)	(41)	(41)
RCULS reserves <sup>(1)</sup>	-	-	-	576,481	576,481	576,481	-
Retained earnings	82,486	82,486	78,637	78,105	74,607 <sup>(5)</sup>	74,607	74,607
Shareholders' funds/NA	950,629	953,536	1,110,301	1,686,250	2,269,982	2,269,982	2,378,182
No. of Dijaya Shares in issue ('000)	458,119	460,670	614,125	614,125	1,228,253	1,228,253	1,640,711
NA per Dijaya Share (RM)	2.08	2.07	1.81	2.75	1.85	1.85	1.45
Total borrowings (RM'000)	991,354	991,354	991,354	1,268,880 <sup>(3)</sup>	1,268,880	1,760,380 <sup>(6)</sup>	1,616,113
Gearing (times)	1.04	1.04	0.89	0.75	0.56	0.78	0.68

**Notes:-**<sup>(1)</sup>

The RCULS reserves consist of RM540.41 million being the equity component of the RCULS and RM36.07 million of deferred tax assets.

<sup>(2)</sup>

Assuming 129,810,191 Warrants 2009/2019 are exercised at RM1.00 per Warrant 2009/2019 whilst 23,645,119 ESOS Options (including approximately 3.43 million ESOS Options which has lapsed since the announcement dated 6 March 2012 in relation to the Corporate Exercises up to the LPD and assumed to be reissued), are exercised at an assumed average exercise price of RM1.14 per Option.

<sup>(3)</sup>

Including the borrowings of the Identified Companies based on their latest available audited financial statements of approximately RM133.26 million and the liability component of the RCULS of approximately RM144.27 million.

<sup>(4)</sup>

After taking into consideration the share premium amounting to RM122,823,664 required for capitalisation of reserves for the Bonus Shares and estimated expenses of RM2,333,645 relating to the Rights Issue.

<sup>(5)</sup>

After defraying estimated expenses amounting to RM3,498,000 in relation to the Acquisitions and Rights Issue such as advisory fees, regulatory fees, printing and advertising costs and miscellaneous expenses.

<sup>(6)</sup>

After reduction for estimated expenses of RM8,500,000 in relation to the Proposed CP/MTN Programme.

<sup>(7)</sup>

Assuming that the RCULS are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.

### **8.3 Earnings and EPS**

As the Corporate Exercises are expected to be completed in the fourth (4<sup>th</sup>) quarter of 2012, the Corporate Exercises are not expected to have any material effect on the earnings of our Group for the FYE 31 December 2012. The Corporate Exercises are expected to contribute positively to the future earnings of our Group for the ensuing financial years, due to, amongst others, the earnings contribution from the Real Properties acquired and the recurring rental income of RM42.7 million per annum pursuant to the Property Lease Agreements. The EPS of Dijaya is estimated to be approximately RM0.094 after taking into consideration the PAT of RM72.7 million for the FYE 2011, lease rental of RM42.7 million per annum and issued and paid-up share capital of 1.228 billion Shares (assuming Rights Shares fully subscribed) but excluding the conversion, coupon payment of the RCULS and the future earnings potential from the development of landbanks acquired under the Acquisitions. The consolidated EPS of Dijaya is expected to be further diluted as a result of the new Dijaya Shares to be issued upon conversion of the RCULS.

Nevertheless, the potential impact of the dilution on the future earnings and EPS of the Group will also depend upon, amongst others, the rental income and future development plans from/for the buildings and landbank acquired respectively, and the level of returns generated by the utilisation of proceeds arising from the Rights Issue and the Proposed CP/MTN Programme.

### **8.4 Adjustments to the Warrants 2009/2019 and ESOS Options**

#### **(i) Warrants 2009/2019**

Any necessary adjustments to the Warrants 2009/2019 as a result of the Rights Issue will be made in accordance with the provisions of the Deed Poll. Hence, any adjustments will only be made on the Entitlement Date and will be effective on the next Market Day. A notification to the holders of the Warrants 2009/2019 explaining the mechanism of the adjustment will be issued by our Company in due course.

#### **(ii) ESOS Options**

The adjustment to the exercise price of the unexercised ESOS Options will be made in accordance with the provisions of the bye-laws governing Dijaya's ESOS to ensure that the status of the ESOS Option holders is not prejudiced as a result of the Corporate Exercises. The rights and obligations of the ESOS Option holders will remain unchanged, save for the adjustment to the option price of the unexercised ESOS Options.

## **9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS**

### **9.1 Working capital**

Your Board is of the opinion that based on our Group's available banking facilities, our Group's cash balance, internally generated funds from our operations as well as the proceeds to be raised from the Rights Issue, our Group will have adequate working capital for a period of 12 months from the date of this AP to meet our present and foreseeable future requirements.



## 9.2 Borrowings

As at the LPD, our Group had total outstanding borrowings of approximately RM1.147 billion all of which are interest-bearing and from local financial institutions, details of which are as follows:-

	Interest range (%)	RM'000
<b>Short term borrowings:-</b>		
Revolving credits	4.96 – 8.10	233,018
Term loans	4.96 – 5.60	22,523
Hire purchase	2.46	20
Less: Unamortised issuance expenses		(395)
		<u>255,166</u>
<b>Long term borrowings:-</b>		
Bridging loans	5.15 – 5.42	34,819
Term loans	4.95 – 5.60	868,329
Hire purchase	2.46	127
Less: Unamortised issuance expenses		(11,024)
		<u>892,251</u>
		<u><b>1,147,417</b></u>

As at the LPD, we do not have any non-interest bearing borrowings.

There has been no default on payment of either interest and/or principal sums in respect of any borrowings throughout the past FYE 31 December 2011, and the subsequent financial period up to the LPD.

## 9.3 Contingent liabilities

As at the LPD, there is no contingent liability incurred or known to be incurred by our Group, which in the opinion of your Board, upon becoming enforceable will or may have a material impact on the profits or net asset value of our Group.

## 9.4 Material commitments

Save as disclosed below, as at the LPD, there is no material commitment incurred or known to be incurred by our Group, which in the opinion of your Board, will or may have a material impact on the financial position of our Group:-

	RM'million
Capital expenditure approved and contracted for	
(i) Within 12 months	702
(ii) More than 12 months	350
	<u>1,052</u>
Share of joint venture's capital commitment in relation to land held for development	
(i) Within 12 months	168
(ii) More than 12 months	454
	<u>622</u>

The capital commitments disclosed above are expected to be financed by internally generated funds and/or external borrowings.

**10. MINIMUM SUBSCRIPTION LEVEL AND SHAREHOLDERS' UNDERTAKING****10.1 Minimum Subscription Level and shareholders' undertaking**

Presently, your Board has determined a minimum subscription level for the the Rights Issue of approximately 208,333,333 Rights Shares together with approximately 52,083,333 Bonus Shares after taking into consideration the minimum funding requirements of our Company.

In order to achieve the Minimum Subscription Level, our Company has procured the Undertakings from certain shareholders, namely TSDTCS, IASB and GDSB, to subscribe, either on their own and/or via their renouncee(s), for their respective entitlements under the Rights Issue.

The minimum funding requirement of our Company under the Rights Issue was arrived at after taking into consideration our Group's funding requirements for the Acquisitions.

Details of the Undertakings are as follows:-

Shareholders	Existing direct shareholdings as at the LPD		Entitlement to the Rights Shares				Rights Shares undertaken to be subscribed	% of total Rights Shares <sup>(4)</sup>	Bonus Shares to be issued pursuant to Rights Shares subscribed
	No. of Shares	%	Minimum scenario		Maximum scenario				
			No. of Rights Shares	% <sup>(2)</sup>	No. of Rights Shares	% <sup>(3)</sup>			
TSDTCS	140,043,934	30.40	112,035,147	30.40	144,124,541	29.34	75,660,718	15.40	18,915,180
IASB	82,007,761	17.80	65,606,209	17.80	75,710,840	15.41	65,606,209	13.35	16,401,552
GDSB	83,833,008	18.20	67,066,406	18.20	72,988,237	14.86	67,066,406	13.65	16,766,601
<b>Total</b>	<b>305,884,703</b>	<b>66.40</b>	<b>244,707,762</b>	<b>66.40</b>	<b>292,823,618</b>	<b>59.61</b>	<b>208,333,333</b>	<b>42.40</b>	<b>52,083,333</b>

Notes:-

<sup>(1)</sup> Based on our Company's issued and paid-up share capital as at the LPD of 460,670,720.

<sup>(2)</sup> Based on the total number of up to 368,536,576 Rights Shares to be issued based on our Company's issued and paid-up share capital as at the LPD and assuming that none of the outstanding Warrants 2009/2019 and ESOS Options as at the LPD are exercised.

<sup>(3)</sup> Based on the total number of up to 491,302,655 Rights Shares to be issued based on our Company's issued and paid-up share capital as at the LPD and assuming that all outstanding Warrants 2009/2019 and ESOS Options as at the LPD are exercised.

<sup>(4)</sup> Based on the Undertakings and the total number of up to 491,302,655 Rights Shares to be issued pursuant to the Rights Issue.

The aforementioned shareholders have confirmed via their Undertakings that they have the financial means and sufficient resources to subscribe in full for their respective number of Rights Shares set out above and will make full payment for all such Rights Shares upon subscription in accordance with the terms and conditions of this AP.

The Joint Advisers have verified the sufficiency of financial resources of the aforementioned shareholders to subscribe for their respective number of Rights Shares undertaken (as disclosed in the table above) based on the issue price of RM1.20 per Rights Share. Nonetheless, in the event the Minimum Subscription Level is not achieved, the Rights Issue may be aborted and our Company will consider other sources of funding (which may consist of a combination of internally generated funds and bank borrowings) to meet our financial requirements (including the partial settlement of the Purchase Consideration).

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## 10.2 Implications of the Code

TSDTCS, IASB and GDSB have provided the Undertakings to subscribe, either on their own and/or via their renounee(s), for their respective entitlements under the Rights Issue in order to achieve the Minimum Subscription Level under the Rights Issue. The proforma effects of the Undertakings on the shareholdings of TSDTCS, IASB and GDSB in our Company as at the LPD are as follows:-

	Shareholdings as at the LPD		After the Rights Issue (taking into consideration the Undertakings) and assuming no other shareholders subscribe for the Rights Shares	
	No. of Shares	(%)	No. of Shares	(%)
TSDTCS	140,043,934	30.40	234,619,832	32.54
IASB	82,007,761	17.80	164,015,522	22.75
GDSB	83,833,008	18.20	167,666,016	23.25
<b>Total</b>	<b>305,884,703</b>	<b>66.40</b>	<b>566,301,370</b>	<b>78.54</b>
<b>Total issued and paid-up share capital</b>	<b>460,670,720</b>	<b>100.0</b>	<b>721,087,386</b>	<b>100.0</b>

Based on the table above, TSDTCS, IASB and GDSB collectively hold more than 50% of the voting shares in our Company before and after the Rights Issue whilst in terms of direct shareholdings, neither TSDTCS, IASB nor GDSB hold more than 33% voting shares in our Company after the Rights Issue. In this respect, TSDTCS, IASB and GDSB are not required to seek any exemption from the SC pursuant to Practice Note 9, paragraph 16.1 of the Code in view that TSDTCS, IASB and GDSB would not trigger the provisions of the Code to undertake a mandatory take-over offer for all outstanding Shares and convertible securities issued by our Company after the Rights Issue.

Pursuant to the Acquisitions, RM684,681,436 nominal value of RCULS have been issued to AFSB, being a company collectively nominated by the Vendors to receive and hold the RCULS and a wholly-owned subsidiary of D & I Corporation, which in turn is held by TSDTCS and PSDCST via their respective shareholdings of 77.5% and 22.5%. As such, any subsequent conversion of the RCULS into our Shares by AFSB may result in TSDTCS and his PACs' direct shareholdings in our Company increasing to more than 33%. Accordingly, pursuant to Part III and Part VIII of the Code, TSDTCS and his PACs would, in such an event, be obliged to extend a mandatory take-over offer for the remaining Dijaya Shares and convertible securities issued by our Company respectively which are not already owned by them.

Therefore, in the event an obligation to undertake a mandatory offer is expected to arise resulting from the above, TSDTCS and his PACs shall make the necessary application for an exemption from the obligation to undertake a mandatory offer pursuant to the Code prior to the conversion of the RCULS and comply with the requirements of the Code.

## 11. PROCEDURES FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with attached Bonus Shares that you have been provisionally allotted as well as to apply for any Excess Rights Shares if you choose to do so. This AP and the RSF are also available on Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)).

**FULL PROCEDURES FOR THE ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS RIGHTS SHARES APPLICATION ARE SET OUT IN THIS SECTION AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS AP AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.**

### **11.1 Acceptance and payment**

If you wish to accept all or part of your entitlement to the Provisional Rights Shares, please complete Parts I and III of the RSF in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this AP or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of your Board.

Each completed and signed RSF together with the relevant payment must be delivered by hand or despatched by ordinary post (at your own risk) to our Share Registrar at the following address:-

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Tel : 03-7849 0777  
Fax : 03-7841 8151/52

so as to arrive not later than **5.00 p.m. on 9 October 2012**, being the last date and time for acceptance and payment, or such later date and time as your Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any reasons require another copy of the RSF, you may obtain additional copies of the RSF from all Malaysian stockbroking companies, Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)), our Share Registrar at the address stated above or our Registered Office at the following address: -

C-06-02, 6<sup>th</sup> Floor  
Block C, Wisma TT  
No. 1, Jalan PJS 8/15  
Dataran Mentari  
46150 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Tel : 03-5621 3808  
Fax : 03-5621 3807

Only one (1) RSF can be used for acceptance of the Provisional Rights Shares standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of the Provisional Rights Shares standing to the credit of more than one (1) CDS Account. If successful, the Rights Shares with attached Bonus Shares accepted by you will be credited into the respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

You should note that you will only be entitled to the Bonus Shares if you subscribe for the Rights Shares.

If you do not wish to accept your entitlement to the Provisional Rights Shares in full, you are entitled to accept part of your entitlement to the Provisional Rights Shares. The minimum number of Provisional Rights Shares that can be accepted is one (1) Rights Share. However, you should take note that, in order to be entitled to one (1) Bonus Share, you must subscribe for four (4) Rights Shares. Fractions of a Rights Share and/or Bonus Share arising from the Rights Issue will be disregarded and dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company. You should also take note that a trading board lot comprises 100 Shares.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares with attached Bonus Shares accepted in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to "DIJAYA RIGHTS SHARES ACCOUNT" and crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number. The payment must be made in the exact amount. Any excess or insufficient payment and other than in the manner stated in this AP may be rejected at the absolute discretion of your Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

**NO ACKNOWLEDGEMENT WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RECEIPT OF THE RSF OR THE APPLICATION MONIES IN RESPECT OF THE ACCEPTANCE OF THE PROVISIONAL RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH ATTACHED BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

If the acceptance of and payment for the Provisional Rights Shares allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by **5.00 p.m. on 9 October 2012**, being the last date and time for acceptance and payment, or such later date and time as your Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time, your provisional entitlement will be deemed to have been declined and will be cancelled. Such Rights Shares with attached Bonus Shares not taken up shall first be made available for application for Excess Rights Shares in the manner as set out in Section 11.3 of this AP.

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. YOUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES.**

### 11.2 Sale/transfer of Provisional Rights Shares

As an Entitled Shareholder, you may wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more than one (1) person immediately through your stockbroker(s) without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account(s).

To sell/transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the Provisional Rights Shares.

In selling/transferring all or part of your entitlement to the Provisional Rights Shares, you need not deliver any document, including the RSF, to your stockbroker(s). You are however, advised to ensure that there is sufficient Provisional Rights Shares standing to the credit of your CDS Account(s) for settlement of the sale/transfer.

Purchaser(s) of the Provisional Rights Shares may obtain a copy of this AP and the RSF from all Malaysian stockbroking companies, Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)), our Share Registrar or our Registered Office.

If you have sold/transferred only part of your entitlement to the Provisional Rights Shares, you may still accept the balance of your entitlement to the Provisional Rights Shares by completing Parts I and III of the RSF and forwarding the RSF together with the appropriate remittance for the full amount payable for the balance of the Rights Shares with attached Bonus Shares accepted to our Share Registrar in accordance with the instructions as set out in Section 11.1 of this AP.

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

### 11.3 Application for Excess Rights Shares

If you wish to apply for additional Rights Shares with attached Bonus Shares in excess of those provisionally allotted to you, you may do so by completing Part II of the RSF (in addition to Parts I and III of the RSF) and forwarding the RSF, together with a **separate** remittance for the full amount payable in respect of the Excess Rights Shares applied for to our Share Registrar so as to arrive not later than **5.00 p.m. on 9 October 2012**, being the last date and time for the application and payment, or such later date and time as your Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the Excess Rights Shares applied for shall be made in the same manner described in Section 11.1 of this AP except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to "**DIJAYA EXCESS RIGHTS SHARES ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number. The payment must be made in the exact amount. Any excess or insufficient payment and other than in the manner stated in this AP may be rejected at the absolute discretion of your Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

Your Board will allot the Excess Rights Shares, if any, in a fair and equitable manner, and on such basis as it may deem fit or expedient or in the best interest of our Company. The indicative basis for the allotment of the Excess Rights Shares is as follows:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis, calculated based on the quantum of their respective Excess Rights Shares application; and
- (iv) fourthly, for allocation to transferee(s) and/or renounee(s) who have applied for Excess Rights Shares on a pro-rata basis based on the quantum of their respective Excess Rights Shares application.

Nevertheless your Board reserves the right to allot any Excess Rights Shares applied under Part II of the RSF in such manner as your Board deems fit and expedient in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of your Board set out in Section 11.3(i)-(iv) are achieved. Your Board also reserves the right to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

**NO ACKNOWLEDGEMENT WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES APPLICATION OR THE APPLICATION MONIES IN RESPECT THEREOF. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH ATTACHED BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS AS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE AND TIME FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES.**

#### **11.4 Acceptance by renounees**

As a renounee, the procedures for acceptance, selling/transferring of the Provisional Rights Shares, applying for the Excess Rights Shares and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 11.1 to 11.3 of this AP.

Renounees may obtain a copy of this AP and the RSF from all Malaysian stockbroking companies, Bursa Securities' website ([www.bursamalaysia.com](http://www.bursamalaysia.com)), our Share Registrar or our Registered Office.

## 11.5 CDS Account

Bursa Securities has already prescribed the Dijaya Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Rights Shares are prescribed securities and as such, all dealings in the Provisional Rights Shares will be by book entry through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with attached Bonus Shares.

The acceptance of the Provisional Rights Shares by you or any purchaser of the rights thereof shall mean consent to receiving such Rights Shares and Bonus Shares as prescribed securities which will be credited directly into the respective CDS Accounts.

All Excess Rights Shares allotted shall be credited directly into the CDS Accounts of the successful applicants.

## 11.6 Foreign Addressed Shareholders

The Documents are not intended to be (and will not be) issued to comply with the laws of countries or jurisdictions other than the laws of Malaysia and have not been (and will not be) lodged, registered or approved pursuant to or under any applicable securities legislation (or with or by any regulatory authorities or other relevant bodies) of any laws of any countries or jurisdictions other than the laws of Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue will not be made or offered in any countries or jurisdictions other than Malaysia. Further, the distribution of the Documents and the acceptance of the Provisional Rights Shares in certain countries or jurisdictions may be restricted or prohibited under the relevant laws of the respective countries or jurisdictions. Accordingly, the Rights Shares with attached Bonus Shares will not be sold, directly or indirectly, and neither the Documents nor any advertisement in connection with the Rights Issue will be distributed or published in or from any countries or jurisdictions except under circumstances that will result in compliance with any applicable rules and regulations of any such countries or jurisdictions. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Shares with attached Bonus Shares in any jurisdiction other than Malaysia or to any person to whom it would be unlawful to make such offer, solicitation or invitation.

As such, the Documents will not be despatched to Foreign Addressed Shareholders unless they have provided an address in Malaysia for the service of the Documents by the Entitlement Date. However, Foreign Addressed Shareholders may collect the Documents in person from our Share Registrar's office, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents. Such collection may be done during normal business hours from Mondays to Fridays (except public holidays) from the date hereof until **5.00 p.m. on 9 October 2012** (or such later date and time as your Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time).

However, Foreign Addressed Shareholders and/or their renounee(s) (if applicable) into whose possession the Documents may come or to whom such Rights Issue are made are required to inform themselves of, and observe all applicable laws of other jurisdiction which may prohibit or restrict the issue, circulation or distribution of the Documents to them or which may prohibit or restrict the offering, solicitation or invitation to subscribe for securities under the Documents pursuant to the relevant laws of the countries or jurisdictions they are subjected to. Entitled Shareholders and/or their renounee(s) (if applicable) who are residing in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional adviser as to whether the acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be), would result in the contravention of any laws of such countries or jurisdictions in which Entitled Shareholders and/or their renounee(s) (if applicable) is a resident.



Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue to the extent that it would be lawful to do so. Neither our Company, our Share Registrar, Joint Advisers nor any other experts (“Parties”) to the Rights Issue shall, in connection with the Rights Issue, be responsible for any breach of the laws of countries or jurisdictions other than the laws of Malaysia to which the Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) is or might be subject to and he/she shall be solely responsible to seek advice as to the laws of the countries or jurisdictions to which they are or may be subject to. The Parties shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation sale or transfer of the Provisional Rights Shares made by Foreign Addressed Shareholder and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s) (if applicable) is a resident.

Foreign Entitled Shareholders and/or their renouncee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of their entitlement or to any net proceeds thereof.

Our Company will assume that the Rights Issue and the acceptance thereof by Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) would be in compliance with the terms of the Rights Issue and would not be in breach of the laws of any countries or jurisdictions. Our Company will further assume that Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

By signing any of the RSF accompanying this AP, Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties (or if it is a broker-dealer or custodian acting on behalf of its customer, such customer has confirmed to it that such customer has so represented, acknowledged and declared in respect of itself) that:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any countries or jurisdictions to which that the Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are or may be subject to;
- (ii) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any countries or jurisdictions to which that person is or may be subject to;
- (iv) Foreign Addressed Shareholders and/or their renouncee(s) (if applicable) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any way in accordance with all applicable laws in Malaysia;

- (v) Foreign Addressed Shareholders and/or their renounee(s) (if applicable) have respectively received a copy of the Documents and have had access to such financial and other information and have been provided with the opportunity to pose such questions to the representatives of the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe or purchase the Rights Shares with attached Bonus Shares; and
- (vi) Foreign Addressed Shareholders and/or their renounee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with attached Bonus Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Bonus Shares.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for Excess Rights Shares application by Entitled Shareholders and/or their renounee(s) (if applicable).

**12. TERMS AND CONDITIONS**

The Rights Issue is governed by the terms and conditions set out in the Documents.

**13. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully,

For and on behalf of the Board of  
**DIJAYA CORPORATION BERHAD**



**DATO' ROHANA BINTI TAN SRI MAHMOOD**  
Chairman

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS IN RESPECT OF THE ACQUISITIONS AND RIGHTS ISSUE PASSED AT OUR EGM HELD ON 10 AUGUST 2012**

**DIJAYA CORPORATION BERHAD**

(Company No. 47908-K)  
(Incorporated in Malaysia)

*AN EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING  
HELD ON 10 AUGUST 2012*

**ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITIONS BY THE COMPANY AND/OR ITS NOMINEE(S) OF THE ENTIRE EQUITY INTEREST IN IDENTIFIED COMPANIES AND IDENTIFIED PROPERTIES FROM TAN SRI DATO' TAN CHEE SING AND CERTAIN PARTIES RELATED TO HIM FOR A TOTAL INDICATIVE CONSIDERATION OF RM942,988,454, WHICH WILL BE SATISFIED PARTLY IN CASH AND PARTLY VIA THE ISSUANCE OF 10-YEAR 3% REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS IN THE COMPANY ("RCULS") AND PROPERTY LEASE AGREEMENTS**

It was RESOLVED :-

"**THAT**, subject to the passing of Ordinary Resolution 2, Ordinary Resolution 3 and Special Resolution 1 and subject to the approval of all the relevant authorities or parties being obtained (if required) and the conditions precedent in the respective share sale agreements and sale and purchase agreements (collectively, the "**Definitive Agreements**") entered into between the Company and Tan Sri Dato' Tan Chee Sing ("**TSDTCS**") and certain parties related to him as set out in the Definitive Agreements (collectively, the "**Vendors**") being fulfilled or waived (as the case may be), approval be and is hereby given for the Company and/or its nominee(s) to acquire the entire equity interest in the identified companies and identified properties as set out in the Definitive Agreements from the respective Vendors at an aggregate indicative consideration of RM942,988,454 (which shall be subject to adjustment in accordance with the terms of the Definitive Agreements), to be satisfied partly in cash of RM250,000,000 and the balance ("**Balance Purchase Consideration**") via issuance of RCULS at 100% of their nominal value, upon and subject to the terms and conditions as stipulated in the respective Definitive Agreements ("**Proposed Acquisitions**"):

**THAT** pursuant to the terms of the Definitive Agreements, approval be and is hereby given for the Company to allot (whether provisionally or otherwise) and/or issue, by way of a restricted issue, such nominal value of RCULS (at 100% of their nominal value) required to settle the Balance Purchase Consideration to Aliran Firasat Sdn Bhd ("**AFSB**"), a company collectively nominated by the Vendors ("**Proposed RCULS Issuance**"). The RCULS shall be convertible into new ordinary shares of RM1.00 each in the Company ("**Shares**") and be issued upon and subject to the principal terms and conditions as stipulated in the Definitive Agreements and constituted and governed *inter alia* by a subscription agreement or similar document to be entered into between the Company and AFSB;

**THAT** approval be and is hereby given for the Company to allot and issue new Shares in the Company to AFSB pursuant to the conversion of the RCULS, including pursuant to any adjustment(s) that may be made to the *conversion price* and/or number of the RCULS in accordance with the terms and conditions applicable to them;

**THAT** the new Shares to be allotted and issued pursuant to the conversion of the RCULS shall, upon allotment and issue, rank *pari passu* in all respects with each other and with the then existing Shares save and except that the holders of such new Shares shall not be entitled to dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of such new Shares;

**THAT**, subject to the completion of the Proposed Acquisitions pursuant to the terms of the respective Definitive Agreements, approval be and is hereby given for the Company or its nominee(s) to lease and let out the identified properties and buildings to be acquired by the Company and/or its nominee(s) pursuant to the Proposed Acquisitions to such parties as may be identified by the Company (which may include the Vendors and such other tenants identified by TSDTCS) upon and subject to the terms and conditions stipulated in the respective property lease agreements executed/to be executed between the parties, with full power to negotiate, approve, agree and give effect to any variations, modifications and/or

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS IN RESPECT OF THE ACQUISITIONS AND RIGHTS ISSUE PASSED AT OUR EGM HELD ON 10 AUGUST 2012 (Cont'd)**

**DIJAYA CORPORATION BERHAD**

(Company No. 47908-K)  
(Incorporated in Malaysia)

AN EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING  
HELD ON 10 AUGUST 2012

I) PROPOSED ACQUISITIONS AND PROPERTY LEASE AGREEMENTS  
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amendments to the terms and conditions and parties to such property lease agreements and/or the lease arrangements represented thereby, including but not limited to termination of existing leases and execution of substitute lease arrangements and/or changes to tenants and/or lease rental amounts at any time during the tenure of the lease arrangements and to deal with all matters incidental, ancillary to and/or relating thereto ("**Property Lease Agreements**");

**AND THAT** the Board of Directors of the Company ("**Board**") be and is hereby authorized and empowered to give full effect to the Proposed Acquisitions, the Proposed RCULS Issuance, Definitive Agreements and the Property Lease Agreements with full power to negotiate, approve, agree and/or assent to any conditions, variations, revaluations, modifications and/or amendments in any manner as may be required/permitted by the relevant authorities or deemed necessary by the Board, to deal with all matters incidental, ancillary to and/or relating thereto, to take all such steps and to execute and deliver and/or cause to be executed and delivered the respective Definitive Agreements, the documentation constituting and governing the RCULS, the relevant property lease agreement(s) in respect of the Property Lease Agreements and all such other agreements, deeds, arrangements, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations and/or guarantees to or with any party or parties, and to do all such acts, things and matters as it may deem fit, necessary and/or expedient or in the best interests of the Company."

**ORDINARY RESOLUTION 2**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 491,302,655 NEW ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.20 PER RIGHTS SHARE, TOGETHER WITH AN ATTACHED BONUS ISSUE OF UP TO 122,825,664 NEW ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY ("BONUS SHARES") TO BE CREDITED AS FULLY PAID UP, ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES IN THE COMPANY HELD AND ONE (1) BONUS SHARE FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR AS AT THE ENTITLEMENT DATE TO BE DETERMINED**

It was RESOLVED :-

"**THAT**, subject to the passing of Ordinary Resolution 1, Ordinary Resolution 3 and Special Resolution 1 and subject to the approval of all the relevant authorities or parties being obtained (if required), including but not limited to the approval-in-principle of Bursa Malaysia Securities Berhad for the listing of and quotation for up to 491,302,655 Rights Shares and up to 122,825,664 Bonus Shares to be issued pursuant to the Proposed Rights Issue, the Board be and is hereby authorized:-

- (a) to provisionally allot and issue by way of a renounceable rights issue up to 491,302,655 Rights Shares at an issue price of RM1.20 per Rights Share, together with an attached bonus issue of up to 122,825,664 Bonus Shares to be credited as fully paid up to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board, and/or to their renounee(s), on the basis of four (4) Rights Shares for every five (5) existing Shares held and one (1) Bonus Share for every four (4) Rights Shares subscribed for on such entitlement date and on such other terms and conditions as the Board may determine ("**Proposed Rights Issue**"); and

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS IN RESPECT OF THE ACQUISITIONS AND RIGHTS ISSUE PASSED AT OUR EGM HELD ON 10 AUGUST 2012 (Cont'd)**

**DIJAYA CORPORATION BERHAD**

(Company No. 47908-K)  
(Incorporated in Malaysia)

AN EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING  
HELD ON 10 AUGUST 2012

I) PROPOSED ACQUISITIONS AND PROPERTY LEASE AGREEMENTS  
II) PROPOSED RIGHTS ISSUE

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(b) to capitalize and apply a total sum of up to RM122,825,664.00 from the Company's share premium account for the purposes of the capitalisation of Bonus Shares;

**THAT** the Board be and is hereby empowered and authorized to deal with any fractional entitlements that may arise from the Proposed Rights Issue in such manner and on such terms and conditions as the Board shall in its absolute discretion deem fit, necessary and/or expedient or in the best interests of the Company (including without limitation to disregard such fractional entitlements);

**THAT** the Rights Shares and the Bonus Shares to be issued shall, upon issue and allotment, rank *pari passu* in all respects with each other and with the then existing issued and paid-up Shares, save and except that the holders of such new Rights Shares and new Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of such new Rights Shares and new Bonus Shares;

**THAT** any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess shares application;

**THAT** the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in the Circular to Shareholders of the Company dated 19 July 2012, and the Board be authorized with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

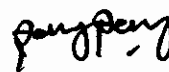
**THAT** the Board be and is hereby authorized and empowered to take all steps and to do all acts, deeds and things and to execute, enter into, sign and deliver for and on behalf of the Company all documents as it may consider necessary or expedient to give full effect to the Proposed Rights Issue with full power to fix and vary the entitlement date and time for the Proposed Rights Issue and assent to and accept any conditions, modifications, variations arrangements and/or amendments and with full power to make any amendments, variations or modifications to the terms and/or conditions of the Proposed Rights Issue in any manner as the Board may in its absolute discretion deem fit, necessary and/or expedient or in the best interests of the Company;

**AND THAT** this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares and Bonus Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been fully allotted and issued in accordance with the terms of the Proposed Rights Issue."

CERTIFIED TRUE AND CORRECT:-



DATO' ROHANA BINTI TAN SRI MAHMOOD  
DIRECTOR



TEH PENG PENG  
(MAICSA NO. 7021299)  
SECRETARY

Petaling Jaya  
Dated : - 3 SEP 2012

[TPP/mx/204/01-08/2012]

**INFORMATION ON OUR COMPANY****1. HISTORY AND PRINCIPAL ACTIVITIES**

Our Company was incorporated in Malaysia under the Act as a private limited company under the name Itama Sdn. Berhad on 2 June 1979. On 4 February 1982, our Company name was changed to IGB Fibre-Cement Products Sdn. Berhad and subsequently to Jasa Megah Industries Sdn Bhd on 30 July 1984. On 1 July 1991, our Company converted to a public limited company under the name of Jasa Megah Industries Berhad before assuming our present name on 3 June 1997.

Our Company was listed on the Main Board of Bursa Securities (now known as Main Market) on 18 August 1992.

Our Company is principally involved in investment holding and provision of management services whilst the principal activities of our subsidiaries, associated companies and jointly-controlled entities are set out in Section 5 of this Appendix.

**2. SHARE CAPITAL AND MOVEMENT IN SHARE CAPITAL****2.1 Share capital**

Our authorised and issued and paid-up share capital as at the LPD are as follows:-

	No. of Dijaya Shares	Par value (RM)	Total (RM)
Authorised	3,000,000,000	1.00	3,000,000,000
Issued and paid-up	460,670,720	1.00	460,670,720

**2.2 Changes in share capital**

The changes in our issued and fully paid-up share capital for the past three (3) years prior to the LPD are as follows:-

Date of allotment	No. of Dijaya Shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative issued and paid-up share capital (RM)
26.06.2012	37,000	1.00	Cash/ Exercise of Options	460,670,720
02.05.2012	46,000	1.00	Cash/ Exercise of Options	460,633,720
17.04.2012	10,000	1.00	Cash/ Exercise of Options	460,587,720
10.04.2012	98,861	1.00	Cash/ Exercise of Options	460,577,720
03.04.2012	22,700	1.00	Cash/ Exercise of Options	460,478,859
27.03.2012	40,000	1.00	Cash/ Exercise of Options	460,456,159
22.03.2012	2,000	1.00	Cash/ Exercise of Warrants 2009/2019	460,416,159
20.03.2012	128,054	1.00	Cash/ Exercise of Options	460,414,159
15.03.2012	112,800	1.00	Cash/ Exercise of Options	460,286,105
12.03.2012	863,116	1.00	Cash/ Exercise of Options	460,173,305
06.03.2012	167,900	1.00	Cash/ Exercise of Options	459,310,189
28.02.2012	113,900	1.00	Cash/ Exercise of Options	459,142,289
21.02.2012	84,900	1.00	Cash/ Exercise of Options	459,028,389
14.02.2012	255,400	1.00	Cash/ Exercise of Options	458,943,489
09.02.2012	200,470	1.00	Cash/ Exercise of Options	458,688,089
16.01.2012	116,300	1.00	Cash/ Exercise of Options	458,487,619
10.01.2012	20,000	1.00	Cash/ Exercise of Options	458,371,319
05.01.2012	232,360	1.00	Cash/ Exercise of Options	458,351,319
28.12.2011	166,471	1.00	Cash/ Exercise of Options	458,118,959
22.12.2011	34,000	1.00	Cash/ Exercise of Options	457,952,488

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of Dijaya Shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative issued and paid-up share capital (RM)
15.12.2011	168,000	1.00	Cash/ Exercise of Options	457,918,488
07.12.2011	81,000	1.00	Cash/ Exercise of Options	457,750,488
01.12.2011	240,100	1.00	Cash/ Exercise of Options	457,669,488
23.11.2011	468,900	1.00	Cash/ Exercise of Options	457,429,388
28.10.2011	30,000	1.00	Cash/ Exercise of Options	456,960,488
27.09.2011	30,000	1.00	Cash/ Exercise of Options	456,930,488
14.09.2011	81,600	1.00	Cash/ Exercise of Options	456,900,488
08.09.2011	143,300	1.00	Cash/ Exercise of Options	456,818,888
25.08.2011	85,000	1.00	Cash/ Exercise of Options	456,675,588
18.08.2011	229,739	1.00	Cash/ Exercise of Options	456,590,588
11.08.2011	322,100	1.00	Cash/ Exercise of Options	456,360,849
02.08.2011	71,400	1.00	Cash/ Exercise of Options	456,038,749
26.07.2011	186,585	1.00	Cash/ Exercise of Options	455,967,349
20.07.2011	139,000	1.00	Cash/ Exercise of Options	455,780,764
08.07.2011	508,896	1.00	Cash/ Exercise of Options	455,641,764
05.07.2011	132,268	1.00	Cash/ Exercise of Options	455,132,868
20.05.2011	600	1.00	Cash/ Exercise of Warrants 2009/2019	455,000,600
21.06.2010	655,230	1.00	Cash/ Exercise of Options	455,000,000
09.12.2009	194,719,187	1.00	Cash/ Rights issue	454,344,770

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**INFORMATION ON OUR COMPANY (Cont'd)****3. SUBSTANTIAL SHAREHOLDERS**

For illustrative purposes only, our substantial shareholders' direct and indirect shareholdings in our Company before and after the Corporate Exercises based on our register of substantial shareholders as at the LPD are as follows:-

**Minimum Scenario**

	As at the LPD				(I) After the Acquisitions				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%
TSDTCS	140,043,934	30.40	165,840,769 <sup>(2)</sup>	36.00	140,043,934	30.40	165,840,769 <sup>(2)</sup>	36.00	234,619,832	32.54	331,681,538 <sup>(2)</sup>	46.00
IASB	82,007,761	17.80	-	-	82,007,761	17.80	-	-	164,015,522	22.75	-	-
GDSB	83,833,008	18.20	-	-	83,833,008	18.20	-	-	167,666,016	23.25	-	-
TAEL One Partners Ltd ("TAEL") <sup>(1)</sup>	33,000,000	7.16	-	-	33,000,000	7.16	-	-	33,000,000	4.58	-	-
AFSB	-	-	-	-	-	-	-	-	-	-	-	-
D & I Corporation	-	-	-	-	-	-	-	-	-	-	-	-
PSDCST	-	-	-	-	-	-	-	-	-	-	-	-
United Overseas Bank Ltd ("UOBL")	-	-	33,000,000 <sup>(3)</sup>	7.16	-	-	33,000,000 <sup>(3)</sup>	7.16	-	-	33,000,000 <sup>(3)</sup>	4.58
Tan Sri Dato' Seri Vincent Tan Chee Y'oun	-	-	31,600,000 <sup>(4)</sup>	6.86	-	-	31,600,000 <sup>(4)</sup>	6.86	-	-	31,600,000 <sup>(4)</sup>	4.38
Berjaya Corporation Berhad	-	-	31,600,000 <sup>(5)</sup>	6.86	-	-	31,600,000 <sup>(5)</sup>	6.86	-	-	31,600,000 <sup>(5)</sup>	4.38
Berjaya Group Berhad	-	-	31,600,000 <sup>(6)</sup>	6.86	-	-	31,600,000 <sup>(6)</sup>	6.86	-	-	31,600,000 <sup>(6)</sup>	4.38
Juara Sejati Sdn Bhd	-	-	31,600,000 <sup>(7)</sup>	6.86	-	-	31,600,000 <sup>(7)</sup>	6.86	-	-	31,600,000 <sup>(7)</sup>	4.38



## INFORMATION ON OUR COMPANY (Cont'd)

	(III)			(IV)		
	After (II) and the Proposed CP/MTN Programme			After (III) and assuming full conversion of the RCULS <sup>(8)</sup>		
	← Direct →	← Indirect →	%	← Direct →	← Indirect →	%
	No. of Dijaya Shares	No. of Dijaya Shares	%	No. of Dijaya Shares	No. of Dijaya Shares	%
TSDTCS	234,619,832	331,681,538 <sup>(2)</sup>	46.00	234,619,832	744,140,234 <sup>(2)(9)</sup>	65.65
IASB	164,015,522	-	-	164,015,522	-	-
GDSB	167,666,016	-	-	167,666,016	-	-
TAEL <sup>(1)</sup>	33,000,000	-	-	33,000,000	-	-
AFSB	-	-	-	412,458,696 <sup>(9)</sup>	-	-
D & I Corporation	-	-	-	-	412,458,696 <sup>(9)(10)</sup>	36.39
PSDCST	-	-	-	-	412,458,696 <sup>(9)(10)</sup>	36.39
UOBL	-	33,000,000 <sup>(3)</sup>	4.58	-	33,000,000 <sup>(3)</sup>	2.91
Tan Sri Dato' Seri Vincent Tan Chee Yiuon	-	31,600,000 <sup>(4)</sup>	4.38	-	31,600,000 <sup>(4)</sup>	2.79
Berjaya Corporation Berhad	-	31,600,000 <sup>(5)</sup>	4.38	-	31,600,000 <sup>(5)</sup>	2.79
Berjaya Group Berhad	-	31,600,000 <sup>(6)</sup>	4.38	-	31,600,000 <sup>(6)</sup>	2.79
Juara Sejati Sdn Bhd	-	31,600,000 <sup>(7)</sup>	4.38	-	31,600,000 <sup>(7)</sup>	2.79

## Notes:-

(1)

TAEL is acting in its capacity as the general partners of The Asian Entrepreneur Legacy One, L.P.

(2)

Deemed interested by virtue of his interests in IASB, GDSB and AFSB pursuant to Section 6A of the Act.

(3)

Deemed interested by virtue of his investment in The Asian Entrepreneur Legacy One, L.P. pursuant to Section 6A of the Act.

(4)

Deemed interested by virtue of his interest in Berjaya Corporation Berhad, the ultimate holding company of Berjaya Sompoo Insurance Berhad and his interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(5)

Deemed interested by virtue of its 100% interest in Berjaya Group Berhad, the penultimate holding company of Berjaya Sompoo Insurance Berhad and its deemed interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(6)

Deemed interested by virtue of its deemed interest in Berjaya Capital Berhad, the holding company of Berjaya Sompoo Insurance Berhad and its deemed interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(7)

Deemed interested by virtue of its interest in Berjaya Capital Berhad, the holding company of Berjaya Sompoo Insurance Berhad and its deemed interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(8)

The RCULS are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.

(9)

The relevant parties shall make necessary application for a waiver from the obligation to undertake a mandatory offer pursuant to the requirements of the Code accordingly.

(10)

Deemed interested by virtue of their interests in AFSB pursuant to Section 6A of the Act.

## INFORMATION ON OUR COMPANY (Cont'd)

## Maximum Scenario

	As at the LPD		Assuming exercise of the outstanding Warrants 2009/2019 and ESOS Options <sup>(8),(9)</sup>		(I)		(II)			
	Direct		Indirect		Direct		Indirect			
	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%		
TSDTCS	140,043,934	30.40	165,840,769 <sup>(2)</sup>	36.00	180,155,676	29.34	185,873,846 <sup>(2)</sup>	29.34	185,873,846 <sup>(2)</sup>	30.27
IASB	82,007,761	17.80	-	-	94,638,550	15.41	-	-	94,638,550	15.41
GDSB	83,833,008	18.20	-	-	91,235,296	14.86	-	-	91,235,296	14.86
TABL <sup>(1)</sup>	33,000,000	7.16	-	-	33,000,000	5.37	-	-	33,000,000	5.37
AFSB	-	-	-	-	-	-	-	-	-	-
D & I Corporation	-	-	-	-	-	-	-	-	-	-
FSDCST	-	-	-	-	-	-	-	-	-	-
UOBL	-	-	33,000,000 <sup>(3)</sup>	7.16	-	-	33,000,000 <sup>(3)</sup>	5.37	-	-
Tan Sri Dato' Seri Vincent Tan Chee Yioon	-	-	31,600,000 <sup>(4)</sup>	6.86	-	-	31,600,000 <sup>(4)</sup>	5.15	-	-
Berjaya Corporation Berhad	-	-	31,600,000 <sup>(5)</sup>	6.86	-	-	31,600,000 <sup>(5)</sup>	5.15	-	-
Berjaya Group Berhad	-	-	31,600,000 <sup>(6)</sup>	6.86	-	-	31,600,000 <sup>(6)</sup>	5.15	-	-
Juara Sejahti Sdn Bhd	-	-	31,600,000 <sup>(7)</sup>	6.86	-	-	31,600,000 <sup>(7)</sup>	5.15	-	-

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## INFORMATION ON OUR COMPANY (Cont'd)

	(III)				(IV)				(V)				
	After (II) and the Rights Issue		After (III) and the Proposed CP/MTN Programme		After (IV) and assuming full conversion of the RCULS (10)		After (IV) and assuming full conversion of the RCULS (10)		After (IV) and assuming full conversion of the RCULS (10)		After (IV) and assuming full conversion of the RCULS (10)		
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%
TSDTCS	360,311,352	29.34	371,747,692 (2)	30.27	360,311,352	29.34	371,747,692 (2)	30.27	360,311,352	21.96	784,206,388 (2), (11)	47.80	
IASB	189,277,100	15.41	-	-	189,277,100	15.41	-	-	189,277,100	11.54	-	-	
GDSB	182,470,592	14.86	-	-	182,470,592	14.86	-	-	182,470,592	11.12	-	-	
T AEL (1)	66,000,000	5.37	-	-	66,000,000	5.37	-	-	66,000,000	4.02	-	-	
AFSB	-	-	-	-	-	-	-	-	412,458,696 (11)	25.14	-	-	
D & I Corporation	-	-	-	-	-	-	-	-	-	-	412,458,696 (11), (12)	25.14	
PSDCST	-	-	-	-	-	-	-	-	-	-	412,458,696 (11), (12)	25.14	
UOBL	-	-	66,000,000 (3)	5.37	-	-	66,000,000 (3)	5.37	-	-	66,000,000 (3)	4.02	
Tan Sri Dato' Seri Vincent Tan Chee Y'ouin	-	-	63,200,000 (4)	5.15	-	-	63,200,000 (4)	5.15	-	-	63,200,000 (4)	3.85	
Berjaya Corporation Berhad	-	-	63,200,000 (5)	5.15	-	-	63,200,000 (5)	5.15	-	-	63,200,000 (5)	3.85	
Berjaya Group Berhad	-	-	63,200,000 (6)	5.15	-	-	63,200,000 (6)	5.15	-	-	63,200,000 (6)	3.85	
Juara Sejahti Sdn Bhd	-	-	63,200,000 (7)	5.15	-	-	63,200,000 (7)	5.15	-	-	63,200,000 (7)	3.85	

## Notes:-

(1)

(2) T AEL is acting in its capacity as the general partners of The Asian Entrepreneur Legacy One L.P.

(3)

(4) Deemed interested by virtue of his interest in IASB, GDSB and AFSB pursuant to Section 6A of the Act.

(5)

(6) Deemed interested by virtue of his interest in investment in The Asian Entrepreneur Legacy One, L.P. pursuant to Section 6A of the Act.

(7)

(8) Deemed interested by virtue of his interest in Berjaya Corporation Berhad, the ultimate holding company of Berjaya Sampo Insurance Berhad and his interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(9)

(10) Deemed interested by virtue of its 100% interest in Berjaya Group Berhad, the penultimate holding company of Berjaya Sampo Insurance Berhad and its deemed interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(11)

(12) Berhad, the holding company of Sublime Cartel Sdn Bhd.

(13)

(14) Deemed interested by virtue of its deemed interest in Berjaya Capital Berhad, the holding company of Berjaya Sampo Insurance Berhad and its deemed interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

(15)

(16) Deemed interested by virtue of its interest in Berjaya Capital Berhad, the holding company of Berjaya Sampo Insurance Berhad and its deemed interest in Berjaya Assets Berhad, the holding company of Sublime Cartel Sdn Bhd.

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**INFORMATION ON OUR COMPANY (Cont'd)**


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(8) As at the LPD, the direct substantial shareholders have outstanding Warrants 2009/2019 and ESOS Options as follows:-

	No. of Warrants 2009/2019	No. of ESOS Options
TSDTCS	39,825,554	286,188
IASB	12,030,789	-
GDSB	7,402,288	-
TAEL	-	-

(9) Assuming that approximately 3.43 million ESOS Options which has lapsed since the announcement dated 6 March 2012 in relation to the Corporate Exercises up to the LPD will be reissued.  
 (10) The RCULS are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.  
 (11) The relevant parties shall make necessary application for a waiver from the obligation to undertake a mandatory offer pursuant to the requirements of the Code accordingly.  
 (12) Deemed interested by virtue of their interests in AFSB pursuant to Section 6A of the Act.

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**INFORMATION ON OUR COMPANY (Cont'd)****4. DIRECTORS****4.1 Particulars of our Directors**

The particulars of our Directors as at the LPD are as follows:-

<b>Name (Designation)</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>	<b>Profession</b>
Dato' Rohana Binti Tan Sri Mahmood (Independent Non-Executive Chairman)	58	No. 8, Jalan Semantan Dua Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
TSDTCS (Group Chief Executive Officer)	57	No. 8, Jalan TR 5/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Dato' Tong Kien Onn (Managing Director)	53	No. 8, Lorong Burung Sintang 3 Taman Bukit Maluri Kepong 52100 Kuala Lumpur Malaysia	Malaysian	Company Director
Dickson Tan (Deputy Managing Director)	31	No. 8, Jalan TR 5/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Kong Woon Jun (Executive Director)	49	No. 21, Jalan USJ 18/1C UEP Subang Jaya 47630 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Koong Wai Seng (Executive Director)	45	No. 83, Jalan Tempua 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Dato' Khoo Poh Chye (Executive Director)	45	No. 21, Jalan USJ 18/4A UEP Subang Jaya 47630 Subang Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director
Datuk Seri Panglima Mohd Annuar Bin Zaini (Independent Non-Executive Director)	61	No. 7277, Jalan Nilam 1 Taman Setia, Gombak 58100 Kuala Lumpur Malaysia	Malaysian	Company Director
Dato' Ng Tian Sang @ Ng Kek Chuan (Independent Non-Executive Director)	65	No. 14, Jalan Bentara Dalam Taman Iskandar 80050 Johor Bahru Johor Darul Takzim Malaysia	Malaysian	Company Director

**INFORMATION ON OUR COMPANY (Cont'd)**

<b>Name (Designation)</b>	<b>Age</b>	<b>Address</b>	<b>Nationality</b>	<b>Profession</b>
Loh Chen Peng <i>(Independent Non-Executive Director)</i>	58	11-6-3, Desa Damansara No. 99, Jalan Setiakasih Bukit Damansara 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Tang Vee Mun <i>(Independent Non-Executive Director)</i>	39	No. 54, Jalan Jelutong Damansara Heights 50490 Kuala Lumpur Malaysia	Malaysian	Company Director
Diana Tan <i>(Non-Independent Non-Executive Director)</i>	26	No. 8, Jalan TR 5/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Malaysian	Company Director

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## INFORMATION ON OUR COMPANY (Cont'd)

## 4.2 Directors' shareholdings

For illustrative purposes only, our Directors' direct and indirect shareholdings in our Company before and after the Rights Issue based on our Register of Directors' shareholdings as at the LPD are as follows:-

Minimum Scenario

	As at the LPD				(I) After the Acquisitions				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%
TSDTCS	140,043,934	30.40	165,840,769 <sup>(1)</sup>	36.00	140,043,934	30.40	165,840,769 <sup>(1)</sup>	36.00	234,619,832	32.54	331,681,538 <sup>(1)</sup>	46.00
Dato' Tong Kien Onn	35,000	0.01	89,250 <sup>(2)</sup>	0.02	35,000	0.01	89,250 <sup>(2)</sup>	0.02	35,000	*	89,250 <sup>(2)</sup>	0.01
Loh Chen Peng	210,000	0.05	-	-	210,000	0.05	-	-	210,000	0.03	-	-
Kong Woon Jun	173,000	0.04	-	-	173,000	0.04	-	-	173,000	0.02	-	-
Dato' Khoo Poh Chye	-	-	100,000 <sup>(2)</sup>	0.02	-	-	100,000 <sup>(2)</sup>	0.02	-	-	100,000 <sup>(2)</sup>	0.01
Dato' Rohana Binti Tan Sri Mahmood	-	-	-	-	-	-	-	-	-	-	-	-
Dickson Tan	-	-	-	-	-	-	-	-	-	-	-	-
Koong Wai Seng	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Ng Tian Sang @ Ng Kek Chuan	-	-	-	-	-	-	-	-	-	-	-	-
Tang Vee Mun	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Seri Panglima Mohd Annuar Bin Zaini	-	-	-	-	-	-	-	-	-	-	-	-
Diana Tan	-	-	-	-	-	-	-	-	-	-	-	-

## INFORMATION ON OUR COMPANY (Cont'd)

	(III)		(IV)			
	After (II) and the Proposed CP/MTN Programme		After (III) and assuming full conversion of the RCULS <sup>(3)</sup>			
	Direct	Indirect	Direct	Indirect		
No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	
TSDTCS	234,619,832	32.54	331,681,538 <sup>(1)</sup>	46.00	744,140,234 <sup>(1)</sup>	65.65
Dato' Tong Kien Onn	35,000	*	89,250 <sup>(2)</sup>	0.01	89,250 <sup>(2)</sup>	0.01
Loh Chen Peng	210,000	0.03	-	-	-	-
Kong Woon Jun	173,000	0.02	-	-	173,000	0.02
Dato' Khoo Poh Chye	-	-	100,000 <sup>(2)</sup>	0.01	-	-
Dato' Rohana Binti Tan Sri Mahmood	-	-	-	-	-	-
Dickson Tan	-	-	-	-	-	-
Koong Wai Seng	-	-	-	-	-	-
Dato' Ng Tian Sang @ Ng Kek Chuan	-	-	-	-	-	-
Tang Vee Mun	-	-	-	-	-	-
Datuk Seri Panglima Mohd Annuar Bin Zaini	-	-	-	-	-	-
Diana Tan	-	-	-	-	-	-

## Notes:-

\* Negligible.

(1) Deemed interested by virtue of his interests in IASB, GDSB and AFSB pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of the shareholdings of their spouse.

(3) The RCULS are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.



## INFORMATION ON OUR COMPANY (Cont'd)

## Maximum Scenario

	As at the LPD				(I) Assuming exercise of the outstanding Warrants 2009/2019 and ESOS Options <sup>(3),(4)</sup>				(II) After (I) and the Acquisitions			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%
TSDTCS	140,043,934	30.40	165,840,769 <sup>(1)</sup>	36.00	180,155,676	29.34	185,873,846 <sup>(1)</sup>	30.27	180,155,676	29.34	185,873,846 <sup>(1)</sup>	30.27
Dato' Tong Kien Onn	35,000	0.01	89,250 <sup>(2)</sup>	0.02	819,549	0.13	89,250 <sup>(2)</sup>	0.01	819,549	0.13	89,250 <sup>(2)</sup>	0.01
Loh Chen Peng	210,000	0.05	-	-	270,000	0.04	-	-	270,000	0.04	-	-
Kong Woon Jun	173,000	0.04	-	-	579,870	0.09	-	-	579,870	0.09	-	-
Dato' Khoo Poh Chye	-	-	100,000 <sup>(2)</sup>	0.02	579,870	0.09	100,000 <sup>(2)</sup>	0.02	579,870	0.09	100,000 <sup>(2)</sup>	0.02
Dickson Tan	-	-	-	-	716,271	0.12	-	-	716,271	0.12	-	-
Koong Wai Seng	-	-	-	-	579,870	0.09	-	-	579,870	0.09	-	-
Dato' Rohana Binti Tan Sri Mahmood	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Ng Tian Sang @ Ng Kek Chuan	-	-	-	-	-	-	-	-	-	-	-	-
Tang Vee Mun	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Seri Panglima Mohd Annuar Bin Zaini	-	-	-	-	-	-	-	-	-	-	-	-
Diana Tan	-	-	-	-	-	-	-	-	-	-	-	-

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## INFORMATION ON OUR COMPANY (Cont'd)

	(III) After (II) and the Rights Issue				(IV) After (III) and the Proposed CP/MTN Programme				(V) After (IV) and assuming full conversion of the RCULS <sup>(5)</sup>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%	No. of Dijaya Shares	%
TSDTCS	360,311,352	29.34	371,747,692 <sup>(1)</sup>	30.27	360,311,352	29.34	371,747,692 <sup>(1)</sup>	30.27	360,311,352	21.96	784,206,388 <sup>(1)</sup>	47.80
Dato' Tong Kien Onn	1,639,098	0.13	178,500 <sup>(2)</sup>	0.01	1,639,098	0.13	178,500 <sup>(2)</sup>	0.01	1,639,098	0.10	178,500 <sup>(2)</sup>	0.01
Loh Chen Peng	540,000	0.04	-	-	540,000	0.04	-	-	540,000	0.03	-	-
Kong Woon Jun	1,159,740	0.09	-	-	1,159,740	0.09	-	-	1,159,740	0.07	-	-
Dato' Khoo Poh Chye	1,159,740	0.09	200,000 <sup>(2)</sup>	0.02	1,159,740	0.09	200,000 <sup>(2)</sup>	0.02	1,159,740	0.07	200,000 <sup>(2)</sup>	0.01
Dickson Tan	1,432,542	0.12	-	-	1,432,542	0.12	-	-	1,432,542	0.09	-	-
Koong Wai Seng	1,159,740	0.09	-	-	1,159,740	0.09	-	-	1,159,740	0.07	-	-
Dato' Rohana Binti Tan Sri Mahmood	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Ng Tian Sang @ Ng Kek Chuan	-	-	-	-	-	-	-	-	-	-	-	-
Tang Vee Mun	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Seri Panglima Mohd Annuar Bin Zaini	-	-	-	-	-	-	-	-	-	-	-	-
Diana Tan	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

(1)

(2)

(3)

Deemed interested by virtue of his interests in IASB, GDSB and AFSB pursuant to Section 6A of the Act.  
Deemed interested by virtue of the shareholdings of their spouse.

As at the LPD, the Directors have outstanding Warrants 2009/2019 and ESOS Options as follows:-

	No. of Warrants 2009/2019	No. of ESOS Options
TSDTCS	39,825,554	286,188
Loh Chen Peng	60,000	-
Dato' Tong Kien Onn	-	784,549
Dickson Tan	-	716,271
Koong Wai Seng	-	579,870
Dato' Khoo Poh Chye	-	579,870
Koong Woon Jun	-	406,870

**APPENDIX II**

**INFORMATION ON OUR COMPANY (Cont'd)**

- (4) *Assuming that approximately 3.43 million ESOS Options which has lapsed since the announcement dated 6 March 2012 in relation to the Corporate Exercises up to the LPD will be reissued.*
- (5) *The RCULS are converted at a weighted average price of approximately RM1.66, which was derived based on the assumption that the RCULS are converted proportionately over their tenure.*

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**INFORMATION ON OUR COMPANY (Cont'd)**


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**5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY-CONTROLLED ENTITIES**

Our subsidiaries and associated companies as at the LPD are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
Advent Nexus Sdn Bhd	10.05.2012 Malaysia	1,000,000	100	Property investment
Aliran Peluang Sdn Bhd	10.05.2012 Malaysia	10	80	Property investment
Arah Pelangi Sdn Bhd	14.09.1992 Malaysia	1,000,000	100	Property development
Tropicana Serdang Suria Sdn Bhd (formerly known as Aspek Analisa Sdn. Bhd.)	30.03.1994 Malaysia	500,000	100	Property development
Dijaya Credit & Leasing Sdn Bhd	18.03.1997 Malaysia	1,000,000	100	Credit and leasing
Dijaya Development Sdn Bhd	06.05.1997 Malaysia	750,000	100	Property development and investment holding
Dijaya Management Services Sdn Bhd	18.07.1996 Malaysia	2	100	Property management and maintenance services
Dijaya Property Sdn Bhd	25.01.1995 Malaysia	5,250,002	100	Property development
Dijaya Tropicana Cove Sdn Bhd (formerly known as Accroway Sdn Bhd)	08.07.1993 Malaysia	50,000	100	Investment holding
Terbit Berkas Sdn Bhd	18.09.1992 Malaysia	1,000,000	100	Investment holding
Tropicana Education Sdn Bhd	27.10.2009 Malaysia	2	100	Dormant
Tropicana Education Management Sdn Bhd	05.05.1997 Malaysia	500,000	70	Education services
Tropicana Kampar Development Sdn Bhd	08.09.1994 Malaysia	1,000,000	100	Dormant

## INFORMATION ON OUR COMPANY (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
Tropicana KL Development Sdn Bhd (formerly known as Ace Rhythm Sdn Bhd)	11.08.2010 Malaysia	252,500 (comprising 250,000 ordinary shares of RM1.00 each and 250,000 redeemable non-cumulative preference shares of RM0.01 each)	100	Property development and property investment holding
Tropicana Land Sdn Bhd	23.05.1989 Malaysia	50,000	100	Property investment
Tropicana Senibong Sdn Bhd (formerly known as Aman Petaling Sdn Bhd)	18.04.2011 Malaysia	2	100	Property development and property investment
Tropicana Subang Development Sdn Bhd	03.12.1996 Malaysia	50,002 (comprising 2 ordinary shares of RM1.00 each and 5,000,000 redeemable non-cumulative preference shares of RM0.01 each)	100	Property development
Dijaya Tropicana Danga Bay Sdn Bhd ("DTDBSB")	28.06.1996 Malaysia	2	100	Investment holding
Tropicana Development (Penang) Sdn Bhd ("TDPSB") (formerly known as Seleksi Kembara Sdn Bhd)	25.11.1994 Malaysia	2	100	Investment holding
Sumber Saujana Sdn Bhd ("SSSB")	07.09.1989 Malaysia	1,235,000	100	Investment holding
Tropicana Golf & Country Resort Berhad ("TGCRB")	27.08.1990 Malaysia	10,000,000	100	Real property and resort development
Bakat Rampai Sdn Bhd ("BRSB")	03.11.1994 Malaysia	1,010,000	100	Investment holding
Star Honour Limited	21.04.2010 Cayman Islands	United States Dollars ("USD") 50,000	100	Investment holding
Dijaya (Mauritius) Limited ("DML")	17.10.2006 Mauritius	USD2	100	Investment holding

## INFORMATION ON OUR COMPANY (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
Delta Maple View Development Sdn Bhd*	15.04.1994 Malaysia	500,000	100	Property development
Alpha Renown Sdn Bhd*	08.08.2012 Malaysia	2	100	Property investment
Quantum Summer Sdn Bhd*	08.08.2012 Malaysia	2	100	Property investment
Ultra Radiant Sdn Bhd*	18.06.2012 Malaysia	2	100	Property investment
Radiant Niche Sdn Bhd*	10.05.2012 Malaysia	2	100	Property investment
Golddust Fortune Sdn Bhd*	08.08.2012 Malaysia	2	100	Property investment
Nextwealth Development Sdn Bhd*	10.05.2012 Malaysia	2	100	Property investment
Everise Symphony Sdn Bhd*	08.08.2012 Malaysia	2	100	Property investment
Jubilee Potential Sdn Bhd*	08.08.2012 Malaysia	2	100	Property investment
Galakan Daya Sdn Bhd*	10.05.2012 Malaysia	2	100	Property investment
Aras Permata Sdn Bhd*	18.07.2012 Malaysia	2	100	Property investment
Rentas Tegas Sdn Bhd*	08.08.2012 Malaysia	2	100	Property investment
Precious Nation Venture Sdn Bhd*	28.03.2012 Malaysia	2	100	Property investment
Tetuan Bintang Sdn Bhd*	10.05.2012 Malaysia	2	100	Property investment
Upper Benefits Sdn Bhd*	10.05.2012 Malaysia	2	100	Property investment
Phoenix Stellar Sdn Bhd*	18.06.2012 Malaysia	2	100	Property investment
Golddust Master Sdn Bhd*	18.06.2012 Malaysia	2	100	Property investment
Everest Dynamic Sdn Bhd*	10.05.2012 Malaysia	2	100	Property investment
Angkasa Istima Sdn Bhd*	18.06.2012 Malaysia	2	100	Property investment

## INFORMATION ON OUR COMPANY (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
ACSB <sup>#</sup>	16.12.1995 Malaysia	5,000,000	100	Investment holding and renting of properties
AKSB <sup>#</sup>	09.08.2005 Malaysia	2,000,000	100	Property development
CRCB <sup>#</sup>	16.01.1989 Malaysia	1,000,000	100	Property holding
Daya Petaling <sup>#</sup>	06.01.2005 Malaysia	1,500,000	100	Property investment and provision of car park services
Dijaya Plaza <sup>#</sup>	16.04.1990 Malaysia	1,000,000	100	Investment holding
ELSB <sup>#</sup>	09.11.2009 Malaysia	100,000	100	Investment holding
IBSB <sup>#</sup>	09.08.2005 Malaysia	1,500,000	100	Letting of properties and property development
IPSB <sup>#</sup>	05.07.1995 Malaysia	50,000	100	Property development and investment holding
IRSB <sup>#</sup>	25.05.1978 Malaysia	15,000,000	100	Property investment, letting of properties and provision of car park services
KCSB <sup>#</sup>	17.07.2007 Malaysia	2,000	100	Property investment
PCSB <sup>#</sup>	20.09.2007 Malaysia	100,000	100	Property investment
PKSB <sup>#</sup>	03.05.1991 Malaysia	18,575,000	100	Property development
QPSB <sup>#</sup>	29.10.1996 Malaysia	500,000	100	Property management
STNSB <sup>#</sup>	13.06.1995 Malaysia	500,000	100	Property development
TPSB <sup>#</sup>	08.01.2009 Malaysia	100,000	100	Investment holding
USSB <sup>#</sup>	30.09.1997 Malaysia	300,000	100	Investment holding
WRSB <sup>#</sup>	03.03.2009 Malaysia	5,000	100	Investment holding

## INFORMATION ON OUR COMPANY (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
<b>Subsidiaries of DTDBSB</b>				
Tropicana Danga Bay Sdn Bhd ("TDBSB")	17.06.2010 Malaysia	24,414,440 (comprising 1,000,000 ordinary shares of RM1.00 each, 40,000,000 redeemable cumulative preference shares of RM0.10 each and 1,941,444,000 redeemable preference shares Series A of RM0.01 each)	60	Property development
Desiran Realiti Sdn Bhd	22.07.1996 Malaysia	100,000	100	Investment holding
<b>Subsidiary of TDPSB</b>				
Dijaya Wangsa Sdn Bhd	05.02.1994 Malaysia	5,000,000	60	Dormant
<b>Subsidiary of SSSB</b>				
Dijaya Tenaga Kimia Sdn Bhd (formerly known as Sinbor Corporation Sdn Bhd)	18.08.1972 Malaysia	2,000,000	100	Investment holding
<b>Subsidiaries of TGCRB</b>				
Tropicana Management Services Sdn Bhd	03.06.1991 Malaysia	10,000	100	Property management and maintenance services
Tropicana Sungai Buloh Sdn Bhd	13.06.1991 Malaysia	5,000,000	100	Property development
Tropicana Desa Mentari Sdn Bhd	19.08.1994 Malaysia	1,000,000	100	Property development and property investment
<b>Subsidiaries of BRSB</b>				
Dicorp Land Sdn Bhd	17.05.1994 Malaysia	2,200,000	100	Property development



## INFORMATION ON OUR COMPANY (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
Tropicana City Sdn Bhd ("TCSB")	08.09.1994 Malaysia	13,000,000	100	Property development and property investment
Dijaya Indah Sdn Bhd ("DISB")	08.04.1991 Malaysia	1,666,000	100	Investment holding
<b>Subsidiary of DML</b>				
Dijaya-Malind JV (Mauritius) Limited ("DMJVML")	17.10.2006 Mauritius	USD100	72	Investment holding
<b>Subsidiary of Daya Petaling</b>				
Reka Bahagia Sdn Bhd	28 October 1988 Malaysia	100,000	100	Dormant
<b>Subsidiary of TDBSB</b>				
Bintan Holding Pte Ltd	28.10.2011 Singapore	Singapore dollars 100,000	100	Facilitate the setting up of a show gallery in Singapore
<b>Subsidiaries of TCSB</b>				
Dicasa Management Services Sdn Bhd	13.11.2001 Malaysia	2	100	Property management and maintenance services
Tropicana City Management Sdn Bhd	23.06.1997 Malaysia	200,000	100	Property management
Tropicana City Parking Sdn Bhd	07.11.1994 Malaysia	3	100	Management of car parking facilities
Tropicana Kajang Hill Sdn Bhd (formerly known as Tropicana City Service Suites Sdn Bhd)	12.07.1996 Malaysia	1,000,000	100	Property development
<b>Subsidiary of DISB</b>				
Tropicana Indah Sdn Bhd	06.03.1991 Malaysia	20,000,000	70	Property development

## INFORMATION ON OUR COMPANY (Cont'd)

Name	Date and place of incorporation	Issued and paid-up share capital (RM) (unless otherwise stated)	Effective equity interest (%)	Principal activities
<b>Subsidiary of DMJVML</b>				
Dijaya-Malind Properties (India) Private Limited	27.02.2007 India	Rupee 9,208,300 (comprising 100,000 ordinary shares of Rupee 10.00 each and 820,830 preference shares of Rupee 10.00 each)	74	Property development
<b>Associated company</b>				
Tenaga Kimia Sdn Bhd	02.01.1976 Malaysia	32,000,000	33	Manufacture and sale of explosives, chemicals and blasting accessories
<b>Jointly-controlled entities</b>				
Tropicana Danga Cove Sdn Bhd (formerly known as Magical Heights Sdn Bhd)	11.03.2011 Malaysia	2,559,800 (comprising 250,000 ordinary shares of RM1.00 each and 230,980,000 redeemable preference shares Series A of RM0.01 each)	50	Property development
Tropicana Ivory Sdn Bhd ("TISB")	30.09.2011 Malaysia	770,067 (comprising 250,000 ordinary shares of RM1.00 each and 52,006,700 redeemable non-cumulative preference shares of RM0.01 each)	55	Property development
<b>Subsidiary of TISB</b>				
Tropicana Ivory Realty Sdn Bhd	12.07.2012 Malaysia	2	55	Property investment and the provision of related support services

Notes:-

- \* Acquired on 29 August 2012, further details of which have been announced by our Company on 30 August 2012.  
# Acquired on 30 August 2012 pursuant to the Acquisitions.

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**INFORMATION ON OUR COMPANY (Cont'd)**


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**6. PROFIT AND DIVIDEND RECORD**

Our profit and dividend record based on the audited consolidated financial statements for the past three (3) FYEs 31 December 2009, 2010 and 2011 and the unaudited consolidated financial statements for the six (6)-month FPE 30 June 2012 are as follows:-

FYE 31 December	-----Audited-----			-----Unaudited-----
	2009 (RM'000)	2010 (RM'000)	2011 (RM'000)	Six (6)-month FPE 30 June 2012 (RM'000)
Revenue	311,777	292,258	375,218	234,915
Gross profit	117,609	99,165	158,021	102,937
Other income	47,159	42,383	37,121	140,344
Operating profit before interest, taxation, depreciation and amortisation	86,890	62,391	102,820	183,729
Interest income	2,126	5,003	5,322	1,796
Finance costs	(9,575)	(6,001)	(11,359)	(9,329)
Depreciation and amortisation	(12,304)	(14,604)	(16,406)	(8,052)
Share of results of an associate	4,978	6,605	6,361	3,158
Share of result of jointly controlled entities	-	-	(91)	(460)
PBT	72,115	53,394	86,647	170,842
Taxation	(12,652)	(5,725)	(13,959)	(44,483)
<b>PAT</b>	<b>59,463</b>	<b>47,669</b>	<b>72,688</b>	<b>126,359</b>
<b>Profit attributable to:-</b>				
Equity holders of the parent	50,512	43,252	65,067	119,530
Minority interests	8,951	4,417	7,621	6,829
	<b>59,463</b>	<b>47,669</b>	<b>72,688</b>	<b>126,359</b>
Net profit margin (%)	19.07	16.31	19.37	53.79
Number of Dijaya Shares in issue ('000)	454,345	455,000	458,119	460,670
EPS (sen) *				
- Basic	18.84	09.52	14.27	25.99
- Diluted	18.84	09.52	10.63	19.58
Net dividend per Dijaya Share (sen)	0.02	0.04	0.02	n.a.

Notes:-

n.a. Not applicable.

\* Based on the weighted average number of ordinary shares issued during the financial year.

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**INFORMATION ON OUR COMPANY (Cont'd)**

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**Commentary on past performance****(i) FYE 31 December 2009**

Our Group recorded revenue of approximately RM311.78 million for the FYE 31 December 2009, representing an increase of approximately RM67.69 million or 27.73% from the previous financial year. The increase in revenue was mainly attributable to the recognition of progress billings from completed projects, namely the Tropics in Tropicana City and TSB Commercial Centre in Sungai Buloh.

Our Group recorded PBT for the FYE 31 December 2009 of RM72.12 million, representing a decrease of approximately RM4.57 million or 5.96% from the previous financial year, and PAT for the FYE 31 December 2009 of approximately RM59.46 million, representing an increase of RM8.38 million or 16.4% from previous financial year. The decrease in PBT for the financial year was attributed to the lower profit contribution from the Casa Indah 2 project and provision for impairment loss amounting to approximately RM10.98 million in respect of the joint venture project in Dijaya Malind JV (Mauritius) Limited.

**(ii) FYE 31 December 2010**

Our Group recorded revenue of RM292.26 million for the FYE 31 December 2010, representing a decrease of RM19.52 million or 6.26% from the previous financial year. Our Group's PBT and PAT for the FYE 31 December 2010 of RM53.39 million and RM47.67 million respectively, represents a decrease of RM18.73 million or approximately 25.96% and RM11.79 million or 19.83% from the PBT and PAT of the previous financial year respectively.

The decrease in revenue, PBT and PAT for the FYE 31 December 2010 was due to lower contributions from the new projects, namely Pool Villas in Tropicana Indah and Casa Tropicana Block E in Tropicana Golf & Country Resort as they were at the early stage of developments in 2010 as compared to the substantial recognition of revenue and profit contribution from completed projects such as Casa Indah 1 and 2 in the FYE 31 December 2009.

**(iii) FYE 31 December 2011**

Our Group recorded revenue for the FYE 31 December 2011 of RM375.22 million, representing an increase of RM82.96 million or 28.39% from the FYE 31 December 2010 of RM292.26 million. The increase in revenue was attributable to the higher contributions from development projects namely, Tropicana Grande, Casa Tropicana, Pool Villas, Grand Villas and Link Villas.

Our Group's PBT and PAT for the FYE 31 December 2011 of RM86.65 million and RM72.69 million respectively, represents an increase of RM33.26 million or 62.30% and RM25.02 million or 52.49% from the previous financial year respectively. The increase in PBT and PAT for the FYE 31 December 2011 was attributable to the higher contribution from development projects namely, Tropicana Grande, Casa Tropicana, Pool Villas, Grand Villas and Link Villas and a gain on disposal of a subsidiary of RM6.19 million.

**(iv) Six (6)-month FPE 30 June 2012**

Our Group recorded revenue for the FPE 30 June 2012 of RM234.92 million, representing an increase of RM106.58 million or 83.05% from the FPE 30 June 2011 of RM128.34 million. The increase in revenue was attributable to the higher recognition of progress billings from existing on-going development projects and new projects launched in Klang Valley and Johor Bahru.

**INFORMATION ON OUR COMPANY (Cont'd)**

Our Group's PBT and PAT for the FPE 30 June 2012 of RM170.84 million and RM126.36 million respectively, represents an increase of RM125.47 million or 276.57% and RM85.22 million or 207.18% from the previous corresponding financial period respectively. The increase of PBT and PAT for the FPE 30 June 2012 was attributable to higher recognition of progress billings from existing on-going development projects and new projects launched in Klang Valley and Johor Bahru as well as a fair value adjustment on investment properties.

**7. HISTORICAL SHARE PRICE**

The monthly high and low market price of our Shares as traded on the Main Market of Bursa Securities for the past 12 months from September 2011 to August 2012 are as follows:-

	High (RM)	Low (RM)
<b>2011</b>		
September	1.51	1.28
October	1.40	1.25
November	1.48	1.33
December	1.43	1.33
<b>2012</b>		
January	1.38	1.33
February	1.48	1.28
March	1.72	1.22
April	1.30	1.06
May	1.20	1.03
June	1.18	1.13
July	1.18	1.10
August	1.24	1.14
		<b>(RM)</b>
The last transacted market price of Dijaya Shares on 2 March 2012 ( <i>being the last Market Day immediately prior to the announcement of the Rights Issue on 6 March 2012</i> )		1.67
The last transacted market price of Dijaya Shares on 19 September 2012 ( <i>being the latest practicable date prior to the issuance of this Abridged Prospectus</i> )		1.11
The last transacted market price of Dijaya Shares on 19 September 2012 ( <i>being the last Market Day immediately prior to the ex-date for the Rights Issue</i> )		1.11

(Source: Bloomberg)

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LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES



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**REPORTING ACCOUNTANTS' LETTER ON PROFORMA STATEMENTS OF SHARE PREMIUM**  
(Prepared for inclusion in the Abridged Prospectus to be dated 24 September 2012)

The Board of Directors  
Dijaya Corporation Berhad  
Level 10 -12, Tropicana City Office Tower  
No. 3 Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan

11 September 2012

Dear Sirs

**DIJAYA CORPORATION BERHAD ("DIJAYA" OR "THE COMPANY")  
PROFORMA STATEMENTS OF SHARE PREMIUM IN CONNECTION WITH THE BONUS ISSUE  
OF ONE (1) SHARE FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED PURSUANT TO  
THE RIGHTS ISSUE ("BONUS ISSUE PURSUANT TO THE RIGHTS ISSUE")**

The Transactions are as follows:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties (both defined in Note 2 of the Notes to the proforma statements of share premium) for a total consideration of RM934,6B1,436 which will be satisfied partly in cash and partly via the issuance of 10-year 3% Redeemable Convertible Unsecured Loan Stocks in Dijaya ("RCULS") at 100% of their nominal value ("Acquisitions");
- b) the Renounceable Rights Issue of up to 491,302,655 new ordinary shares of RM1.00 each in Dijaya ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a Bonus Issue of up to 122,B25,664 new ordinary shares of RM1.00 each in Dijaya ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing shares held in Dijaya and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date ("Rights Issue"); and
- c) establishment of a bank guaranteed programme of up to RM500million nominal value of commercial papers/medium term notes

(collectively referred to as the "Transactions").

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

We report on the accompanying proforma statements of share premium of the Company as at 31 December 2011 and the adequacy of share premium which have been prepared by the management for illustrative purposes only, on the basis described in the Notes to the proforma statements of share premium (which we have stamped for the purpose of identification), for inclusion into the Abridged Prospectus to be dated on 24 September 2012 in connection with the Transactions. The report is required by and is given in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and for no other purpose.

The Company implement a bonus issue to be credited as fully paid-up on the basis of one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date.

The bonus issue shall be wholly capitalised from the share premium account of the Company.

**Directors' responsibilities**

The Board of Directors of Dijaya ("the Board") is solely responsible for the preparation of the proforma statements of share premium of the Company based on the audited financial statements of the Company as at 31 December 2011, on the basis described in the Notes to the proforma statements of share premium in accordance with the Listing Requirements. The directors are also responsible for ensuring that the share premium required for capitalisation of the Bonus Shares in respect of the Bonus Issue Pursuant to the Rights Issue are unimpaired by losses on a consolidated basis, based on the audited financial statements of Dijaya for the financial year ended 31 December 2011 up to the date of this report.

**Our responsibilities**

We report on the proforma statements of share premium of the Company as at 31 December 2011, as set out in Appendix I which we have stamped for the purpose of identification in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000").

The proforma statements of share premium of the Company as at 31 December 2011 have been prepared for illustrative purposes only on the basis of assumptions as set out in the Notes thereon to show the total amount of proforma statements of share premium of the Company as at 31 December 2011, had the proforma adjustments been effected on that date.

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**



**Our responsibilities (cont'd.)**

Our work has been undertaken to enable us to form an opinion, as required by the Listing Requirements, as to:

- (i) whether the proforma statements of share premium of the Company as at 31 December 2011 is properly compiled in accordance with the basis of preparation as set out in the notes to the proforma statements of share premium; and
- (ii) the adequacy of the share premium account as at 31 December 2011 for capitalisation of the Bonus Issue Pursuant to the Rights Issue .

While information may be available to support the assumptions on which the proforma statements of share premium are based, such information may not, because of its nature, reflect the actual financial position of Dijaya. Further, such information does not purport to predict the future financial position of Dijaya. Consequently, we do not express any opinion as to the possibility of achievement of the assumed events.

In providing this opinion, we are not responsible for updating any reports or opinions previously issued by us for any events that occurred subsequent to the date of our report on the financial information used in the preparation of the proforma statements of share premium of the Company as at 31 December 2011.

**Work performed**

Our review procedures included the following:

- (a) Read the proforma statements of share premium of the Company as at 31 December 2011;
- (b) Inquired of certain officials of the Company, who have responsibility for the financial and accounting matters about:
  - (i) the basis for their determination of the proforma adjustments;
  - (ii) whether the proforma statements of share premium referred to in Appendix I have been properly compiled on the bases stated; and
  - (iii) whether, within the context of the assumed date of the Rights Issue, such bases are consistent with the accounting policies of the Company as disclosed in the audited financial statements for the year ended 31 December 2011; and the adjustments set out are appropriate for the purpose of the proforma statements of share premium.



**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**



**Work performed (cont'd.)**

- (c) Read the minutes of the board meetings of the companies in Dijaya since the date when the latest statement of financial position was approved and discuss with Dijaya's management events that have occurred since that date;
- (d) Obtained a confirmation on the number of shares as at the 7 September 2012, being the Latest Practicable Date with Dijaya's management;
- (e) Checked the mathematical accuracy of the application of the proforma adjustments to the historical amounts as at 31 December 2011; and
- (f) Considered whether the proforma statements of share premium of the Company after the proforma adjustments are properly compiled and report on the adequacy of the share premium of the Company for capitalisation for the purpose of the Bonus Issue Pursuant to the Rights Issue.

**Opinion**

In our opinion:

- (i) the proforma statements of share premium of the Company as at 31 December 2011 has been properly compiled on the basis of assumptions as set out in the accompanying notes; and
- (ii) based on the proforma statements of share premium of the Company as at 31 December 2011, the Company has adequate balance in its share premium account for the purpose of capitalisation of the Bonus Issue Pursuant to the Rights Issue.

**Other matters**

This letter has been prepared for the purpose as stated in the first paragraph of this report and is exclusively for your use in accordance with the Listing Requirements and should not be relied on for any other purpose. We accept no duty or responsibility to and deny any liability to any party other than the addressee in respect of any use of, or reliance upon, this letter, other than the purpose set out above.

Yours faithfully

A handwritten signature in black ink, appearing to be a stylized 'EY' followed by a flourish.

Ernst & Young  
AF : 0039  
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Low Khung Leong' with a flourish.

Low Khung Leong  
No. 2697/01/13(J)  
Chartered Accountant

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad  
Notes to the proforma statements of share premium

APPENDIX I

**1.0 Introduction**

The proforma consolidated statements of share premium of Dijaya as at 31 December 2011 have been prepared for illustrative purposes, in connection with the Bonus Issue in relation to the following transactions:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties (both defined in Note 2.0) for a total consideration of RM934,681,436, which will be satisfied partly in cash and partly via the issuance of 10-year 3% Redeemable Convertible Unsecured Loan Stocks in Dijaya ("RCULS") at 100% of their nominal value ("Acquisitions");
- b) the Renounceable Rights Issue of up to 491,302,655 new ordinary shares of RM1.00 each in Dijaya ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a Bonus Issue of up to 122,825,664 new ordinary shares of RM1.00 each in Dijaya ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing shares held in Dijaya and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at an entitlement date ("Rights Issue") ("Bonus Issue Pursuant to the Right Issue"); and
- c) establishment of a bank guaranteed programme of up to RM500million nominal value of commercial papers/medium term notes.

(collectively referred to as the "Transactions")

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

**2.0 Abbreviations**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this letter:

CP/MTN	Bank guarantee programme of up to RM500,000,000 nominal value of commercial papers / medium term notes
Dijaya or Company	Dijaya Corporation Berhad
Dijaya Shares or Shares	Ordinary shares of RM1.00 each in Dijaya
ESOS Options	Employee Share Options Scheme of Dijaya
Group	Collectively, Dijaya and its subsidiaries
Identified Companies	Acquisition by Dijaya of the entire equity interest of the identifies companies as follow:

Companies Name

- (i) Ambang Cendana Sdn Bhd
- (ii) Asas Kenari Sdn Bhd
- (iii) Coastal Recreation Centre Sdn Bhd
- (iv) Daya Petaling Sdn Bhd
- (v) Dijaya Plaza Sdn Bhd (Delta Heights)
- (vi) Ebony Legacy Sdn Bhd
- (vii) Image Pertiwi Sdn Bhd
- (viii) Istim Budi Sdn Bhd
- (ix) Kuasa Cekapmas Sdn Bhd
- (x) Potensi Cekap Sdn Bhd
- (xi) Punca Klasik Sdn Bhd
- (xii) Quantum Peace Sdn Bhd
- (xiii) Star Triangle Networks Sdn Bhd
- (xiv) Taraf Permata Sdn Bhd
- (xv) Ultimate Support Sdn Bhd
- (xvi) Windmax Region Sdn Bhd
- (xvii) Intan Recreation Sdn Bhd

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

**2.0 Abbreviations (cont'd.)**

Identified Properties Acquisition by Dijaya of the properties from the respective vendors as follow:

	<u>Companies Name</u>	<u>Type of Properties</u>
(i)	D&I Corporation Sdn Bhd	Land and building
(ii)	D&I Enterprise Sdn Bhd	Land and building
(iii)	Desa Setia Sdn Bhd	Land
(iv)	Dynamic Sensation Sdn Bhd	Building
(v)	Germewah Jaya Sdn Bhd	Land
(vi)	Glorade Sdn Bhd	Land
(vii)	Happy Graphic Recreation Sdn Bhd	Building
(viii)	Lion Establishment Sdn Bhd	Building
(ix)	Metro Laris Sdn Bhd	Land
(x)	Moretune Corporation Sdn Bhd & D&I Corporation Sdn Bhd	Land and building
(xi)	Mutiara Cempaka Sdn Bhd	Land
(xii)	Profile Wide Sdn Bhd	Land
(xiii)	Prospect Region Sdn Bhd	Building
(xiv)	Unique Dynasty Sdn Bhd	Building

LPD 7 September 2012, being date of the latest practicable date of the Abridged Prospectus

RCULS RM684,681,436 10 years 3% Redeemable Convertible Unsecured Loan Stock to be issued at their nominal value by the Company pursuant to the Acquisitions

RM Ringgit Malaysia, the lawful currency of Malaysia

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

**2.0 Abbreviations (cont'd.)**

Minimum Scenario	<p>Representing a scenario that assumes the following:</p> <p>(i) assumes none of the outstanding ESOS Options are exercised, none of the remaining ESOS Options are granted and exercised and none of the outstanding Warrants 2009/2019 are exercised;</p> <p>(ii) assume the subscription of Right Shares at an issue price of RM1.20 per Right Share will only raise proceeds of RM250,000,000.</p>
Maximum Scenario	<p>Representing a scenario that assumes the following:</p> <p>(i) assumes all the outstanding ESOS Options are exercised, all of the remaining ESOS Options are granted and exercised and also all the outstanding Warrants 2009/2019 are exercised; and</p> <p>(ii) assume the full subscription of Right Shares at an issue price of RM1.20 per Right Share.</p>
Warrants 2009/2019	Warrants issued by the Company on 9 December 2009 and due to expire on 8 December 2019

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

**3.0 Basis of preparation**

The proforma statements of share premium of Dijaya as at 31 December 2011 have been prepared based on the audited statement of financial position as at 31 December 2011, on a basis consistent with the accounting policies adopted by Dijaya, in the preparation of the proforma statements of share premium, to show the effect of the Bonus Issue Pursuant to the Rights Issue, for illustrative purposes only, had the Bonus Issue Pursuant to the Rights Issue been completed on 31 December 2011.

The proforma statements of share premium of Dijaya as at 31 December 2011 have been prepared on the assumptions that at the date of capitalisation of the share premium for the Bonus Issue Pursuant to the Rights Issue, nothing has occurred or will occur which will cause the aggregate of the above-mentioned share premium to be less than RM52,083,250 and RM122,825,664 under the Minimum Scenario and Maximum Scenario respectively.

For the purpose of illustrating the Bonus Issue Pursuant to the Right Issue, the following assumptions have been made:

**3.1 Minimum Scenario**

(a) The exercise of ESOS Options and Warrants 2009/2019 up to the LPD.

This adjustment reflects the exercise of 2,549,761 ESOS Options and 2,000 Warrants 2009/2019 in Dijaya up to LPD at an exercise price of RM1.14 and RM1.00 respectively. The share premium of RM356,966 arising from the exercise of the ESOS Options is credited to the share premium account. The share premium account is further credited with transfers of RM953,000 and RM606 from the share option reserve and warrant reserve respectively, consequent to the above exercise.

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

**3.1 Minimum Scenario (cont'd.)**

(b) The Proposed Rights Issues.

This adjustment reflects:

- (i) the issuance of 208,333,333 Rights Shares at an issue price of RM1.20 per Right Share resulting in cash proceeds of approximately RM250million and a share premium of RM41,666,667. The anticipated cost of issuance of Right Shares of RM2,229,791 is set off against the share premium account; and
- (ii) the issuance of 52,083,333 Bonus Shares on the basis of 1 Bonus Share for every 4 Rights Shares issued capitalised from the share premium account;

**3.2 Maximum Scenario**

(a) The exercise of ESOS Options and Warrants 2009/2019 up to the LPD date.

This adjustment reflects the exercise of 2,549,761 ESOS Options and 2,000 Warrants 2009/2019 in Dijaya up to LPD at an exercise price of RM1.14 and RM1.00 respectively. The share premium of RM356,966 arising from the exercise of the ESOS Options is credited to the share premium account. The share premium account is further credited with transfers of RM953,000 and RM606 from the share option reserve and warrant reserve respectively, consequent to the above exercise.

(b) The full exercise of all existing ESOS Options and Warrants 2009/2019.

This adjustment reflects:

- (i) the granting of the remaining ESOS Options resulting in the creation of share option reserve of RM3,849,298;
- (ii) the full exercise of remaining ESOS Options in Dijaya at an assumed average exercise price of RM1.14 per option resulting in the increase in share premium of RM3,310,317;

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

**3.2 Maximum Scenario (cont'd.)**

- (iii) the transfer of the remaining share option reserve of RM6,977,520 to the share premium account; and
  - (iv) the exercise of remaining Warrant 2009/2019 in Dijaya at an exercise price of RM1.00 per warrant resulting the remaining warrant reserve of RM39,319,212 is also transferred to share premium account.
- (c) The Rights Issues.

This adjustment reflects:

- (i) the issuance of 491,302,655 Rights Shares at an issue price of RM1.20 per Rights Share resulting in share premium of RM98,260,531. The anticipated cost of issuance Right Shares of RM2,333,645 is set off against the share premium account; and
- (ii) the issuance of 122,825,664 Bonus Shares on the basis of 1 Bonus Share for every 4 Rights Shares issued capitalised from the share premium account.



**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

4.0 Proforma statements of share premium available for capitalisation for the Bonus issue as at 31 December 2011 based on the Company's audited financial statements for the financial year ended 31 December 2011.

## 4.1 Minimum Scenario

	Note	Share Premium RM'000
Audited as at 31 December 2011		366,664
Adjustments:		
Exercise of share options and warrants up to LPD	3.1(a)	1,310
Issuance of Right shares	3.1(b)(i)	39,437
Proforma balance of the share premium account before the Bonus Issue Pursuant to the Right Issue		407,411
Capitalised for the Bonus Issue	3.1(b)(ii)	(52,083)
Proforma balance of the share premium account after the Bonus Issue Pursuant to the Right Issue		355,328

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the proforma statements of share premium (cont'd.)

## 4.2 Maximum Scenario

	Note	Share Premium RM'000
Audited as at 31 December 2011		366,664
Adjustments:		
Exercise of share options and warrants up to LPD	3.2(a)	1,310
Full exercise of existing share options and warrants	3.2(b)	49,606
Issuance of Right shares	3.2(c)(i)	95,928
Proforma balance of the share premium account before the Bonus Issue Pursuant to the Right Issue		513,508
Capitalised for the Bonus Issue	3.2(c)(ii)	(122,826)
Proforma balance of the share premium account after the Bonus Issue Pursuant to the Right Issue		390,682

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**



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**REPORTING ACCOUNTANTS' LETTER ON UNAUDITED PROFORMA STATEMENTS OF SHARE PREMIUM**

(Prepared for inclusion in the Abridged Prospectus to be dated 24 September 2012)

The Board of Directors  
Dijaya Corporation Berhad  
Level 10 -12, Tropicana City Office Tower  
No. 3 Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan

11 September 2012

Dear Sirs

**DIJAYA CORPORATION BERHAD ("DIJAYA" OR "THE COMPANY")  
UNAUDITED PROFORMA STATEMENTS OF SHARE PREMIUM IN CONNECTION WITH THE  
BONUS ISSUE OF ONE (1) SHARE FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED  
PURSUANT TO THE RIGHTS ISSUE ("BONUS ISSUE PURSUANT TO THE RIGHTS ISSUE")**

The Transactions are as follows:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties (both defined in Note 2 of the Notes to the unaudited proforma statements of share premium) for a total consideration of RM934,681,436 which will be satisfied partly in cash and partly via the issuance of 10-year 3% Redeemable Convertible Unsecured Loan Stocks in Dijaya ("RCULS") at 100% of their nominal value ("Acquisitions");
- b) the Renounceable Rights Issue of up to 491,302,655 new ordinary shares of RM1.00 each in Dijaya ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a Bonus Issue of up to 122,825,664 new ordinary shares of RM1.00 each in Dijaya ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing shares held in Dijaya and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date ("Rights Issue"); and
- c) establishment of a bank guaranteed programme of up to RM500million nominal value of commercial papers/medium term notes

(collectively referred to as the "Transactions").

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

We report on the accompanying unaudited proforma statements of share premium of the Company as at 30 June 2012 and the adequacy of share premium which have been prepared by the management for illustrative purposes only, on the basis described in the Notes to the unaudited proforma statements of share premium (which we have stamped for the purpose of identification), for inclusion into the Abridged Prospectus to be dated on 24 September 2012 in connection with the Transactions. The report is required by and is given in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and for no other purpose.

The Company implement a bonus issue to be credited as fully paid-up on the basis of one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date.

The bonus issue shall be wholly capitalised from the share premium account of the Company.

**Directors' responsibilities**

The Board of Directors of Dijaya ("the Board") is solely responsible for the preparation of the unaudited proforma statements of share premium of the Company based on the unaudited financial statements of the Company as at 30 June 2012, on the basis described in the Notes to the unaudited proforma statements of share premium in accordance with the Listing Requirements. The directors are also responsible for ensuring that the share premium required for capitalisation of the Bonus Shares in respect of the Bonus Issue Pursuant to the Rights Issue are unimpaired by losses on a consolidated basis, based on the unaudited financial statements of Dijaya for the financial period ended 30 June 2012 up to the date of this report.

**Our responsibilities**

We report on the unaudited proforma statements of share premium of the Company as at 30 June 2012, as set out in Appendix I which we have stamped for the purpose of identification in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000").

The unaudited proforma statements of share premium of the Company as at 30 June 2012 have been prepared for illustrative purposes only on the basis of assumptions as set out in the Notes thereon to show the total amount of unaudited proforma statements of share premium of the Company as at 30 June 2012, had the unaudited proforma adjustments been effected on that date.

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)****Our responsibilities (cont'd.)**

Our work has been undertaken to enable us to form an opinion, as required by the Listing Requirements, as to:

- (i) whether the unaudited proforma statements of share premium of the Company as at 30 June 2012 is properly compiled in accordance with the basis of preparation as set out in the notes to the unaudited proforma statements of share premium; and
- (ii) the adequacy of the share premium account as at 30 June 2012 for capitalisation of the Bonus Issue Pursuant to the Rights Issue .

While information may be available to support the assumptions on which the unaudited proforma statements of share premium are based, such information may not, because of its nature, reflect the actual financial position of Dijaya. Further, such information does not purport to predict the future financial position of Dijaya. Consequently, we do not express any opinion as to the possibility of achievement of the assumed events.

In providing this opinion, we are not responsible for updating any reports or opinions previously issued by us for any events that occurred subsequent to the date of our report on the financial information used in the preparation of the unaudited proforma statements of share premium of the Company as at 30 June 2012.

**Work performed**

Our review procedures included the following:

- (a) Read the unaudited proforma statements of share premium of the Company as at 30 June 2012;
- (b) Inquired of certain officials of the Company, who have responsibility for the financial and accounting matters about:
  - (i) the basis for their determination of the unaudited proforma adjustments;
  - (ii) whether the unaudited proforma statements of share premium referred to in Appendix I have been properly compiled on the bases stated; and
  - (iii) whether, within the context of the assumed date of the Rights Issue, such bases are consistent with the accounting policies of the Company as disclosed in the unaudited financial statements for the period ended 30 June 2012; and the adjustments set out are appropriate for the purpose of the unaudited proforma statements of share premium.

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**



**Work performed (cont'd.)**

- (c) Read the minutes of the board meetings of the companies in Dijaya since the date when the latest statement of financial position was approved and discuss with Dijaya's management events that have occurred since that date;
- (d) Obtained a confirmation on the number of shares as at the 7 September 2012, being the Latest Practicable Date with Dijaya's management;
- (e) Checked the mathematical accuracy of the application of the unaudited proforma adjustments to the historical amounts as at 30 June 2012; and
- (f) Considered whether the unaudited proforma statements of share premium of the Company after the unaudited proforma adjustments are properly compiled and report on the adequacy of the share premium of the Company for capitalisation for the purpose of the Bonus Issue Pursuant to the Rights Issue.

**Opinion**

In our opinion:

- (i) the unaudited proforma statements of share premium of the Company as at 30 June 2012 has been properly compiled on the basis of assumptions as set out in the accompanying notes; and
- (ii) based on the unaudited proforma statements of share premium of the Company as at 30 June 2012, the Company has adequate balance in its share premium account for the purpose of capitalisation of the Bonus Issue Pursuant to the Rights Issue.

**Other matters**

This letter has been prepared for the purpose as stated in the first paragraph of this report and is exclusively for your use in accordance with the Listing Requirements and should not be relied on for any other purpose. We accept no duty or responsibility to and deny any liability to any party other than the addressee in respect of any use of, or reliance upon, this letter, other than the purpose set out above.

Yours faithfully

A handwritten signature in black ink, appearing to be 'EY' followed by a stylized flourish.

Ernst & Young  
AF : 0039  
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Low Khung Leong'.

Low Khung Leong  
No. 2697/01/13(J)  
Chartered Accountant

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

**Notes to the unaudited proforma statements of share premium**

**1.0 Introduction**

The unaudited proforma consolidated statements of share premium of Dijaya as at 30 June 2012 have been prepared for illustrative purposes, in connection with the Bonus Issue in relation to the following transactions:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties (both defined in Note 2.0) for a total consideration of RM934,681,436, which will be satisfied partly in cash and partly via the issuance of 10-year 3% Redeemable Convertible Unsecured Loan Stocks in Dijaya ("RCULS") at 100% of their nominal value ("Acquisitions");
- b) the Renounceable Rights Issue of up to 491,302,655 new ordinary shares of RM1.00 each in Dijaya ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a Bonus Issue of up to 122,825,664 new ordinary shares of RM1.00 each in Dijaya ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing shares held in Dijaya and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date ("Rights Issue") ("Bonus Issue Pursuant to the Right Issue"); and
- c) establishment of a bank guaranteed programme of up to RM500million nominal value of commercial papers/medium term notes.

(collectively referred to as the "Transactions")

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

**2.0 Abbreviations**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this letter:

CP/MTN	Bank guarantee programme of up to RM500,000,000 nominal value of commercial papers / medium term notes
Dijaya or Company	Dijaya Corporation Berhad
Dijaya Shares or Shares	Ordinary shares of RM1.00 each in Dijaya
ESOS Options	Employee Share Options Scheme of Dijaya
Group	Collectively, Dijaya and its subsidiaries
Identified Companies	Acquisition by Dijaya of the entire equity interest of the identifies companies as follow:

Companies Name

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- (iii) Coastal Recreation Centre Sdn Bhd
- (iv) Daya Petaling Sdn Bhd
- (v) Dijaya Plaza Sdn Bhd (Delta Heights)
- (vi) Ebony Legacy Sdn Bhd
- (vii) Image Pertiwi Sdn Bhd
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- (xi) Punca Klasik Sdn Bhd
- (xii) Quantum Peace Sdn Bhd
- (xiii) Star Triangle Networks Sdn Bhd
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- (xvi) Windmax Region Sdn Bhd
- (xvii) Intan Recreation Sdn Bhd



**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

**2.0 Abbreviations (cont'd.)**

Identified Properties Acquisition by Dijaya of the properties from the respective vendors as follow:

	<u>Companies Name</u>	<u>Type of Properties</u>
(i)	D&I Corporation Sdn Bhd	Land and building
(ii)	D&I Enterprise Sdn Bhd	Land and building
(iii)	Desa Setia Sdn Bhd	Land
(iv)	Dynamic Sensation Sdn Bhd	Building
(v)	Germewah Jaya Sdn Bhd	Land
(vi)	Glorade Sdn Bhd	Land
(vii)	Happy Graphic Recreation Sdn Bhd	Building
(viii)	Lion Establishment Sdn Bhd	Building
(ix)	Metro Laris Sdn Bhd	Land
(x)	Moretune Corporation Sdn Bhd & D&I Corporation Sdn Bhd	Land and building
(xi)	Mutiara Cempaka Sdn Bhd	Land
(xii)	Profile Wide Sdn Bhd	Land
(xiii)	Prospect Region Sdn Bhd	Building
(xiv)	Unique Dynasty Sdn Bhd	Building

LPD 7 September 2012, being date of the latest practicable date of the Abridged Prospectus

RCULS RM6B4,6B1,436 10 years 3% Redeemable Convertible Unsecured Loan Stock to be issued at their nominal value by the Company pursuant to the Acquisitions

RM Ringgit Malaysia, the lawful currency of Malaysia

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

**2.0 Abbreviations (cont'd.)**

Minimum Scenario	<p>Representing a scenario that assumes the following:</p> <p>(i) assumes none of the outstanding ESOS Options are exercised, none of the remaining ESOS Options are granted and exercised and none of the outstanding Warrants 2009/2019 are exercised;</p> <p>(ii) assume the subscription of Right Shares at an issue price of RM1.20 per Right Share will only raise proceeds of RM250,000,000.</p>
Maximum Scenario	<p>Representing a scenario that assumes the following:</p> <p>(i) assumes all the outstanding ESOS Options are exercised, all of the remaining ESOS Options are granted and exercised and also all the outstanding Warrants 2009/2019 are exercised; and</p> <p>(ii) assume the full subscription of Right Shares at an issue price of RM1.20 per Right Share.</p>
Warrants 2009/2019	Warrants issued by the Company on 9 December 2009 and due to expire on 8 December 2019

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

**3.0 Basis of preparation**

The unaudited proforma statements of share premium of Dijaya as at 30 June 2012 have been prepared based on the unaudited statement of financial position as at 30 June 2012, on a basis consistent with the accounting policies adopted by Dijaya, in the preparation of the unaudited proforma statements of share premium, to show the effect of the Bonus Issue Pursuant to the Rights Issue, for illustrative purposes only, had the Bonus Issue Pursuant to the Rights Issue been completed on 30 June 2012.

The unaudited proforma statements of share premium of Dijaya as at 30 June 2012 have been prepared on the assumptions that at the date of capitalisation of the share premium for the Bonus Issue Pursuant to the Rights Issue, nothing has occurred or will occur which will cause the aggregate of the above-mentioned share premium to be less than RM52,083,333 and RM122,825,664 under the Minimum Scenario and Maximum Scenario respectively.

For the purpose of illustrating the Bonus Issue Pursuant to the Right Issue, the following assumptions have been made:

**3.1 Minimum Scenario****(a) The Rights Issues.**

This adjustment reflects:

- (i) the issuance of 208,333,333 Rights Shares at an issue price of RM1.20 per Right Share resulting in cash proceeds of approximately RM250million and a share premium of RM41,666,667. The anticipated cost of issuance of Right Shares of RM2,229,791 is set off against the share premium account; and
- (ii) the issuance of 52,083,333 Bonus Shares on the basis of 1 Bonus Share for every 4 Rights Shares issued capitalised from the share premium account;

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

**3.2 Maximum Scenario**

(a) The full exercise of all existing ESOS Options and Warrants 2009/2019.

This adjustment reflects:

- (i) the granting of the remaining ESOS Options resulting in the creation of share option reserve of RM3,849,298;
- (ii) the full exercise of remaining ESOS Options in Dijaya at an assumed average exercise price of RM1.14 per option resulting in the increase in share premium of RM3,310,317;
- (iii) the transfer of the remaining share option reserve of RM6,977,520 to the share premium account; and
- (iv) the exercise of remaining Warrant 2009/2019 in Dijaya at an exercise price of RM1.00 per warrant resulting the remaining warrant reserve of RM39,319,212 is also transferred to share premium account.

(b) The Rights Issues.

This adjustment reflects:

- (i) the issuance of 491,302,655 Rights Shares at an issue price of RM1.20 per Rights Share resulting in share premium of RM98,260,531. The anticipated cost of issuance Right Shares of RM2,333,645 is set off against the share premium account; and
- (ii) the issuance of 122,825,664 Bonus Shares on the basis of 1 Bonus Share for every 4 Rights Shares issued capitalised from the share premium account.

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

4.0 Unaudited proforma statements of share premium available for capitalisation for the Bonus issue as at 30 June 2012 based on the Company's unaudited financial statements for the financial period ended 30 June 2012.

## 4.1 Minimum Scenario

	Note	Share Premium RM'000
Unaudited as at 30 June 2012		367,974
Adjustments:		
Issuance of Right shares	3.1(a)(i)	39,437
Proforma balance of the share premium account before the Bonus Issue Pursuant to the Right Issue		407,411
Capitalised for the Bonus Issue	3.1(a)(ii)	(52,083)
Proforma balance of the share premium account after the Bonus Issue Pursuant to the Right Issue		355,328

**LETTER FROM THE REPORTING ACCOUNTANTS ON THE ADEQUACY OF RESERVES (Cont'd)**

Dijaya Corporation Berhad

APPENDIX I

Notes to the unaudited proforma statements of share premium (cont'd.)

## 4.2 Maximum Scenario

	Note	Share Premium RM'000
Unaudited as at 30 June 2012		367,974
Adjustments:		
Full exercise of existing share options and warrants	3.2(a)	49,606
Issuance of Right shares	3.2(b)(i)	95,928
Proforma balance of the share premium account before the Bonus Issue Pursuant to the Right Issue		513,508
Capitalised for the Bonus Issue	3.2(b)(ii)	(122,826)
Proforma balance of the share premium account after the Bonus Issue Pursuant to the Right Issue		390,682

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON**



**Ernst & Young**  
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**REPORTING ACCOUNTANTS' LETTER ON PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Prepared for inclusion in the Abridged Prospectus to be dated 24 September 2012)

The Board of Directors  
Dijaya Corporation Berhad  
Level 10 -12, Tropicana City Office Tower  
No. 3 Jalan SS 20/27  
47400 Petaling Jaya  
Selangor Darul Ehsan

11 September 2012

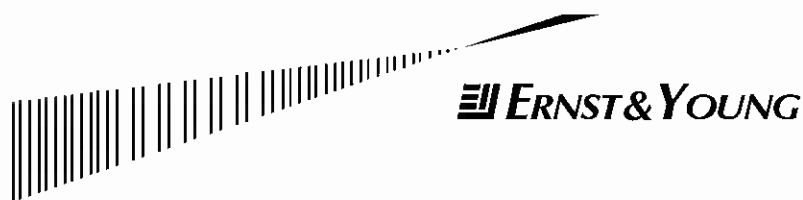
Dear Sirs,

**DIJAYA CORPORATION BERHAD ("DIJAYA")  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31  
DECEMBER 2011**

We report on the proforma consolidated statements of financial position of Dijaya and its subsidiaries (collectively known as the "Group") as at 31 December 2011 (which we have stamped for the purpose of identification), which have been prepared on the basis described in the Notes to the Proforma Consolidated Statements of Financial Position, for illustrative purposes only. The proforma consolidated statements of financial position have been prepared to provide information about how the consolidated statements of financial position of the Group as at 31 December 2011 that has been presented might have been affected had the following transactions been completed on that date:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties (both defined in Note 2 to the Proforma Consolidated Statements of Financial Position) for a total consideration of RM934,681,436, which will be satisfied partly in cash and partly via the issuance of 10-year 3% Redeemable Convertible Unsecured Loan Stocks in Dijaya ("RCULS") at 100% of their nominal value ("Acquisitions");
- b) the Renounceable Rights Issue of up to 491,302,655 new ordinary shares of RM1.00 each in Dijaya ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a Bonus Issue of up to 122,825,664 new ordinary shares of RM1.00 each in Dijaya ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing shares held in Dijaya and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date ("Rights Issue"); and

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



- c) establishment of a bank guaranteed programme of up to RM500million nominal value of commercial papers/medium term notes

(collectively referred to as the "Transactions")

The proforma consolidated statements of financial position, because of its nature, may not be reflective of the Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of the Group.

The report is required by and is given for the purpose of complying with the Prospectus Guidelines on Abridged Prospectus issued by Securities Commission and should not be relied on for any other purpose.

#### **Responsibilities**

It is the responsibility of the Board of Directors of Dijaya ("the Board") to prepare the proforma consolidated statements of financial position on the basis described in Notes to the Proforma Consolidated Statements of Financial Position, for illustrative purposes only, in accordance with the Prospectus Guidelines on Abridged Prospectus issued by Securities Commission.

It is our responsibility to form an opinion, as to the proper compilation of the proforma consolidated statements of financial position and to report that opinion to you.

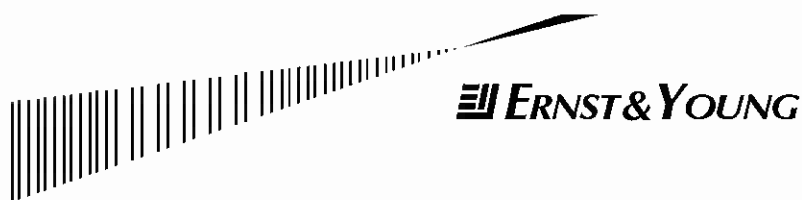
In providing this opinion, we are not responsible in updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the proforma consolidated statements of financial position, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

#### **Basis of opinion**

We conducted our work in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the proforma consolidated statements of financial position with the Board and responsible officers of Dijaya.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**



We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the proforma consolidated statements of financial position have been properly compiled on the basis stated using financial statements prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of Dijaya. Our work also involves assessing whether the adjustments made to the information used in the preparation of the proforma consolidated statements of financial position are appropriate for the purposes of preparing the proforma consolidated statements of financial position.

#### Opinion


In our opinion:

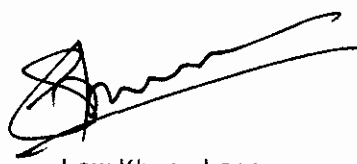
- (a) the proforma consolidated statements of financial position of Dijaya as at 31 December 2011, which have been prepared by the directors of Dijaya have been properly prepared on the basis stated in the accompanying notes to the proforma consolidated statements of financial position using financial statements prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the statement of financial position and the accounting policies of Dijaya; and
- (b) the adjustments made to the information used in the preparation of the proforma consolidated statements of financial position are appropriate for the purposes of preparing the proforma consolidated statements of financial position.

#### Other matters

This report has been prepared for inclusion in the Abridged Prospectus, for the purpose of complying with the Prospectus Guidelines on Abridged Prospectus issued by Securities Commission, and should not be relied on for other purpose. Our work has been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this report is not appropriate in other jurisdictions and should not be relied upon for any purposes other than the Transactions described above. We accept no duty or responsibility and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction, including the sale of securities other than the Transactions.

Yours faithfully

  
Ernst & Young  
AF : 0039  
Chartered Accountants

  
Low Khung Leong  
No. 2697/01/13(J)  
Chartered Accountant

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011

**1.0 Introduction**

The proforma consolidated statements of financial position of Dijaya as at 31 December 2011 have been prepared for illustrative purposes, in connection with the following transactions:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties (both defined in Note 2.0) for a total consideration of RM934,6B1,436 which will be satisfied partly in cash and partly via the issuance of 10-year 3% Redeemable Convertible Unsecured Loan Stocks in Dijaya ("RCULS") at 100% of their nominal value ("Acquisitions");
- b) the Renounceable Rights Issue of up to 491,302,655 new ordinary shares of RM1.00 each in Dijaya ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a Bonus Issue of up to 122,B25,664 new ordinary shares of RM1.00 each in Dijaya ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing shares held in Dijaya and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date ("Rights Issue"); and
- c) establishment of a bank guaranteed programme of up to RM500million nominal value of commercial papers/medium term notes

(collectively referred to as the "Transactions").

The proforma consolidated statements of financial position, for which the Board of Directors of Dijaya is solely responsible, have been properly compiled on the basis stated in Note 3.0 below using the audited consolidated financial statements of Dijaya as at 31 December 2011, which were prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the consolidated statements of financial position and the accounting policies of the Group, to show the effects had the Transactions been completed on 31 December 2011.

The proforma consolidated statements of financial position, because of its nature, may not be reflective of the actual financial position of Dijaya. Furthermore, such information does not purport to predict the future financial position of the Group.

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

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**Dijaya Corporation Berhad**

**Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011 (cont'd.)**

**2.0 Abbreviations**

Unless the context otherwise requires, the following words and abbreviations shall apply throughout this letter:

CP/MTN	Bank guarantee programme of up to RM500,000,000 nominal value of commercial papers / medium term
Dijaya or Company	Dijaya Corporation Berhad
Dijaya Shares or Shares	Ordinary shares of RM1.00 each in Dijaya
ESOS Options	Employee Share Option Scheme of Dijaya
Group	Collectively, Dijaya and its subsidiaries
Identified Companies	Acquisition by Dijaya of the entire equity interest of the identifies companies as follow:

Companies Name

- (i) Ambang Cendana Sdn Bhd
- (ii) Asas Kenari Sdn Bhd
- (iii) Coastal Recreation Centre Sdn Bhd
- (iv) Daya Petaling Sdn Bhd
- (v) Dijaya Plaza Sdn Bhd
- (vi) Ebony Legacy Sdn Bhd
- (vii) Image Pertiwi Sdn Bhd
- (viii) Istimia Budi Sdn Bhd
- (ix) Kuasa Cekapmas Sdn Bhd
- (x) Potensi Cekap Sdn Bhd
- (xi) Punca Klasik Sdn Bhd
- (xii) Quantum Peace Sdn Bhd
- (xiii) Star Triangle Networks Sdn Bhd
- (xiv) Taraf Permata Sdn Bhd
- (xv) Ultimate Support Sdn Bhd
- (xvi) Windmax Region Sdn Bhd
- (xvii) Intan Recreation Sdn Bhd

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

**Dijaya Corporation Berhad**

**Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011 (cont'd.)**

**2.0 Abbreviations (cont'd.)**

Identified Properties

Acquisition by Dijaya of the properties from the respective vendors as follow:

	<u>Companies Name</u>	<u>Type of Properties</u>
(i)	D&I Corporation Sdn Bhd	Land and building
(ii)	D&I Enterprise Sdn Bhd	Land and building
(iii)	Desa Setia Sdn Bhd	Land
(iv)	Dynamic Sensation Sdn Bhd	Building
(v)	Germewah Jaya Sdn Bhd	Land
(vi)	Glorade Sdn Bhd	Land
(vii)	Happy Graphic Recreation Sdn Bhd	Building
(viii)	Lion Establishment Sdn Bhd	Building
(ix)	Metro Laris Sdn Bhd	Land
(x)	Moretune Corporation Sdn Bhd & D&I Corporation Sdn Bhd	Land and building
(xi)	Mutiara Cempaka Sdn Bhd	Land
(xii)	Profile Wide Sdn Bhd	Land
(xiii)	Prospect Region Sdn Bhd	Building
(xiv)	Unique Dynasty Sdn Bhd	Building

LPD

7 September 2012, being date of the latest practicable date of the circular

Minimum Scenario

Representing a scenario that assumes the following:

- (i) assumes none of the outstanding ESOS Options are exercised, none of the remaining ESOS Options are granted and exercised and none of the outstanding Warrants 2009/2019 are exercised;
- (ii) assume the subscription of Right Shares at an issue price of RM1.20 per Right Share will only raise proceeds of RM250,000,000; and
- (iii) assume full conversion of RCULS at an average exercise price of RM1.66.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December

2.0 Abbreviations (cont'd.)

Maximum Scenario	Representing a scenario that assumes the following: <ul style="list-style-type: none"> <li>(i) assumes all the outstanding ESOS Options are exercised, all of the remaining ESOS Options are granted and exercised and also all the outstanding Warrants 2009/2019 are exercised;</li> <li>(ii) assume the full subscription of Right Shares at an issue price of RM1.20 per Right Share; and</li> <li>(iii) assume full conversion of RCULS at an average exercise price of RM1.66.</li> </ul>
RM	Ringgit Malaysia, the lawful currency of Malaysia
RCULS	RM684,681,436 10 years 3% Redeemable Convertible Unsecured Loan Stock to be issued at their nominal value by the Company pursuant to the Acquisitions
Warrants 2009/2019	Warrants issued by the Company on 9 December 2009 and due to expire on 8 December 2019

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011 (cont'd.)

**3.0 Minimum Scenario (Appendix A)**

**Adjustment 1 reflects the exercise of ESOS Options and Warrants 2009/2019 up to LPD**

Proforma I comprise the audited statement of financial position as at 31 December 2011 and Adjustment 1.

This adjustment reflects the subsequent exercise of 2,549,761 ESOS Options and 2,000 Warrants 2009/2019 in Oijaya up to LPO at an exercise price of RM1.14 and RM1.00 respectively. The share premium of RM356,966 arising from the exercise of the ESOS Options is credited to the share premium account. The share premium account is further credited with transfers of RM953,000 and RM606 from the share option reserve and warrant reserve respectively, consequent to the above exercise.

**Adjustment 2**

For the Minimum Scenario, there is no Adjustment 2. Hence, Proforma II is equivalent to Proforma I.

**Adjustment 3 reflects the Acquisitions**

Proforma III comprise Proforma II and Adjustment 3.

Adjustment 3 reflects the following:

- a) the acquisitions by Dijaya of the entire equity interest in the Identified Companies and Identified Properties for a total consideration of RM934,681,436, which will be satisfied partly in cash of RM250million and partly via RCULS of RM684,681,436. The RCULS is issued to settle part of the amount payable to the vendors of the Identified Companies and Identified Properties. The remaining balance of RM250million is deferred and assumed to be settled in Proforma IV.
- b) the split of the RCULS into equity and liability components of RM540,413,959 and RM144,267,477 respectively;
- c) the recognition of deferred tax assets of RM36,066,869 on the liability component of the RCULS pursuant to FRS 112: Income Taxes which is credited into the equity component of the RCULS; and

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011 (cont'd.)

**3.0 Minimum Scenario (Appendix A) (cont'd.)**

**Adjustment 3 reflects the Acquisitions (cont'd.)**

- d) the consolidation of the Identified Companies which will result in a goodwill of RM23,692,647 and a gain from bargain purchase of RM1,323,972. . The gain from bargain purchase of RM1,323,972 is recognised in the statement of comprehensive income; and
- e) the capitalisation and accrual of stamp duties of RM11,203,066 for the acquisition of identified properties and companies of which RM1,855,486 is assumed paid.

**Adjustment 4 reflects the Rights Issue**

Proforma IV comprise Proforma III and Adjustment 4.

Adjustment 4 reflects the following:

- a) the issuance of 208,333,333 Rights Shares at an issue price of RM1.20 per Rights Share resulting in cash proceeds of approximately RM250million and a share premium of RM41,666,667. The anticipated cost of issuance of Right Shares of RM2,229,791 is set off against the share premium account;
- b) the issuance of 52,083,333 Bonus shares on the basis of 1 Bonus Share for every 4 Rights Shares issued capitalised from the share premium account;
- c) the settlement of the balance due to the vendors of the Identified Companies and Identified Properties of RM250million; and
- d) the payment of fees of RM3,498,000 relating to the Transactions.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December

**3.0 Minimum Scenario (Appendix A) (cont'd.)**

**Adjustment 5 reflects the CP/MTN programme**

Proforma V comprise Proforma IV and Adjustment 5.

Adjustment 5 reflects the raising of additional working capital of RM500million through a CP/MTN programme and is assumed to be payable on long term basis. The anticipated cost of raising this programme of RM8,500,000 is set off against the liability arising and amortised over the period of borrowing.

**Adjustment 6 reflects the full conversion of RCULS**

Proforma VI comprise Proforma V and Adjustment 6.

Adjustment 6 reflects the following:

- a) the full conversion of RCULS at an average exercise price of RM1.66 per RCULS into 412,458,696 new Dijaya Shares;
- b) the share premium arising from the conversion of the RCULS of RM272,222,740;
- c) the reversal of the equity and liability components of the RCULS to share capital and share premium accounts of RM540,413,959 and RM144,267,477 respectively; and
- d) the derecognition of deferred tax assets on the liability component of RCULS of RM36,066,869.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011 (cont'd.)

**4.0 Maximum Scenario (Appendix B)**

**Adjustment 1 reflects the exercise of ESOS Options and Warrants 2009/2019 up to LPD**

Proforma I comprise the audited statement of financial position as at 31 December 2011 and Adjustment 1.

The assumptions and effects of Adjustment 1 is as described in Adjustment 1 under the Minimum Scenario.

**Adjustment 2 reflects the full exercise of all existing ESOS Options and Warrants 2009/2019**

Proforma II comprise Proforma I and Adjustment 2.

Adjustment 2 reflects the following:

- a) the granting of the remaining ESOS Options resulting in the creation of shares options reserve of RM3,849,298;
- b) the full exercise of remaining ESOS Options in Dijaya at an assumed average exercise price of RM1.14 per option resulting in the increase in share capital, share premium and cash inflow of RM23,645,119, RM3,310,317 and RM26,955,436 respectively;
- c) the transfer of the remaining share option reserve of RM6,977,520 to the share premium account; and
- d) the exercise of remaining Warrant 2009/2019 in Dijaya at an exercise price of RM1.00 per warrant resulting in the increase in share capital of RM129,810,191 and cash inflow of similar amount. The remaining warrant reserve of RM39,319,212 is also transferred to the share premium account.

**Adjustment 3 reflects the Acquisitions**

Proforma III comprise Proforma II and Adjustment 3.

The assumptions and effects of Adjustment 3 is as described in Adjustment 3 under the Minimum Scenario.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

Dijaya Corporation Berhad

Notes to the Proforma Consolidated Statements Of Financial Position as at 31 December 2011 (cont'd.)

**4.0 Maximum Scenario (Appendix B) (cont'd.)**

**Adjustment 4 reflects the Rights Issue**

Proforma IV comprise Proforma III and Adjustment 4.

Adjustment 4 reflects the following:

- a) the issuance of 491,302,655 Rights Shares at an issue price of RM1.20 per Right Share resulting in cash proceeds of approximately RM589,563,186 and share premium of RM98,260,531. The anticipated cost of Issuance of Right Shares of RM2,333,645 is set off against the share premium account;
- b) the issuance of 122,825,664 Bonus Shares on the basis of 1 Bonus Share for every 4 Rights Shares issued capitalised from the share premium account;
- c) the settlement of the balance due to the vendors of the Identified Companies and Identified Properties of RM250million; and
- d) the payment of fees of RM3,498,000 relating to the Transactions.

**Adjustment 5 reflects the CP/MTN programme**

Proforma V comprise Proforma IV and Adjustment 5.

The assumptions and effects of Adjustment 5 is as described in Adjustment 5 under the Minimum Scenario.

**Adjustment 6 reflects the full conversion of RCULS**

Proforma VI comprise Proforma V and Adjustment 6.

The assumptions and effects of Adjustment 6 is as described in Adjustment 6 under the Minimum Scenario.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 - MINIMUM SCENARIO

APPENDIX A

	Audited 31 December												
	2011 RM'000	Adjustment 1 RM'000	Proforma I RM'000	Adjustment 2 RM'000	Proforma II RM'000	Adjustment 3 RM'000	Proforma III RM'000	Adjustment 4 RM'000	Proforma IV RM'000	Adjustment 5 RM'000	Proforma V RM'000	Adjustment 6 RM'000	Proforma VI RM'000
<b>Assets</b>													
<b>Non-current assets</b>													
Property, plant and equipment	437,197	-	437,197	-	437,197	402,128	839,325	-	839,325	-	839,325	-	839,325
Land held for property development	793,961	-	793,961	-	793,961	430,384	1,224,345	-	1,224,345	-	1,224,345	-	1,224,345
Investment properties	378,209	-	378,209	-	378,209	312,336	690,545	-	690,545	-	690,545	-	690,545
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in an associate	27,891	-	27,891	-	27,891	-	27,891	-	27,891	-	27,891	-	27,891
Investments in jointly controlled entities	24,292	-	24,292	-	24,292	-	24,292	-	24,292	-	24,292	-	24,292
Marketable securities	31,810	-	31,810	-	31,810	-	31,810	-	31,810	-	31,810	-	31,810
Other investments	312	-	312	-	312	53	365	-	365	-	365	-	365
Security retainers accumulation fund	3,428	-	3,428	-	3,428	-	3,428	-	3,428	-	3,428	-	3,428
Intangible assets	4,794	-	4,794	-	4,794	23,692	28,486	-	28,486	-	28,486	-	28,486
Deferred tax assets	26,276	-	26,276	-	26,276	36,067	62,343	-	62,343	-	62,343	(36,067)	26,276
	<u>1,728,170</u>		<u>1,728,170</u>		<u>1,728,170</u>		<u>2,932,830</u>		<u>2,932,830</u>		<u>2,932,830</u>		<u>2,896,763</u>
<b>Current assets</b>													
Property development costs	323,413	-	323,413	-	323,413	-	323,413	-	323,413	-	323,413	-	323,413
Inventories	19,772	-	19,772	-	19,772	-	19,772	-	19,772	-	19,772	-	19,772
Trade and other receivables	156,514	-	156,514	-	156,514	9,560	166,074	-	166,074	-	166,074	-	166,074
Other current assets	92,287	-	92,287	-	92,287	-	92,287	-	92,287	-	92,287	-	92,287
Marketable securities	25,885	-	25,885	-	25,885	-	25,885	-	25,885	-	25,885	-	25,885
Tax recoverable	4,971	-	4,971	-	4,971	1,571	6,542	-	6,542	-	6,542	-	6,542
Cash and bank balances	120,083	2,907	122,990	-	122,990	(563)	122,427	(5,728)	116,699	491,500	608,199	-	608,199
	<u>742,925</u>		<u>745,832</u>		<u>745,832</u>		<u>756,400</u>		<u>750,672</u>		<u>1,242,172</u>		<u>1,242,172</u>
<b>Total assets</b>	<u>2,471,095</u>		<u>2,474,002</u>		<u>2,474,002</u>		<u>3,689,230</u>		<u>3,683,502</u>		<u>4,175,002</u>		<u>4,138,935</u>
<b>Equity and liabilities</b>													
<b>Equity attributable to equity holders of the company</b>													
Share capital	458,119	2,551	460,670	-	460,670	-	460,670	260,416	721,086	-	721,086	412,458	1,133,544
Share premium	366,664	1,310	367,974	-	367,974	-	367,974	(12,646)	355,328	-	355,328	272,223	627,551
Foreign currency translation	(41)	-	(41)	-	(41)	-	(41)	-	(41)	-	(41)	-	(41)
RCULS reserve	-	-	-	-	-	576,481	576,481	-	576,481	-	576,481	(576,481)	-
Share option reserve	4,081	(953)	3,128	-	3,128	-	3,128	-	3,128	-	3,128	-	3,128
Warrants reserve	39,320	(1)	39,319	-	39,319	-	39,319	-	39,319	-	39,319	-	39,319
Retained profit	82,486	-	82,486	-	82,486	(532)	81,954	(3,498)	78,456	-	78,456	-	78,456
	<u>950,629</u>		<u>953,536</u>		<u>953,536</u>		<u>1,529,485</u>		<u>1,773,757</u>		<u>1,773,757</u>		<u>1,881,957</u>
Non-controlling interests	117,970	-	117,970	-	117,970	-	117,970	-	117,970	-	117,970	-	117,970
<b>Total equity</b>	<u>1,068,599</u>		<u>1,071,506</u>		<u>1,071,506</u>		<u>1,647,455</u>		<u>1,891,727</u>		<u>1,891,727</u>		<u>1,999,927</u>
<b>Non-current liabilities</b>													
Sinking fund	595	-	595	-	595	-	595	-	595	-	595	-	595
Provision for liabilities	6,986	-	6,986	-	6,986	-	6,986	-	6,986	-	6,986	-	6,986
Deferred tax liabilities	83,776	-	83,776	-	83,776	85,230	169,006	-	169,006	-	169,006	-	169,006
Security retainers	1,274	-	1,274	-	1,274	-	1,274	-	1,274	-	1,274	-	1,274
Deferred licence fees	73,400	-	73,400	-	73,400	-	73,400	-	73,400	-	73,400	-	73,400
Trade and other payables	-	-	-	-	-	9,347	9,347	-	9,347	-	9,347	-	9,347
Borrowings	845,625	-	845,625	-	845,625	266,134	1,111,759	-	1,111,759	491,500	1,603,259	(144,267)	1,458,992
	<u>1,011,656</u>		<u>1,011,656</u>		<u>1,011,656</u>		<u>1,372,367</u>		<u>1,372,367</u>		<u>1,863,867</u>		<u>1,719,600</u>
<b>Current liabilities</b>													
Deferred licence fees	2,215	-	2,215	-	2,215	-	2,215	-	2,215	-	2,215	-	2,215
Borrowings	145,729	-	145,729	-	145,729	11,392	157,121	-	157,121	-	157,121	-	157,121
Trade and other payables	238,513	-	238,513	-	238,513	267,176	505,689	(250,000)	255,689	-	255,689	-	255,689
Other current liabilities	4,114	-	4,114	-	4,114	-	4,114	-	4,114	-	4,114	-	4,114
Tax payable	269	-	269	-	269	-	269	-	269	-	269	-	269
	<u>390,840</u>		<u>390,840</u>		<u>390,840</u>		<u>669,408</u>		<u>419,408</u>		<u>419,408</u>		<u>419,408</u>
<b>Total liabilities</b>	<u>1,402,496</u>		<u>1,402,496</u>		<u>1,402,496</u>		<u>2,041,775</u>		<u>1,791,775</u>		<u>2,283,275</u>		<u>2,139,008</u>
<b>Total equity and liabilities</b>	<u>2,471,095</u>		<u>2,474,002</u>		<u>2,474,002</u>		<u>3,689,230</u>		<u>3,683,502</u>		<u>4,175,002</u>		<u>4,138,935</u>
<b>No of shares ('000)</b>	458,119		460,670		460,670		460,670		721,086		721,086		1,133,544
<b>Total borrowings (RM'000)</b>	991,354		991,354		991,354		1,268,880		1,268,880		1,760,380		1,616,113
<b>Shareholders fund</b>	950,629		953,536		953,536		1,529,485		1,773,757		1,773,757		1,881,957
<b>Gearing (Times)</b>	1.04		1.04		1.04		0.83		0.72		0.99		0.86
<b>Net Gearing</b>	0.92		0.91		0.91		0.75		0.65		0.65		0.54
<b>Net Assets per share</b>	2.08		2.07		2.07		3.32		2.46		2.46		1.66

**ERNST & YOUNG (AF: 0039)**  
Chartered Accountants, Kuala Lumpur  
For identification purposes only

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 - MAXIMUM SCENARIO

APPENDIX A

	Audited 31 December												
	2011 RM'000	Adjustment 1 RM'000	Proforma I RM'000	Adjustment 2 RM'000	Proforma II RM'000	Adjustment 3 RM'000	Proforma III RM'000	Adjustment 4 RM'000	Proforma IV RM'000	Adjustment 5 RM'000	Proforma V RM'000	Adjustment 6 RM'000	Proforma VI RM'000
<b>Assets</b>													
<b>Non-current assets</b>													
Property, plant and equipment	437,197	-	437,197	-	437,197	402,128	839,325	-	839,325	-	839,325	-	839,325
Land held for property development	793,961	-	793,961	-	793,961	430,384	1,224,345	-	1,224,345	-	1,224,345	-	1,224,345
Investment properties	378,209	-	378,209	-	378,209	312,336	690,545	-	690,545	-	690,545	-	690,545
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in an associate	27,891	-	27,891	-	27,891	-	27,891	-	27,891	-	27,891	-	27,891
Investments in jointly controlled entity	24,292	-	24,292	-	24,292	-	24,292	-	24,292	-	24,292	-	24,292
Marketable securities	31,810	-	31,810	-	31,810	-	31,810	-	31,810	-	31,810	-	31,810
Other investments	312	-	312	-	312	53	365	-	365	-	365	-	365
Security retainers accumulation fund	3,428	-	3,428	-	3,428	-	3,428	-	3,428	-	3,428	-	3,428
Intangible assets	4,794	-	4,794	-	4,794	23,692	28,486	-	28,486	-	28,486	-	28,486
Deferred tax assets	26,276	-	26,276	-	26,276	36,067	62,343	-	62,343	-	62,343	(36,067)	26,276
	<u>1,728,170</u>		<u>1,728,170</u>		<u>1,728,170</u>		<u>2,932,830</u>		<u>2,932,830</u>		<u>2,932,830</u>		<u>2,896,763</u>
<b>Current assets</b>													
Property development costs	323,413	-	323,413	-	323,413	-	323,413	-	323,413	-	323,413	-	323,413
Inventories	19,772	-	19,772	-	19,772	-	19,772	-	19,772	-	19,772	-	19,772
Trade and other receivables	156,514	-	156,514	-	156,514	9,560	166,074	-	166,074	-	166,074	-	166,074
Other current assets	92,287	-	92,287	-	92,287	-	92,287	-	92,287	-	92,287	-	92,287
Marketable securities	25,885	-	25,885	-	25,885	-	25,885	-	25,885	-	25,885	-	25,885
Tax recoverable	4,971	-	4,971	-	4,971	1,571	6,542	-	6,542	-	6,542	-	6,542
Cash and bank balances	120,083	2,907	122,990	156,765	279,755	(563)	279,192	333,732	612,924	491,500	1,104,424	-	1,104,424
	<u>742,925</u>		<u>745,832</u>		<u>902,597</u>		<u>913,165</u>		<u>1,246,897</u>		<u>1,738,397</u>		<u>1,738,397</u>
	<u>2,471,095</u>		<u>2,474,002</u>		<u>2,630,767</u>		<u>3,845,995</u>		<u>4,179,727</u>		<u>4,671,227</u>		<u>4,635,160</u>
<b>Equity and liabilities</b>													
<b>Equity attributable to equity holders of the company</b>													
Share capital	458,119	2,551	460,670	153,455	614,125	-	614,125	614,128	1,228,253	-	1,228,253	412,458	1,640,711
Share premium	366,664	1,310	367,974	49,606	417,580	-	417,580	(26,898)	390,682	-	390,682	272,223	662,905
Foreign currency translation	(41)	-	(41)	-	(41)	-	(41)	-	(41)	-	(41)	-	(41)
RCULS reserve	-	-	-	-	-	576,481	576,481	-	576,481	-	576,481	(576,481)	-
Share option reserve	4,081	(953)	3,128	(3,128)	-	-	-	-	-	-	-	-	-
Warrants reserve	39,320	(1)	39,319	(39,319)	-	-	-	-	-	-	-	-	-
Retained profit	82,486	-	82,486	(3,849)	78,637	(532)	78,105	(3,498)	74,607	-	74,607	-	74,607
	<u>950,629</u>		<u>953,536</u>		<u>1,110,301</u>		<u>1,686,250</u>		<u>2,269,982</u>		<u>2,269,982</u>		<u>2,378,182</u>
Non-controlling interests	117,970	-	117,970	-	117,970	-	117,970	-	117,970	-	117,970	-	117,970
Total equity	<u>1,068,599</u>		<u>1,071,506</u>		<u>1,228,271</u>		<u>1,804,220</u>		<u>2,387,952</u>		<u>2,387,952</u>		<u>2,496,152</u>
<b>Non-current liabilities</b>													
Sinking fund	595	-	595	-	595	-	595	-	595	-	595	-	595
Provision for liabilities	6,986	-	6,986	-	6,986	-	6,986	-	6,986	-	6,986	-	6,986
Deferred tax liabilities	83,776	-	83,776	-	83,776	85,230	169,006	-	169,006	-	169,006	-	169,006
Security retainers	1,274	-	1,274	-	1,274	-	1,274	-	1,274	-	1,274	-	1,274
Deferred licence fees	73,400	-	73,400	-	73,400	-	73,400	-	73,400	-	73,400	-	73,400
Trade and other payables	-	-	-	-	-	9,347	9,347	-	9,347	-	9,347	-	9,347
Borrowings	845,625	-	845,625	-	845,625	266,134	1,111,759	-	1,111,759	491,500	1,603,259	(144,267)	1,458,992
	<u>1,011,656</u>		<u>1,011,656</u>		<u>1,011,656</u>		<u>1,372,367</u>		<u>1,372,367</u>		<u>1,863,867</u>		<u>1,719,600</u>
<b>Current liabilities</b>													
Deferred licence fees	2,215	-	2,215	-	2,215	-	2,215	-	2,215	-	2,215	-	2,215
Borrowings	145,729	-	145,729	-	145,729	11,392	157,121	-	157,121	-	157,121	-	157,121
Trade and other payables	238,513	-	238,513	-	238,513	267,176	505,689	(250,000)	255,689	-	255,689	-	255,689
Other current liabilities	4,114	-	4,114	-	4,114	-	4,114	-	4,114	-	4,114	-	4,114
Tax payable	269	-	269	-	269	-	269	-	269	-	269	-	269
	<u>390,840</u>		<u>390,840</u>		<u>390,840</u>		<u>669,408</u>		<u>419,408</u>		<u>419,408</u>		<u>419,408</u>
Total liabilities	<u>1,402,496</u>		<u>1,402,496</u>		<u>1,402,496</u>		<u>2,041,775</u>		<u>1,791,775</u>		<u>2,283,275</u>		<u>2,139,008</u>
Total equity and liabilities	<u>2,471,095</u>		<u>2,474,002</u>		<u>2,630,767</u>		<u>3,845,995</u>		<u>4,179,727</u>		<u>4,671,227</u>		<u>4,635,160</u>
<b>No of shares ('000)</b>													
No of shares ('000)	458,119	-	460,670	-	460,670	-	460,670	-	460,670	-	460,670	-	460,670
Total borrowings (RM'000)	991,354	-	991,354	-	991,354	-	1,268,880	-	1,268,880	-	1,760,380	-	1,616,113
Shareholders fund	950,629	-	953,536	-	953,536	-	1,686,250	-	2,269,982	-	2,269,982	-	2,378,182
<b>Gearing (Times)</b>													
Net Gearing	1.04	-	1.04	-	0.89	-	0.75	-	0.56	-	0.78	-	0.68
Net Assets per share	0.92	-	0.91	-	0.64	-	0.59	-	0.29	-	0.29	-	0.22
	2.08	-	2.07	-	1.81	-	2.75	-	1.85	-	1.85	-	1.45

**ERNST & YOUNG (AF: 0039)**  
Chartered Accountants, Kuala Lumpur  
For identification purposes only

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON**


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**Dijaya Corporation Berhad**  
**(Incorporated in Malaysia)**
**Directors' report**

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

**Principal activities**

The principal activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiaries, associate and jointly controlled entities are described in Notes 18, 19 and 20 to the financial statements respectively.

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

**Results**

	<b>Group</b> <b>RM'000</b>	<b>Company</b> <b>RM'000</b>
Profit, net of tax	72,688	61,970
Profit attributable to:		
Owners of the parent	65,067	61,970
Non-controlling interests	7,621	-
	<u>72,688</u>	<u>61,970</u>

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

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.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**
**Dividends**

The amount of dividends paid by the Company since 31 December 2010 were as follows:

In respect of the financial year ended 31 December 2010 as reported in the directors' report of that year:	<b>RM '000</b>
First and final dividend of 5 sen per share less 25% taxation, on 455,641,764 ordinary shares, declared on 8 July 2011 and paid on 2 August 2011	<u>17,087</u>

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2011, of 3 sen per share less 25% taxation on 458,118,959 ordinary shares, amounting to a dividend payable of RM10,307,677 (2.25 sen per ordinary share) (subject to change on the number of ordinary shares entitled to dividend on date of book closure) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

**Directors**

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

Datuk Rohana Binti Tan Sri Mahmood	
Tan Sri Dato' Tan Chee Sing	
Dato' Tong Kien Onn	
Dickson Tan Yong Loong	
Loh Chen Peng	
Tang Vee Mun	
Datuk Seri Panglima Mohd Annuar Bin Zaini	
Kong Woon Jun	
Dato' Ng Tian Sang @ Ng Kek Chuan	
Koong Wai Seng	(appointed on 8 July 2011)
Dato' Khoo Poh Chye	(appointed on 15 July 2011)
Diana Tan Sheik Ni	(appointed on 28 February 2012)
Roslan Bin Hj. Yahya	(resigned on 1 July 2011)
Tan Seng Chye	(resigned on 16 March 2012)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Directors' benefits**

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Options Scheme ("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 11 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 41 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, warrants and options over shares in the Company and its related corporations during the financial year were as follows:

<----- Dijaya Corporation Berhad ----->				
<----- Number of ordinary shares of RM1 each ----->				
	As at 1 January 2011 / Date of appointment	Acquired	Disposed	As at 31 December 2011
<b>Direct interest</b>				
Tan Sri Dato' Tan Chee Sing	140,043,934	-	-	140,043,934
Dato' Tong Kien Onn	35,000	-	-	35,000
Loh Chen Peng	210,000	-	-	210,000
Tan Seng Chye	-	173,900	-	173,900
Kong Woon Jun	-	173,000	-	173,000
<b>Indirect interest*</b>				
Tan Sri Dato' Tan Chee Sing	165,840,769	-	-	165,840,769
Dato' Tong Kien Onn	89,250	-	-	89,250
Dato' Khoo Poh Chye	100,000	5,000	(5,000)	100,000

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Directors' interests (cont'd.)**

<----- Dijaya Corporation Berhad ----->				
<----- Number of warrants 2009/2019 ----->				
	As at 1 January 2011	Acquired	Disposed	As at 31 December 2011
<b>Direct interest</b>				
Tan Sri Dato' Tan Chee Sing	39,825,554	-	-	39,825,554
Loh Chen Peng	60,000	-	-	60,000
<b>Indirect interest*</b>				
Tan Sri Dato' Tan Chee Sing	20,033,077	-	-	20,033,077

<----- Dijaya Corporation Berhad ----->				
<-Number of options over ordinary shares of RM1 each ->				
	As at 1 January 2011	Granted	Exercised	As at 31 December 2011
Tan Sri Dato' Tan Chee Sing	128,788	157,400	-	286,188
Dato' Tong Kien Onn	653,349	131,200	-	784,549
Dickson Tan Yong Loong	312,471	403,800	-	716,271
Tan Seng Chye	-	579,870	(173,900)	405,970
Koong Wai Seng	-	579,870	-	579,870
Khoo Poh Chye	-	579,870	-	579,870
Kong Woon Jun	-	579,870	(173,000)	406,870

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

Other than as disclosed above, 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.

\* Indirect interest (shareholding held by companies in which the directors are deemed to have interest and/or shares held by spouse).



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Dijaya Corporation Berhad  
(Incorporated in Malaysia)****Issue of shares**

During the financial year, the Company increased its issued and paid-up ordinary shares capital from RM455,000,000 to RM458,118,959 by way of the issuance of:

- a) 3,118,359 ordinary shares of RM1 each for cash pursuant to the Company's Employee Share Options Scheme at an average exercise price of RM1.12 per ordinary share; and
- b) 600 ordinary shares of RM1 each for cash pursuant to the Warrant 2009/2019 at an exercise price of RM1 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

**Employee share options scheme**

The Company's Employee Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 24 June 2005. The ESOS was implemented on 21 September 2005 and is enforceable for a period of 10 years from the date of implementation. The salient features and other terms of the ESOS are disclosed in Note 32 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 375,200 ordinary shares of RM1 each.

Details of options granted to directors are disclosed in the directors' interests section in this report.

**Other statutory information**

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Other statutory information (cont'd.)**

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of these financial statements; and
  - (ii) 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:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Significant and subsequent events**

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Notes 48 and 49 to the financial statements.


**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad**  
**(Incorporated in Malaysia)**

**Auditors**

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 March 2012.



Tan Sri Dato' Tan Chee Sing



Dato' Tong Kien Onn

Kuala Lumpur, Wilayah Persekutuan

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad**  
**(Incorporated in Malaysia)**


**Statement by directors**

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

We, Tan Sri Dato' Tan Chee Sing and Dato' Tong Kien Onn, 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 12 to 119 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

The information set out in Note 51 on page 120 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 March 2012.



Tan Sri Dato' Tan Chee Sing



Dato' Tong Kien Onn

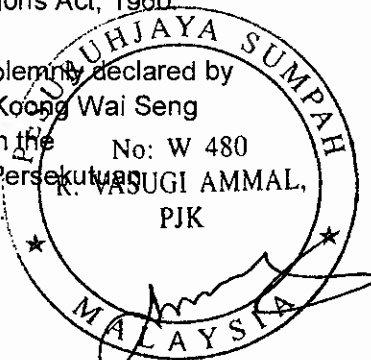
Kuala Lumpur, Wilayah Persekutuan

**Statutory declaration**

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

I, Koong Wai Seng, 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 12 to 120 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 Koong Wai Seng  
at Kuala Lumpur in the  
State of Wilayah Persekutuan  
on 30 March 2012.



Before me,

No: 72, Tkt. 3,  
Jalan Mega Mendung,  
Bandar Kompleks, 8  
58200 Kuala Lumpur.

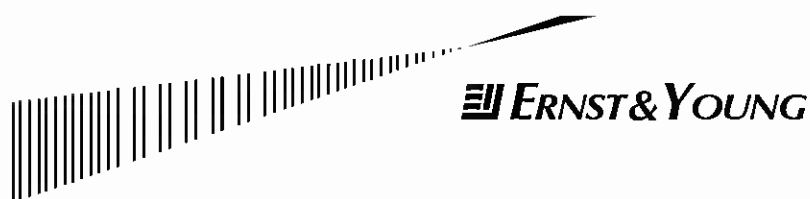


Koong Wai Seng

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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47908-K

**Independent auditors' report to the members of  
Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Ernst & Young**

AF : 0039

Level 23A, Menara Milenium

Jalan Damanlela

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**Report on the financial statements**

We have audited the financial statements of Dijaya Corporation Berhad., which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 119.

*Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**



47908-K

Independent auditors' report to the members of  
Dijaya Corporation Berhad (cont'd.)  
(Incorporated in Malaysia)

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, 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.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) 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.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**



47908-K

Independent auditors' report to the members of  
Dijaya Corporation Berhad (cont'd.)  
(Incorporated in Malaysia)

**Other reporting responsibilities**

The supplementary information set out in Note 51 on page 120 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the Ernst &amp; Young firm, consisting of the letters 'EY' in a cursive, flowing script.

Ernst & Young  
AF: 0039  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Low Khung Leong'.

Low Khung Leong  
No. 2697/01/13 (J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
30 March 2012

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Statements of comprehensive income  
For the year ended 31 December 2011**

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Revenue</b>	4	375,218	292,258	4,994	37,533
Cost of sales	5	(217,197)	(193,093)	-	-
<b>Gross profit</b>		158,021	99,165	4,994	37,533
<b>Other items of income</b>					
Interest income	6	5,322	5,003	13,426	12,810
Other income	7	37,121	42,383	50,426	27,158
<b>Other items of expense</b>					
Administrative expenses		(66,740)	(50,422)	(4,534)	(3,834)
Other expenses		(41,988)	(43,339)	(2,171)	(83,727)
Finance costs	8	(11,359)	(6,001)	(653)	(282)
Share of results of an associate		6,361	6,605	-	-
Share of results of jointly controlled entities		(91)	-	-	-
<b>Profit/(loss) before tax</b>	9	86,647	53,394	61,488	(10,342)
Income tax expense	12	(13,959)	(5,725)	482	(4,673)
<b>Profit/(loss), net of tax</b>		72,688	47,669	61,970	(15,015)
<b>Other comprehensive income</b>					
Foreign currency translation		(1,298)	1,231	-	-
Share of other comprehensive income of an associate		(239)	-	-	-
<b>Total comprehensive income/ (expense)</b>		71,151	48,900	61,970	(15,015)
<b>Profit attributable to:</b>					
Owners of the parent		65,067	43,252		
Non-controlling interests		7,621	4,417		
		72,688	47,669		
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		63,530	44,483		
Non-controlling interests		7,621	4,417		
		71,151	48,900		
<b>Earnings per share attributable to owners of the parent (sen per share)</b>					
Basic	13	14.27	9.52		
Diluted	13	10.63	9.52		
<b>Net dividends per ordinary share in respect of the year (sen per share)</b>	14	2.25	3.76		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Statement of financial position - Group  
as at 31 December 2011**

	Note	2011 RM'000	2010 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	437,197	403,474
Land held for property development	16(a)	793,961	111,713
Investment properties	17	378,209	325,690
Investments in an associate	19	27,891	25,735
Investments in jointly controlled entities	20	24,292	-
Marketable securities	21	31,810	56,780
Other investments	22	312	312
Security retainers accumulation fund	23	3,428	3,232
Intangible assets	24	4,794	3,342
Deferred tax assets	34	26,276	21,595
		<u>1,728,170</u>	<u>951,873</u>
<b>Current assets</b>			
Property development costs	16(b)	323,413	181,723
Inventories	25	19,772	33,244
Trade and other receivables	26	156,514	77,781
Other current assets	27	92,287	11,415
Marketable securities	21	25,885	36,906
Tax recoverable		4,971	6,767
Cash and bank balances	28	120,083	240,586
		<u>742,925</u>	<u>588,422</u>
<b>Total assets</b>		<u>2,471,095</u>	<u>1,540,295</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Statement of financial position - Group  
as at 31 December 2011 (cont'd.)**

	Note	2011 RM'000	2010 RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	29	458,119	455,000
Reserves	30	492,510	443,836
		<u>950,629</u>	<u>898,836</u>
Non-controlling interests		117,970	60,785
<b>Total equity</b>		<u>1,068,599</u>	<u>959,621</u>
<b>Non-current liabilities</b>			
Sinking fund	31	595	2,210
Provision for liabilities	33	6,986	6,986
Deferred tax liabilities	34	83,776	78,791
Security retainers	35	1,274	1,151
Deferred licence fees	36	73,400	72,019
Borrowings	37	845,625	207,763
		<u>1,011,656</u>	<u>368,920</u>
<b>Current liabilities</b>			
Deferred licence fees	36	2,215	2,095
Borrowings	37	145,729	2,566
Trade and other payables	38	238,513	179,854
Other current liabilities	39	4,114	26,845
Tax payable		269	394
		<u>390,840</u>	<u>211,754</u>
<b>Total liabilities</b>		<u>1,402,496</u>	<u>580,674</u>
<b>Total equity and liabilities</b>		<u>2,471,095</u>	<u>1,540,295</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Statement of financial position - Company  
as at 31 December 2011 (cont'd.)**

	Note	2011 RM'000	2010 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	5,633	5,780
Investments in subsidiaries	18	293,239	285,343
Other investments	22	312	312
Trade and other receivables	26	157,546	155,711
		<u>456,730</u>	<u>447,146</u>
<b>Current assets</b>			
Trade and other receivables	26	385,654	293,974
Other current assets	27	34	47
Tax recoverable		1,166	535
Cash and bank balances	28	2,830	1,915
		<u>389,684</u>	<u>296,471</u>
<b>Total assets</b>		<u>846,414</u>	<u>743,617</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	29	458,119	455,000
Reserves	30	330,981	283,866
Shareholder's equity		<u>789,100</u>	<u>738,866</u>
<b>Current liabilities</b>			
Borrowings	37	42,500	-
Other payables	38	14,814	4,751
<b>Total liabilities</b>		<u>57,314</u>	<u>4,751</u>
<b>Total equity and liabilities</b>		<u>846,414</u>	<u>743,617</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Dijaya Corporation Berhad  
(Incorporated in Malaysia)

Statement of changes in equity - Group  
For the year ended 31 December 2011

	Attributable to owners of the parent		Non-distributable		Foreign currency translation reserve		Share premium		Share options reserve		Warrants reserve		Accumulated losses/retained profit		Total reserves/retained profit		Non controlling interests		Total equity	
	Share capital RM'000	Note 29	Share premium RM'000	Note 29	Share options reserve RM'000	Note 30(b)	Share options reserve RM'000	Note 30(b)	Warrants reserve 2009/2019 RM'000	Note 30(c)	(Accumulated losses/retained profit) RM'000	retained profit RM'000	retained profit RM'000	Total RM'000	retained profit RM'000	Total RM'000	controlling interests RM'000	Total RM'000	equity RM'000	
At 1 January 2010	454,345	363,741	265	5,930	39,320	(23,758)	385,498	839,843	69,311	909,154										
Effects of adopting FRS 139	-	-	-	-	-	23,747	23,747	23,747	-	23,747										23,747
	454,345	363,741	265	5,930	39,320	(11)	409,245	863,590	69,311	932,901										
<b>Total comprehensive income</b>	-	-	1,231	-	-	43,252	44,483	44,483	4,417	48,900										
<b>Transactions with owners</b>																				
Issue of ordinary shares pursuant to ESOS	655	72	-	-	-	-	72	-	-	727										727
Effects pursuant to ESOS on:																				
- grant	-	-	-	400	-	-	400	-	-	400										400
- forfeiture	-	-	-	(1,234)	-	1,107	(127)	-	-	(127)										127
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-										430
Dividend paid - to the shareholders of the Company	-	-	-	-	-	(10,237)	(10,237)	-	-	(10,237)										(10,237)
- to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-										(13,500)
	655	72	-	(834)	-	(9,130)	(9,892)	(9,237)	(12,943)	(22,180)										
<b>Total transactions with owners</b>	455,000	363,813	1,496	5,096	39,320	34,111	443,836	898,836	60,785	959,621										
<b>At 31 December 2010</b>																				

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Dijaya Corporation Berhad  
(Incorporated in Malaysia)

**Statement of changes in equity - Group**  
**For the year ended 31 December 2011 (cont'd.)**

	←-----Attributable to owners of the parent-----→				-----Non-distributable-----→			Total equity RM'000		
	Share capital RM'000 Note 29	Share premium RM'000 Note 29	Share options reserve RM'000 Note 30(b)	Warrants reserve 2009/2019 RM'000 Note 30(c)	Foreign currency translation reserve RM'000 Note 30(a)	(Accumulated losses)/ retained profit RM'000	Total reserves/ retained profit RM'000		Non controlling interests RM'000	
<b>At 1 January 2011</b>	455,000	363,813	1,496	5,096	39,320	34,111	443,836	898,836	60,785	959,621
<b>Total comprehensive income</b>	-	-	(1,537)	-	-	65,067	63,530	63,530	7,621	71,151
<b>Transactions with owners</b>										
Issue of ordinary shares pursuant to ESOS	3,118	374	-	-	-	-	374	3,492	-	3,492
Issue of ordinary shares pursuant to warrants 2009/2019	1	-	-	-	-	-	-	1	-	1
Effects pursuant to ESOS on:										
- conversion	-	2,477	-	(2,477)	-	-	-	-	-	-
- grant	-	-	-	1,858	-	-	1,858	1,858	-	1,858
- forfeiture	-	-	-	(396)	-	395	(1)	(1)	1	-
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	-	74,313	74,313
Dividend paid	-	-	-	-	-	-	-	-	-	-
- to the shareholders of the Company	-	-	-	-	-	(17,087)	(17,087)	(17,087)	-	(17,087)
- to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(24,750)	(24,750)
<b>Total transactions with owners</b>	3,119	2,851	-	(1,015)	-	(16,692)	(14,856)	(11,737)	49,564	37,827
<b>At 31 December 2011</b>	458,119	366,664	(41)	4,081	39,320	82,486	492,510	950,629	117,970	1,068,599

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Dijaya Corporation Berhad  
(Incorporated in Malaysia)

Statement of changes in equity - Company  
For the year ended 31 December 2011

	Reserves----->						Total equity RM'000
	Share capital RM'000 Note 29	Share premium RM'000 Note 29	Share options reserve RM'000 Note 30(b)	Warrants reserve 2009/2019 RM'000 Note 30(c)	Accumulated losses RM'000	Total reserves RM'000	
<b>At 1 January 2010</b>	454,345	363,741	5,930	39,320	(100,345)	308,646	762,991
<b>Total comprehensive expenses</b>	-	-	-	-	(15,015)	(15,015)	(15,015)
<b>Transactions with owners</b>	655	72	-	-	-	72	727
Issue of ordinary shares	-	-	400	-	-	400	400
Effects pursuant to ESOS on:	-	-	(1,234)	-	1,234	-	-
- grant	-	-	-	-	(10,237)	(10,237)	(10,237)
- forfeiture	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	655	72	(834)	-	(9,003)	(9,765)	(9,110)
<b>At 31 December 2010</b>	455,000	363,813	5,096	39,320	(124,363)	283,866	738,866

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Dijaya Corporation Berhad  
(Incorporated in Malaysia)

Statement of changes in equity - Company  
For the year ended 31 December 2011 (cont'd.)

	Reserves----->					Total equity RM'000
	Share capital RM'000 Note 29	Share premium RM'000 Note 29	Share options reserve RM'000 Note 30(b)	Warrants reserve 2009/2019 RM'000 Note 30(c)	Accumulated losses RM'000	
<b>At 1 January 2011</b>	455,000	363,813	5,096	39,320	(124,363)	738,866
<b>Total comprehensive income</b>	-	-	-	-	61,970	61,970
<b>Transactions with owners</b>						
Issue of ordinary shares pursuant to ESOS	3,118	374	-	-	-	3,492
Issue of ordinary shares pursuant to warrant 2009/2019	1	-	-	-	-	1
Effects pursuant to ESOS on:						
- conversion	-	2,477	(2,477)	-	-	-
- grant	-	-	1,858	-	-	1,858
- forfeiture	-	-	(396)	-	396	-
Dividend paid	-	-	-	-	(17,087)	(17,087)
<b>Total transactions with owners</b>	3,119	2,851	(1,015)	-	(16,691)	(11,736)
<b>At 31 December 2011</b>	458,119	366,664	4,081	39,320	(79,084)	789,100

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the year ended 31 December 2011**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	86,647	53,394	61,488	(10,342)
Adjustments for:				
Depreciation of property, plant and equipment	10,573	8,902	1,592	997
Property, plant and equipment written off	-	224	-	79
Amortisation of investment properties	5,822	5,691	-	-
Loss/(gain) on disposal of property, plant and equipment	101	(325)	-	68
Reversal of impairment loss on financial asset - trade and other receivables	(214)	(1,338)	(50,426)	(27,158)
Reversal of provision for liabilities	-	(5,980)	-	-
Provision for liabilities	-	68	-	-
Share of profits in an associate	(6,361)	(6,605)	-	-
Share of loss in jointly controlled entities	91	-	-	-
Gain on disposal of land held for property development	(9,147)	-	-	-
Gain on disposal of investment in subsidiary	(6,191)	(1,170)	-	-
Unwinding of discount of security retainers	153	170	-	-
Gross dividend income	(1,968)	(3,325)	(4,523)	(37,201)
Amortisation of borrowings expenses	398	-	-	-
Loss on disposal of marketable securities	870	1,418	-	-
Balance carried forward	80,774	51,124	8,131	(73,557)



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the year ended 31 December 2011 (cont'd.)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Cash flows from operating activities (cont'd.)</b>				
Balance brought forward	80,774	51,124	8,131	(73,557)
Net fair value gains on marketable securities	(1,009)	(11,138)	-	-
Amortisation of deferred license fees	(2,215)	(2,095)	-	-
Allowance for impairment loss for:				
- trade and other receivables	451	939	-	-
- subsidiaries	-	-	-	81,240
Amortisation of endowment fund premium	11	11	-	-
Unrealised returns on endowment policy	(207)	(201)	-	-
Interest income	(5,322)	(5,003)	(13,426)	(12,810)
Interest expense	11,359	6,001	653	282
Share options granted under ESOS	1,858	400	-	-
Operating (loss)/profit before working capital changes	85,700	40,038	(4,642)	(4,845)
Changes in working capital:				
Receivables	(153,284)	28,557	(29,650)	47,983
Deposits with licensed bank not available for use	2,837	(4,301)	-	-
Inventories	13,472	20,155	-	-
Security retainers	(30)	(30)	-	-
Property development costs	(138,814)	(43,827)	-	-
Balance carried forward	(190,119)	40,592	(34,292)	43,138

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
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**Statements of cash flows  
For the year ended 31 December 2011 (cont'd.)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Operating (loss)/profit before working capital changes (cont'd.)				
Balance brought forward	(190,119)	40,592	(34,292)	43,138
Decrease in provision for liabilities	-	(1,999)	-	-
Increase/(decrease) in payables	(12,112)	63,462	10,063	(19,207)
Cash (used in)/generated from operations	(202,231)	102,055	(24,229)	23,931
Decrease in sinking fund	(1,615)	(1,003)	-	-
Increase in deferred license fee	3,716	3,664	-	-
Interests paid	(17,970)	(9,820)	(653)	(282)
Taxes paid, net of refunds	(11,779)	(19,698)	(149)	-
Net cash (used in)/generated from operations	(229,879)	75,198	(25,031)	23,649
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(40,354)	(154,013)	(1,445)	(6,283)
Purchase of investment properties	(57,977)	(18,857)	-	-
Purchase of marketable securities	-	(33,290)	-	-
Acquisition of jointly controlled entities	(24,383)	-	-	-
Proceeds from disposal of property, plant and equipment	144	924	-	38
Proceeds from disposal of marketable securities	36,130	19,303	-	-
Proceeds from disposal of land held for sale	15,500	-	-	-
Interest received	3,459	4,093	-	24
Net cash inflow/(outflow) on acquisition of subsidiaries	40	(3)	(6,038)	(7)
Increase in land held for property development	(635,446)	(2,224)	-	-
Balance carried forward	(702,887)	(184,067)	(7,483)	(6,228)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Dijaya Corporation Berhad  
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**Statements of cash flows  
For the year ended 31 December 2011 (cont'd.)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Cash flows from investing activities</b>				
Balance brought forward	(702,887)	(184,067)	(7,483)	(6,228)
Proceeds from issuance of equity to non-controlling interests	61,975	430	-	-
Net cash inflow/(outflow) from disposal of subsidiary	6,609	(2)	-	-
Dividend received	1,565	1,365	4,523	32,529
Dividend received from an associate	3,966	3,506	-	-
<b>Net cash generated from/ (used in) investing activities</b>	<b>(628,772)</b>	<b>(178,768)</b>	<b>(2,960)</b>	<b>26,301</b>
<b>Cash flows from financing activities</b>				
Net drawdown/(repayment) from borrowings	780,627	70,251	42,500	(30,351)
Issue of ordinary shares pursuant to the warrant	1	-	1	-
Issue of ordinary shares pursuant to the ESOS	3,492	727	3,492	727
Dividends paid to equity holders of the Company	(17,087)	(10,237)	(17,087)	(10,237)
Dividends paid to non-controlling interest of a subsidiary	(24,750)	(13,500)	-	-
<b>Net cash generated from/ (used in) financing activities</b>	<b>742,283</b>	<b>47,241</b>	<b>28,906</b>	<b>(39,861)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(116,368)</b>	<b>(56,329)</b>	<b>915</b>	<b>10,089</b>
Effects of foreign exchange rate changes	(1,298)	1,231	-	-
<b>Cash and cash equivalents at beginning of year</b>	<b>232,740</b>	<b>287,838</b>	<b>1,915</b>	<b>(8,174)</b>
<b>Cash and cash equivalents at end of year (Note 28)</b>	<b>115,074</b>	<b>232,740</b>	<b>2,830</b>	<b>1,915</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**Notes to the financial statements - 31 December 2011****1. Corporate information**

Dijaya Corporation Berhad ("the Company" or "Dijaya") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at C-06-02, 6th floor, Block C, Wisma TT, No. 1, Jalan PJS 8/15, Dataran Mentari, 46150 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Level 10-12, Tropicana City Office Tower, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries, associate and jointly controlled entities are described in Notes 18, 19 and 20 respectively. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 March 2012.

**2. Summary of significant accounting policies****2.1 Basis of preparation**

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current year financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

**2.2 Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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## 2. Summary of significant accounting policies (cont'd.)

### 2.2 Changes in accounting policies (cont'd.)

<u>Description</u>	<b>Effective for annual period beginning on or after</b>
<i>FRS 1 First-time Adoption of Financial Reporting Standards</i>	1 July 2010
<i>Amendments to FRS 2 Share-based Payment</i>	1 July 2010
<i>FRS 3 Business Combinations</i>	1 July 2010
<i>Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
<i>Amendments to FRS 127 Consolidated and Separate Financial Statements</i>	1 July 2010
<i>Amendments to FRS 138 Intangible Assets</i>	1 July 2010
<i>Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives</i>	1 July 2010
<i>IC Interpretation 12 Service Concession Arrangements</i>	1 July 2010
<i>IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
<i>IC Interpretation 17 Distributions of Non-cash Assets to Owners</i>	1 July 2010
<i>Amendments to FRS 132: Classification of Rights Issues</i>	1 March 2010
<i>IC Interpretation 18 Transfers of Assets from Customers</i>	1 January 2011
<i>Amendments to FRS 7: Improving Disclosures about Financial Instruments</i>	1 January 2011
<i>Amendments to FRS 1: Limited Exemptions for First-time Adopters</i>	1 January 2011
<i>Amendments to FRS 1: Additional Exemptions for First-time Adopters</i>	1 January 2011
<i>IC Interpretation 4 Determining Whether an Arrangement contains a Lease</i>	1 January 2011
<i>Improvements to FRS issued in 2010</i>	1 January 2011

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company except for those discussed below:

#### **Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements**

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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## 2. Summary of significant accounting policies (cont'd.)

### 2.2 Changes in accounting policies (cont'd.)

#### **Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements (cont'd.)**

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

#### **Amendments to FRS 7: Improving Disclosures about Financial Instruments**

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 43. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 44.

### 2.3 Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<u>Description</u>	<b>Effective for annual period beginning on or after</b>
<i>IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
<i>Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement</i>	1 July 2011
<i>Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>	1 January 2012
<i>Amendments to FRS 7: Transfers of Financial Assets</i>	1 January 2012
<i>Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012
<i>FRS 124 Related Party Disclosures</i>	1 January 2012

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## 2. Summary of significant accounting policies (cont'd.)

### 2.3 Standards and interpretations issued but not yet effective (cont'd.)

The Group has not adopted the following standards and interpretations that have been issued but not yet effective (cont'd.):

<u>Description</u>	<b>Effective for annual period beginning on or after</b>
<i>Amendments to FRS 101: Presentation of Items of Other Comprehensive Income</i>	1 July 2012
<i>FRS 9 Financial Instruments</i>	1 January 2013
<i>FRS 10 Consolidated Financial Statements</i>	1 January 2013
<i>FRS 11 Joint Arrangements</i>	1 January 2013
<i>FRS 12 Disclosure of interests in Other Entities</i>	1 January 2013
<i>FRS 13 Fair Value Measurement</i>	1 January 2013
<i>FRS 119 Employee Benefits</i>	1 January 2013
<i>FRS 127 Separate Financial Statements</i>	1 January 2013
<i>FRS 128 Investment in Associate and Joint Ventures</i>	1 January 2013
<i>IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
<i>Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
<i>Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014

Adoption of the new FRS, Amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Group and of the Company in the period upon their initial application, except for changes arising from adoption of:

#### **Amendments to FRS 101: Presentation of Items of Other Comprehensive Income**

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance.

#### **FRS 9 Financial Instruments**

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

#### **FRS 10 Consolidated financial statements**

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities.

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**2. Summary of significant accounting policies (cont'd.)****2.3 Standards and interpretations issued but not yet effective (cont'd.)****FRS 10 Consolidated financial statements (cont'd.)**

The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

**FRS 11 Joint Arrangements**

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method. The Group is current using equity method to account for all jointly controlled entities.

**FRS 12 Disclosure of Interests in Other Entities**

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

**FRS 13 Fair Value Measurement**

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

**FRS 127 Separate Financial Statements**

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

**FRS 128 Investments in Associates and Joint Ventures**

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

**Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities**

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.



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**2. Summary of significant accounting policies (cont'd.)****2.3 Standards and interpretations issued but not yet effective (cont'd.)****Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities**

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

**Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to the MFRS Framework by establishing a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group will achieve its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

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## **2. Summary of significant accounting policies (cont'd.)**

### **2.4 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full, except for unrealised losses which are not eliminated when there is an indication of impairment.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.6. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

### **2.5 Transactions with non-controlling interest**

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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**2. Summary of significant accounting policies (cont'd.)****2.6 Goodwill**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.29.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

**2.7 Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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**2. Summary of significant accounting policies (cont'd.)****2.7 Financial assets (cont'd.)**

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

**(a) Financial assets at fair value through profit or loss**

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

**(b) Loans and receivables**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

**(c) Held-to-maturity investments**

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

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**2. Summary of significant accounting policies (cont'd.)****2.7 Financial assets (cont'd.)****(c) Held-to-maturity investments (cont'd.)**

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

**(d) Available-for-sale financial assets**

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's rights to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual rights to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

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**2. Summary of significant accounting policies (cont'd.)****2.8 Impairment of financial assets**

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

**(a) Trade and other receivables and other financial assets carried at amortised cost**

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio which past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**(b) Available-for-sale financial assets**

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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## 2. Summary of significant accounting policies (cont'd.)

### 2.8 Impairment of financial assets (cont'd.)

#### (b) Available-for-sale financial assets (cont'd.)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

### 2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company, the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life, and therefore is not depreciated. Golf course expenditure are depreciated based on the period of the lease of 99 years, which will expire on 20 October 2090.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Leasehold land: 99 years
- Leasehold buildings: 20 to 50 years
- Golf course: 99 years
- Plant and machineries: 7 to 20 years
- Office furniture, fittings and equipment: 4 to 10 years
- Motor vehicles: 5 years

Construction in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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**2. Summary of significant accounting policies (cont'd.)****2.9 Property, plant and equipment (cont'd.)**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is

**2.10 Land held for property development and property development costs****(i) Land held for property development**

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

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

**(ii) Property development costs**

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

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

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



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**2. Summary of significant accounting policies (cont'd.)****2.10 Land held for property development and property development costs (cont'd.)****(ii) Property development costs (cont'd.)**

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

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

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings in respect of property development costs within other current assets and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as advance billings in respect of property development costs within other current liabilities.

**2.11 Investment properties**

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated amortisation and accumulated impairment losses.

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.9 up to the date of change in use.

**2.12 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

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**2. Summary of significant accounting policies (cont'd.)****2.12 Impairment of non-financial assets (cont'd.)**

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

**2.13 Inventories**

Inventories represent completed residential properties, commercial properties and consumables.

Inventories of completed residential and commercial properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification 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.

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

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**2. Summary of significant accounting policies (cont'd.)****2.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, cash on hand and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

**2.15 Share capital and share issuance expenses**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

**2.16 Land use rights**

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

**2.17 Subsidiaries**

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

**2.18 Associates**

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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**2. Summary of significant accounting policies (cont'd.)****2.18 Associates (cont'd.)**

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

**2.19 Jointly controlled entities**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using equity method. Under the equity method, the investment in jointly controlled entities are measured in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the jointly controlled entities.

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**2. Summary of significant accounting policies (cont'd.)****2.19 Jointly controlled entities (cont'd.)**

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

**2.20 Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

**2.21 Leases****(a) As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

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**2. Summary of significant accounting policies (cont'd.)**

**2.21 Leases (cont'd.)**

**(a) As lessee (cont'd.)**

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

**(b) As lessor**

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

**2.22 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

**2.23 Income taxes**

**(a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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**2. Summary of significant accounting policies (cont'd.)****2.23 Income taxes (cont'd.)****(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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**2. Summary of significant accounting policies (cont'd.)****2.23 Income taxes (cont'd.)****(b) Deferred tax (cont'd.)**

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.24 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.25 Sinking fund**

Sinking fund 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 sinking fund account during the year is subsequently paid to a fund which 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.

**2.26 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 in the profit or loss over the remaining terms of the membership licenses, which would expire on 9 October 2051.



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**2. Summary of significant accounting policies (cont'd.)****2.27 Employee benefits****(a) Defined contribution plan**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**(b) Employee share option plans**

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period of 5 years have expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

**2.28 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

**(a) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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**2. Summary of significant accounting policies (cont'd.)****2.28 Financial liabilities (cont'd.)****(a) Financial liabilities at fair value through profit or loss (cont'd.)**

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as fair value through profit or loss.

**(b) Other financial liabilities**

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**2.29 Foreign currencies****(a) Functional and presentation currency**

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

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**2. Summary of significant accounting policies (cont'd.)****2.29 Foreign currencies (cont'd.)****(b) Foreign currency transactions**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

**(c) Foreign operations**

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

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**2. Summary of significant accounting policies (cont'd.)****2.30 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company when revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

**(a) Sale of properties**

Revenue from sale of properties is accounted for by the stage of completion method.

**(b) 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.

**(c) Sale of goods**

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**(d) Dividend income**

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

**(e) Interest income**

Interest income is recognised by using the effective interest method.

**(f) Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

**(g) Management fees**

Management fees are recognised when services are rendered.

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**2. Summary of significant accounting policies (cont'd.)****2.31 Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 47, including the factors used to identify the reportable segments and the measurement basis of segment information.

**2.32 Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

**3. Significant accounting estimates and judgements**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**3.1 Judgements made in applying accounting policies****(a) Classification between operating lease and finance lease for leasehold land**

The Group has developed certain criteria based on FRS 117 Leases in making judgement whether a leasehold land should be classified either as operating lease or finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an assets and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the finance lease, the lease will be classified as property, plant and equipment if it is for own use or will be classified as investment property if it is to earn rentals or for capital appreciation or both. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

The Group has classified the leases as finance leases as they have met the criteria of a finance lease under FRS 117.

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**3. Significant accounting estimates and judgements (cont'd.)****3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Property development**

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

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

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised to the extent of property development costs incurred that it is probable will be recoverable until the activity reaches a desired stage of completion, which the Group views as a reasonable benchmark based on past experience and by relying on the work of specialists.

**(b) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total unrecognised tax losses and unutilised capital allowances of the Group was RM4,410,000 (2010: RM4,410,000) and RM1,054,000 (2010: RM29,326,000).

**(c) Liquidated and ascertained damages**

Liquidated and ascertained damages ("LAD") income are recognised to the extent that the economic benefits will flow to the Group and the amount can be reliably measured.

Significant management judgement is required to determine the timing of the completion of the project.

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**3. Significant accounting estimates and judgements (cont'd.)****3.2 Key sources of estimation uncertainty (cont'd.)****(c) Liquidated and ascertained damages (cont'd.)**

LAD income of RM4,085,000 has been recognised from the delay in completion of a project as at 31 December 2011.

**(d) Impairment of goodwill**

Goodwill, brands and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill and brands are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and brands and sensitivity analysis to changes in the assumptions are given in Note 24.

**(e) Impairment of loans and receivables**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 26. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by RM188,361 (2010: increase by RM144,700).

**(f) Employee share options**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 32.

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**4. Revenue**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Management fees	-	-	471	332
Sale of properties	297,214	219,768	-	-
Revenue from recreation and resort operations	30,148	29,152	-	-
Property management and maintenance fee income	7,127	7,195	-	-
Rent and related income from shopping mall and office tower	38,761	32,818	-	-
Gross dividend income from:				
- Subsidiaries	-	-	4,523	37,201
- Marketable securities	1,968	3,325	-	-
	<u>375,218</u>	<u>292,258</u>	<u>4,994</u>	<u>37,533</u>

**5. Cost of sales**

	Group	
	2011 RM'000	2010 RM'000
Property development costs (Note 16)	159,875	129,911
Cost of inventories sold	12,982	24,123
Cost of services rendered		
- cost of recreation and resort operations	15,041	13,732
- cost of property management	12,519	11,590
- cost of mall and office operations	16,780	13,737
	<u>217,197</u>	<u>193,093</u>

**6. Interest income**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest from:				
- Deposits	3,459	4,093	-	24
- Unwinding of discount on retention sum	1,863	910	-	-
- Unwinding of discount on loans and receivables	-	-	13,426	12,786
	<u>5,322</u>	<u>5,003</u>	<u>13,426</u>	<u>12,810</u>

The unwinding of discounts is derived based on the time value of realization of the retention sum.



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**7. Other income**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Management fees	3,271	2,779	-	-
Rental income	6,132	6,799	-	-
Fair value gains on marketable securities	6,220	23,405	-	-
Reversal of impairment loss on financial assets				
- Trade and other receivables	214	1,338	50,426	27,158
Reversal of provision for liability	-	5,980	-	-
Gain on disposal of a subsidiary (Note 18)	6,191	1,170	-	-
Liquidated and ascertained damages	4,085	-	-	-
Gain on disposal of property, plant and equipment	-	325	-	-
Gain on disposal of land held for property development (Note 16)	9,147	-	-	-
Miscellaneous	1,861	587	-	-
	<b>37,121</b>	<b>42,383</b>	<b>50,426</b>	<b>27,158</b>

**8. Finance costs**

Interest expense on borrowings	17,970	9,820	653	282
Unwinding of discount on retention sum payable	1,363	1,493	-	-
<b>Total interest expense</b>	<b>19,333</b>	<b>11,313</b>	<b>653</b>	<b>282</b>
Less: Interest expense capitalised in				
- construction-in-progress (Note 15)	(4,893)	(3,649)	-	-
- development property (Note 16)	(3,081)	(1,649)	-	-
- investment properties (Note 17)	-	(14)	-	-
<b>Total finance costs</b>	<b>11,359</b>	<b>6,001</b>	<b>653</b>	<b>282</b>

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**9. Profit/(loss) before tax**

In addition to the items disclosed in Notes 6, 7 and 8, the following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Employee benefits expense (Note 10)	49,230	34,183	59	174
Non-executive directors' remuneration (Note 11)	651	603	382	381
Auditors' remuneration				
- Current year	466	372	76	63
- Prior year	47	41	-	5
Depreciation of property, plant and equipment (Note 15)	10,573	8,902	1,592	997
Amortisation of investment properties (Note 17)	5,822	5,691	-	-
Minimum operating lease payments:				
- office premises	230	94	59	515
- office equipment	120	152	53	92
Amortisation of endowment fund premium	11	11	-	-
Bad debts written off	449	4	-	-
Impairment loss on financial assets				
- Trade and other receivables	451	939	-	-
- Subsidiaries	-	-	-	81,240
Provision for liabilities	-	68	-	-
Loss on disposal of marketable securities	870	1,418	-	-
Loss on disposal of property, plant and equipment	101	-	-	68
Property, plant and equipment written off	-	224	-	79
Unrealised returns on endowment policy	(207)	(201)	-	-
Unwinding of discount of security retainers	153	170	-	-
Amortisation of borrowings expense	398	-	-	-
Fair value loss on marketable securities	5,211	12,267	-	-

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**10. Employee benefits expense**

	Group		Company	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
Salaries and bonuses	36,390	26,797	23	34
Social security contributions	337	226	-	1
Contributions to defined contribution plan	4,369	3,009	3	4
Share options granted under ESOS	1,858	400	-	-
Other benefits	6,276	3,751	33	135
	<u>49,230</u>	<u>34,183</u>	<u>59</u>	<u>174</u>
Less: Amount included in cost of sales	(10,449)	(8,636)	-	-
	<u>38,781</u>	<u>25,547</u>	<u>59</u>	<u>174</u>

Included in employee benefits expense of the Group is executive directors' remuneration amounting to RM10,861,000 (2010: RM7,598,000) as further disclosed in Note 11.

**11. Directors' remuneration**

	Group		Company	
	2011 RM'000	2010 RM '000	2011 RM '000	2010 RM '000
<b>Directors of the Company</b>				
<b>Executive:</b>				
Salaries and other emoluments	5,893	3,796	-	-
Bonus	1,749	1,273	-	-
Defined contribution plan	915	608	-	-
Share options granted under ESOS	208	358	-	-
	<u>8,765</u>	<u>6,035</u>	<u>-</u>	<u>-</u>
<b>Non-executive:</b>				
Fees	253	256	253	256
Other emoluments	165	125	129	125
	<u>418</u>	<u>381</u>	<u>382</u>	<u>381</u>

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**11. Directors' remuneration (cont'd.)**

	Group		Company	
	2011 RM'000	2010 RM '000	2011 RM '000	2010 RM '000
<b>Other directors</b>				
Executive:				
Salaries and other emoluments	1,445	987	-	-
Bonus	351	331	-	-
Defined contribution plan	214	157	-	-
Share options granted under ESOS	86	88	-	-
	<u>2,096</u>	<u>1,563</u>	-	-
Non-executive:				
Fees	90	89	-	-
Other emoluments	143	133	-	-
	<u>233</u>	<u>222</u>	-	-
<b>Total</b>	<u>11,512</u>	<u>8,201</u>	<u>382</u>	<u>381</u>

**Analysis of directors' remuneration:**

Total executive directors' remuneration	10,861	7,598	-	-
Total non-executive directors' remuneration	651	603	382	381
<b>Total directors' remuneration</b>	<u>11,512</u>	<u>8,201</u>	<u>382</u>	<u>381</u>

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

	Number of directors	
	2011	2010
Executive directors:		
RM400,001 - RM450,000	3	1
RM550,001 - RM600,000	1	1
RM600,001 - RM650,000	3	-
RM650,001 - RM700,000	-	-
RM750,001 - RM800,000	1	1
RM800,001 - RM1,200,000	2	-
RM3,850,001 - RM3,900,000	-	-
RM3,900,001 - RM4,500,000	1	1
Non-executive directors		
Below RM50,000	4	5
RM50,001 - RM100,000	2	2
RM100,001 - RM150,000	-	-
RM150,001 - RM200,000	1	1
RM350,001 - RM400,000	-	-

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**12. Income tax expense**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current income tax:				
Malaysian income tax	13,202	16,027	-	4,673
Over provision in prior years	(209)	(583)	(482)	-
	<u>12,993</u>	<u>15,444</u>	<u>(482)</u>	<u>4,673</u>
Real property gain tax	457	-	-	-
	<u>13,450</u>	<u>15,444</u>	<u>(482)</u>	<u>4,673</u>
Deferred tax (Note 34):				
Origination and reversal of temporary differences	325	(9,018)	-	-
Under/(over) provision in prior years	184	(701)	-	-
	<u>509</u>	<u>(9,719)</u>	<u>-</u>	<u>-</u>
Total income tax expense	<u>13,959</u>	<u>5,725</u>	<u>(482)</u>	<u>4,673</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2011 and 2010 are as follows:

	Group	
	2011 RM'000	2010 RM'000
Profit before tax	<u>86,647</u>	<u>53,394</u>
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	21,662	13,349
Income not subject to tax	(6,633)	(6,337)
Expenses not deductible for tax purposes	9,443	6,912
Adjustment for income taxed under Real Property Gain Tax	(1,830)	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(7,068)	(5,264)
Under/(over) provision of deferred tax in prior years	184	(701)
Overprovision of tax expense in prior years	(209)	(583)
Share of results of associates	(1,590)	(1,651)
Income tax expense	<u>13,959</u>	<u>5,725</u>

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**12. Income tax expense (cont'd.)**

	<b>Company</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(loss) before tax	<u>61,488</u>	<u>(10,342)</u>
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	15,372	(2,585)
Income not subject to tax	(17,094)	(3,197)
Expenses not deductible for tax purposes	1,722	10,455
Overprovision in prior year	(482)	-
Income tax expense	<u>(482)</u>	<u>4,673</u>

Tax savings during the financial year arising from:

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Utilisation of previously unrecognised losses	<u>28,272</u>	<u>21,056</u>

**13. Earnings per share**

Basic earnings per share is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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**13. Earnings per share (cont'd.)**

The following reflects the profit and share data used in the computation of basic and diluted earnings per share:

	Group	
	2011	2010
	RM'000	RM'000
Net profit attributable to owners of parent	65,067	43,252
	<b>Number of shares '000</b>	
	2011	2010
Weighted average number of ordinary shares for basic earnings per share computation	455,687	454,381
Effects of dilution:		
- Share options	26,419	-
- Warrants 2009/2019	129,813	-
Weighted average number of ordinary shares for diluted earnings per share computation	611,919	454,381

There were no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of completion of these financial statements, except as disclosed in Note 29 (Share capital and share premium).

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**14. Dividends**

	Dividends in respect of Year			Dividends Recognised in Year	
	2011	2010	2009	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Recognised during the year:</b>					
First and final dividend for 2009: 3 sen per share less 25% taxation, on 455,000,000 ordinary shares (2.25 sen per ordinary share)	-	-	10,237	-	10,237
First and final dividend for 2010: 5 sen per share less 25% taxation, on 455,641,764 ordinary shares (3.75 sen per ordinary share)	-	17,087	-	17,087	-
<b>Proposed for approval at AGM (not recognised as a liability at 31 December)</b>					
First and final dividend for 2011: 3 sen per share less 25% taxation, on 458,118,959 ordinary shares (2.25 sen per ordinary share)	10,307	-	-	-	-
	<u>10,307</u>	<u>17,087</u>	<u>10,237</u>	<u>17,087</u>	<u>10,237</u>

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2011, of 3 sen per share less 25% taxation on 458,118,959 ordinary shares, amounting to a dividend payable of RM10,307,677 (2.25 sen per ordinary share) (subject to change on the number of ordinary shares entitled to dividend on date of book closure) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.



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**15. Property, plant and equipment**

Group	Freehold land RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Construction in-progress RM'000	Golf course RM'000	Plant and machineries RM'000	Office furniture, fittings and equipments RM'000	Motor vehicles RM'000	Total RM'000
At 31 December 2011	127,045	164,999	87,335	17,595	46,796	26,145	28,529	3,524	501,968
<b>Cost</b>									
At 1 January 2011	-	-	1,921	34,811	-	1,020	5,135	2,360	45,247
Additions	-	-	-	-	-	(59)	(112)	(246)	(417)
Disposals	-	(680)	8,333	(9,892)	2,201	38	-	-	-
Reclassification	-	-	(421)	-	-	-	(7)	-	(428)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-
Transfer to investment property (Note 17)	-	-	-	(364)	-	-	-	-	(364)
At 31 December 2011	127,045	164,319	97,168	42,150	48,997	27,144	33,545	5,638	546,006
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2011	-	26,207	25,985	-	13,413	19,345	11,956	1,588	98,494
Depreciation	-	1,424	1,951	-	848	1,676	3,848	826	10,573
Disposals	-	-	-	-	-	(47)	(83)	(42)	(172)
Disposal of subsidiary	-	-	(79)	-	-	-	(7)	-	(86)
At 31 December 2011	-	27,631	27,867	-	14,261	20,974	15,714	2,372	108,809
<b>Net carrying amount</b>	127,045	136,688	69,311	42,150	34,736	6,170	17,831	3,266	437,197

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**15. Property, plant and equipment (cont'd.)**

Group	Freehold land	Leasehold land	Leasehold buildings	Construction in-progress	Golf course	Plant and machineries	Office furniture, fittings and equipments	Motor vehicles	Total
At 31 December 2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Cost</b>									
At 1 January 2010	5,198	149,938	82,885	37,225	46,796	23,887	20,891	4,122	370,942
Additions	127,044	1,907	84	13,033	-	2,316	11,390	1,888	157,662
Disposals	-	-	-	-	-	-	(227)	(2,410)	(2,637)
Write off	-	-	-	-	-	(58)	(3,021)	(76)	(3,155)
Reclassification	-	-	4,366	(4,366)	-	-	-	-	-
Transfer from land held for property development	-	13,154	-	-	-	-	-	-	13,154
Transfer to investment property (Note 17)	(5,197)	-	-	(28,297)	-	-	(504)	-	(33,998)
<b>At 31 December 2010</b>	<b>127,045</b>	<b>164,999</b>	<b>87,335</b>	<b>17,595</b>	<b>46,796</b>	<b>26,145</b>	<b>28,529</b>	<b>3,524</b>	<b>501,968</b>
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2010	-	24,928	24,232	7	12,594	17,785	12,218	2,840	94,604
Depreciation	-	1,279	1,746	-	819	1,615	2,839	604	8,902
Disposals	-	-	-	-	-	-	(219)	(1,819)	(2,038)
Write off	-	-	-	-	-	(55)	(2,839)	(37)	(2,931)
Reclassification	-	-	7	(7)	-	-	-	-	-
Transfer to investment property	-	-	-	-	-	-	(43)	-	(43)
<b>At 31 December 2010</b>	<b>-</b>	<b>26,207</b>	<b>25,985</b>	<b>-</b>	<b>13,413</b>	<b>19,345</b>	<b>11,956</b>	<b>1,588</b>	<b>98,494</b>
<b>Net carrying amount</b>	<b>127,045</b>	<b>138,792</b>	<b>61,350</b>	<b>17,595</b>	<b>33,383</b>	<b>6,800</b>	<b>16,573</b>	<b>1,936</b>	<b>403,474</b>

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**15. Property, plant and equipment (cont'd.)**

Company	Office furniture, fittings and equipments RM'000	Motor vehicles RM'000	Total RM'000
<b>At 31 December 2011</b>			
<b>Cost</b>			
At 1 January 2011	7,814	-	7,814
Additions	1,198	247	1,445
At 31 December 2011	<u>9,012</u>	<u>247</u>	<u>9,259</u>
<b>Accumulated depreciation and impairment losses</b>			
At 1 January 2011	2,034	-	2,034
Depreciation	1,580	12	1,592
At 31 December 2011	<u>3,614</u>	<u>12</u>	<u>3,626</u>
<b>Net carrying amount</b>	<u>5,398</u>	<u>235</u>	<u>5,633</u>
<b>At 31 December 2010</b>			
<b>Cost</b>			
At 1 January 2010	3,416	497	3,913
Additions	6,283	-	6,283
Disposals	-	(497)	(497)
Write off	(1,885)	-	(1,885)
At 31 December 2010	<u>7,814</u>	<u>-</u>	<u>7,814</u>
<b>Accumulated depreciation and impairment losses</b>			
At 1 January 2010	2,906	328	3,234
Depreciation	934	63	997
Disposals	-	(391)	(391)
Write off	(1,806)	-	(1,806)
At 31 December 2010	<u>2,034</u>	<u>-</u>	<u>2,034</u>
<b>Net carrying amount</b>	<u>5,780</u>	<u>-</u>	<u>5,780</u>

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**15. Property, plant and equipment (cont'd.)**

- (a) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 37) are as follows:

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land	127,045	127,045
Leasehold land	136,288	138,379
Long term leasehold buildings	63,901	57,298
Golf course	34,736	33,383
	<u>361,970</u>	<u>356,105</u>

- (b) Interest expense capitalised during the financial year under construction-in-progress of the Group amounted to RM4,893,000 (2010: RM3,649,000).
- (c) The Group's construction-in-progress relates mainly to expenditure for:
- (i) a proposed international school located at Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor which is expected to be completed by 2013; and
  - (ii) a proposed hotel located at Jalan Ampang, Kuala Lumpur which is expected to be completed by 2016; and
  - (iii) an office located at Bandar Johor Bahru, District of Johor Bahru, Negeri Johor which is expected to be completed by 2012; and
  - (iv) upgrade costs incurred on club house located at Tropicana, Negeri Selangor.
- (d) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing RM25,613,505 (2010: RM24,599,985).
- (e) The Group transferred construction in progress that relates to the carpark podium and office tower within property, plant and equipment to investment properties as at 31 December 2011 as these assets are considered as an owner-occupied property.

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**16. Land held for property development and property development costs**

**(a) Land held for property development**

	Group	
	2011	2010
	RM'000	RM'000
<b>Cost</b>		
At 1 January:		
Freehold land	78,719	83,634
Leasehold land	39,406	52,035
	<u>118,125</u>	<u>135,669</u>
Additions	706,770	4,109
Transfer to property development costs (Note 16(b))	(24,430)	(8,499)
Transfer to property, plant and equipment	-	(13,154)
Disposal	(6,353)	-
At 31 December	<u>794,112</u>	<u>118,125</u>
<b>Accumulated impairment losses</b>		
At 1 January	6,412	6,412
Transfer to property development costs (Note 16(b))	(6,261)	-
At 31 December	<u>151</u>	<u>6,412</u>
<b>Carrying amount at 31 December</b>	<u>793,961</u>	<u>111,713</u>

**(b) Property development costs**

	Group	
	2011	2010
	RM'000	RM'000
<b>Property development costs:</b>		
At 1 January		
Freehold land	126,808	118,309
Leasehold land	225,071	219,228
Development costs	308,943	225,341
	<u>660,822</u>	<u>562,878</u>

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**16. Land held for property development and property development costs (cont'd.)**

**(b) Property development costs (cont'd.)**

	Group	
	2011	2010
	RM'000	RM'000
<b>Costs incurred during the year:</b>		
Land costs	70,219	5,337
Development costs	213,177	164,594
	<u>283,396</u>	<u>169,931</u>
<b>Accumulated costs reversed during the year in respect of completed projects:</b>		
Development costs	-	(76,112)
		<u>(76,112)</u>
<b>Costs recognised in income statement:</b>		
At 1 January	(479,099)	(425,300)
Recognised during the year	(159,875)	(129,911)
Accumulated costs reversed during the year in respect of completed projects	-	76,112
At 31 December	<u>(638,974)</u>	<u>(479,099)</u>
<b>Transfers from:</b>		
Land held for property development (Note 16(a))	<u>18,169</u>	<u>8,499</u>
<b>Transfers to:</b>		
Inventories	<u>-</u>	<u>(4,374)</u>
<b>Property development costs at 31 December</b>	<u>323,413</u>	<u>181,723</u>

Interest expense capitalised during the financial year under property development cost amounted to RM3,081,140 (2010: RM1,649,000).

The freehold and leasehold land are pledged as security for bank borrowings as detailed to in Note 37.

Acquisitions of land during the financial year are disclosed in Note 48.

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**17. Investment properties**

<b>Group</b>	<b>Freehold land RM'000</b>	<b>Shopping mall and car park podium RM'000</b>	<b>Office tower RM'000</b>	<b>Construction in progress RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
<b>At 1 January 2011</b>	48,166	243,900	43,907	-	335,973
<b>Additions</b>	50,728	3,776	595	2,878	57,977
<b>Transfer from property, plant and equipment (Note 15)</b>	-	364	-	-	364
<b>At 31 December 2011</b>	98,894	248,040	44,502	2,878	394,314
<b>Accumulated depreciation and impairment losses</b>					
<b>At 1 January 2011</b>	-	9,406	877	-	10,283
<b>Depreciation</b>	-	4,901	921	-	5,822
<b>At 31 December 2011</b>	-	14,307	1,798	-	16,105
<b>Net carrying amount</b>	98,894	233,733	42,704	2,878	378,209

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**17. Investment properties (cont'd.)**

Group	Freehold land RM'000	Shopping Mall and car park podium RM'000	Office tower RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2010	42,969	240,135	-	283,104
Addition	-	638	18,233	18,871
Transfer from property, plant and equipment (Note 15)	5,197	3,127	25,674	33,998
At 31 December 2010	<u>48,166</u>	<u>243,900</u>	<u>43,907</u>	<u>335,973</u>
<b>Accumulated amortisation</b>				
At 1 January 2010	-	4,549	-	4,549
Charge for the year	-	4,857	834	5,691
Transfer from property, plant and equipment (Note 15)	-	-	43	43
At 31 December 2010	<u>-</u>	<u>9,406</u>	<u>877</u>	<u>10,283</u>
<b>Net carrying amount</b>	<u>48,166</u>	<u>234,494</u>	<u>43,030</u>	<u>325,690</u>

Interest expense capitalised during the previous financial year under investment properties of the Group amounted to RM14,000. No interest expenses was capitalised during the financial year.

The freehold land is pledged as security for bank borrowings obtained as detailed in Note 37.

Fair value of investment properties were estimated by the directors based on professional valuation report by Sr. James K. M. Tan, a partner with Raine & Horne by using the comparison method of valuation. As at 31 December 2011, the fair values of the investment properties were estimated to be RM460,000,000 (2010: RM356,000,000).

**18. Investments in subsidiaries**

	Company	
	2011 RM'000	2010 RM'000
Shares, at cost		
In Malaysia	250,932	244,894
Less: Impairment losses	(6,023)	(6,023)
	<u>244,909</u>	<u>238,871</u>
ESOS granted to employees of subsidiaries	7,943	6,085
Discount on loans to subsidiaries	40,387	40,387
	<u>293,239</u>	<u>285,343</u>



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**18. Investments in subsidiaries (cont'd.)**

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest Held (%)		Principal activities
		2011	2010	
Arah Pelangi Sdn. Bhd.	Malaysia	100	100	Property holding
Tropicana Serdang Suria Sdn. Bhd.* (formerly known as Aspek Analisa Sdn. Bhd.)	Malaysia	100	100	Property development
Dijaya Credit & Leasing Sdn. Bhd.*	Malaysia	100	100	Credit and leasing
Dijaya Development Sdn. Bhd.*	Malaysia	100	100	Investment holding
Dijaya Management Services Sdn. Bhd.*	Malaysia	100	100	Property management and maintenance services
Dijaya Property Sdn. Bhd.	Malaysia	100	100	Property development
Dijaya Tropicana Cove Sdn. Bhd. (formerly known as Accroway Sdn. Bhd.)	Malaysia	100	100	Investment holding
Terbit Berkat Sdn. Bhd.	Malaysia	100	100	Investment holding
Tropicana Education Sdn. Bhd.	Malaysia	100	100	Dormant
Tropicana Education Management Sdn. Bhd.	Malaysia	70	70	Education
Tropicana Kampar Development Sdn. Bhd. (formerly known as Atlantic Marketing Sdn. Bhd.)	Malaysia	100	100	Dormant
Tropicana KL Development Sdn. Bhd.* (formerly known as Ace Rhythm Sdn. Bhd.)	Malaysia	99	-	Property development
Tropicana Land Sdn. Bhd.	Malaysia	100	100	Dormant

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**Dijaya Corporation Berhad  
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**18. Investments in subsidiaries (cont'd.)**

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest Held (%)		Principal activities
		2011	2010	
Tropicana Senibong Sdn. Bhd.* (formerly known as Aman Petaling Sdn. Bhd.)	Malaysia	100	-	Property development
Tropicana Subang Development Sdn. Bhd. (formerly known as Tropicana Mall Management Sdn. Bhd.)	Malaysia	100	100	Investment holding
Dijaya Tropicana Danga Bay Sdn. Bhd. (DTDBSB)	Malaysia	100	100	Investment holding
<b>Subsidiaries of DTDBSB</b>				
Tropicana Danga Bay Sdn. Bhd.	Malaysia	60	60	Property development
Desiran Realiti Sdn. Bhd.*	Malaysia	100	100	Investment holding
Tropicana Development (Penang) Sdn. Bhd. (TDPSB)* (formerly known as Seleksi Kembara Sdn. Bhd.)	Malaysia	100	100	Investment holding
<b>Subsidiary of TDPSB</b>				
Dijaya Wangsa Sdn. Bhd.*	Malaysia	60	60	Dormant
Sumber Saujana Sdn. Bhd. ("SSSB")	Malaysia	100	100	Investment holding
<b>Subsidiary of SSSB:</b>				
Dijaya Tenaga Kimia Sdn. Bhd. (formerly known as Sinbor Corporation Sdn. Bhd.)	Malaysia	100	100	Investment holding

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**18. Investments in subsidiaries (cont'd.)**

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest Held (%)		Principal activities
		2011	2010	
Tropicana Golf & Country Resort Berhad ("TGCRB")	Malaysia	100	100	Real property and resort development
<b>Subsidiaries of TGCRB:</b>				
Tropicana Management Services Sdn. Bhd.*	Malaysia	100	100	Property management and maintenance services
Tropicana Sungai Buloh Sdn. Bhd. (formerly known as Nadi Jelita Sdn. Bhd.)	Malaysia	100	100	Property development
Puncak Suria Sdn. Bhd.	Malaysia	-	100	Property development
Tropicana Desa Mentari Sdn. Bhd. (formerly known as Mawar Hebat Sdn. Bhd.)	Malaysia	100	100	Property holding
Bakat Rampai Sdn. Bhd. ("BRSB")	Malaysia	100	100	Investment holding
<b>Subsidiaries of BRSB:</b>				
Dicorp Land Sdn. Bhd.	Malaysia	100	100	Property development
Tropicana City Sdn. Bhd. ("TCSB")	Malaysia	100	100	Property development and property investment in Tropicana City Mall
Dijaya Indah Sdn. Bhd.* ("DISB")* (formerly known as Irama Sejati Sdn. Bhd.)	Malaysia	100	100	Investment holding
<b>Subsidiary of DISB:</b>				
Tropicana Indah Sdn. Bhd.*	Malaysia	70	70	Property development

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**18. Investments in subsidiaries (cont'd.)**

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest Held (%)		Principal activities
		2011	2010	
<b>Subsidiaries of TCSB:</b>				
Dicasa Management Services Sdn. Bhd.*	Malaysia	100	100	Property management and maintenance services
Tropicana City Management Sdn. Bhd.*	Malaysia	100	100	Property management
Tropicana City Parking Sdn. Bhd.*	Malaysia	100	100	Management of car parking facilities
Tropicana Kajang Hill Sdn. Bhd.* (formerly known as Tropicana City Service Suites Sdn. Bhd.)	Malaysia	100	100	Property management
Star Honour Limited*	Cayman Islands	100	100	Investment holding
Dijaya (Mauritius) Limited ("DML")*	Mauritius	100	100	Investment holding
<b>Subsidiary of DML:</b>				
Dijaya-Malind JV (Mauritius) Limited* ("DMJVML")	Mauritius	72	72	Investment holding
Subsidiary of DMJVML: Dijaya-Malind Properties (India) Private Limited*	India	74	74	Property development

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**18. Investments in subsidiaries (cont'd.)**

All subsidiaries are audited by Ernst & Young, Malaysia except as indicated below:

- \* Audit by firms other than Ernst & Young

Group restructuring

- (a) On 3 June 2011, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Tropicana Subang Development Sdn. Bhd. ("TSDSB") (formerly known as Tropicana Mall Management Sdn. Bhd.), representing the entire issued and paid-up share capital of TSDSB from Tropicana City Sdn. Bhd. for a cash consideration of RM2. The Company subsequently increased its investment in TSDSB by subscribing to 5,000,000 redeemable non-cumulative preference shares of RM0.01 nominal value with share premium of RM0.99 each via capitalisation of advances to TSDSB of RM5,000,000.
- (b) On 3 June 2011, the Company acquired 1,000,000 ordinary shares of RM1.00 each in the share capital of Tropicana Kampar Development Sdn. Bhd. ("TKDSB") (formerly known as Atlantic Marketing Sdn. Bhd.), representing the entire issued and paid-up share capital of TKDSB from Tropicana Subang Development Sdn. Bhd. (formerly known as Tropicana Mall Management Sdn. Bhd.) for cash consideration of RM8,550.
- (c) On 5 May 2011, the Company subscribed to additional 250,000 ordinary shares of RM1.00 each in the share capital of Dijaya Property Sdn. Bhd. ("DPSB"), for cash consideration of RM250,000.
- (d) On 27 April 2011, the Company subscribed to additional 280,000 ordinary shares of RM1.00 each in the share capital of Tropicana Education Management Sdn. Bhd. ("TEMSB"), for cash consideration of RM280,000. The Group's interest in TEMSB remains unchanged at 70%.
- (e) On 25 August 2011 and 31 December 2011, Tropicana Danga Bay Sdn. Bhd., a 60% owned subsidiary company, issued RM4,000,000 and RM181,483,400 worth of redeemable preference shares ("RPS") of RM0.10 nominal value with share premium of RM0.90 each and RM0.01 nominal value with share premium of RM0.09 respectively. The RPS were issued in proportion to the existing shareholders in accordance to their respective shareholding ratio. Consequently, the non-controlling interest subscribed to its portion via capitalisation of advances of RM74,193,360, out of which RM61,854,623 was received in cash during the financial year.

Acquisition of subsidiaries

- (a) On 24 May 2011, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Tropicana Senibong Sdn. Bhd. (formerly known as Aman Petaling Sdn. Bhd.) ("TSSB") representing the entire issued and paid-up share capital of TSSB, for a total consideration of RM2.00.
- (b) On 26 August 2011, the Company had subscribed for 249,995 new ordinary shares of RM1.00 each in Tropicana KL Development Sdn. Bhd. ("TKDSB") (formerly known as Ace Rhythm Sdn. Bhd.), representing 99.99% of the total issued and paid-up share capital of TKDSB, for a cash consideration of RM249,995. With the subscription, TKDSB became a 99.99%-owned subsidiary of the Company. The Company subsequently increases its investment in TKDSB by subscribing to 250,000 redeemable non-cumulative preference shares of RM0.01 nominal value with share premium of RM0.99 each via capitalisation of advances to TKDSB of RM250,000.

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**18. Investments in subsidiaries (cont'd.)**

- (b) The fair values of the identifiable assets and liabilities of the acquisition as at the date of acquisition were:

	Fair value RM'000	Carrying amount RM'000
Land held for property development	53,155	53,155
Sundry receivables	6,526	6,526
Cash at banks	290	290
	<u>59,971</u>	<u>59,971</u>
Sundry payables	61,173	61,173
Net identifiable liabilities	<u>(1,202)</u>	<u>(1,202)</u>

**Goodwill arising from acquisition**

	RM'000
Group's interest in fair value of net identifiable assets	(1,202)
Goodwill on acquisition (Note 24)	1,452
Cost of business combination	<u>250</u>

Total effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	250
Less: cash and cash equivalents of subsidiaries acquired	<u>290</u>
Net cash inflow on acquisition	<u>40</u>

**Disposal of subsidiary**

On 7 October 2011, Tropicana Golf & Country Resort Berhad ("TGCR"), a wholly-owned subsidiary of the Group had disposed of its entire equity interest comprising 2,000,000 ordinary shares of RM1.00 each in Puncak Suria Sdn. Bhd. ("PSSB") for a total consideration of RM6,650,000. The effect of the said disposal on the result and financial position of the Group are summarised as follows:

	2011 RM'000
<b>Net assets disposed</b>	
Property, plant and equipment	342
Other receivables	371
Cash and bank balances	41
Other payables	<u>(295)</u>
Net liabilities of subsidiary company	459
Total disposal proceeds	<u>6,650</u>
Gain on disposal to the Group	<u>(6,191)</u>
Cash inflow arising on disposals	6,650
Cash and cash equivalents of subsidiary disposed	<u>(41)</u>
Net cash outflow on disposal	<u>6,609</u>

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**19. Investments in an associate**

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia:		
Unquoted shares at cost	6,089	6,089
Share of post-acquisition reserve	21,802	19,646
	<u>27,891</u>	<u>25,735</u>
Represented by:		
Share of net assets	<u>27,507</u>	<u>25,395</u>

Details of the associate, which is a private entity that is not listed in any public exchange, are as follows:

<b>Name of associate</b>	<b>Country of incorporation</b>	<b>Equity Interest Held (%)</b>		<b>Principal activities</b>
		<b>2011</b>	<b>2010</b>	
Tenaga Kimia Sdn. Bhd.	Malaysia	33	33	Manufacture and sale of explosives, chemicals and blasting accessories

The summarised financial information of the associate are as follows:

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Current assets	82,701	82,263
Non-current assets	14,992	14,264
Total assets	<u>97,693</u>	<u>96,527</u>
Current liabilities	14,196	19,285
Non-current liabilities	142	286
Total liabilities	<u>14,338</u>	<u>19,571</u>

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**19. Investments in an associate (cont'd.)**

	Group	
	2011	2010
	RM'000	RM'000
<b>Results</b>		
Revenue	141,434	131,908
Profit for the year	19,276	20,016
Share of profit	<u>6,361</u>	<u>6,605</u>
Share of other comprehensive income	<u>(239)</u>	<u>-</u>

**20. Investments in jointly controlled entities**

	Group	
	2011	2010
	RM'000	RM'000
In Malaysia:		
Unquoted shares at cost	24,383	-
Share of post-acquisition reserve	(91)	-
	<u>24,292</u>	<u>-</u>
Represented by:		
Share of net assets	<u>24,292</u>	<u>-</u>

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Equity Interest Held (%)		Principal activities
		2011	2010	
Tropicana Ivory Sdn. Bhd.	Malaysia	55	-	Property development
Tropicana Danga Cove Sdn. Bhd. (formerly known as Magical Heights Sdn. Bhd.)	Malaysia	50	-	Property development



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**20. Investments in jointly controlled entities (cont'd.)**

During the financial year, the Group:

- (a) through its wholly-owned subsidiary, Dijaya Tropicana Cove Sdn. Bhd. ("DTCSB") (formerly known as Accroway Sdn. Bhd.) subscribed a 50% equity interest in Tropicana Danga Cove Sdn. Bhd. ("TDCSB") for a total consideration of RM11,000,001; and
- (b) through its wholly-owned subsidiary, Tropicana Development (Penang) Sdn. Bhd. (formerly known as Seleksi Kembara Sdn. Bhd.) subscribed for a 55% equity interest in Tropicana Ivory Sdn. Bhd. for a total consideration of RM13,383,000.

The summarised financial information of the associates are as follows:

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Current assets	23,162	-
Non-current assets	1,223	-
Total assets	<u>24,385</u>	-
Current liabilities	<u>93</u>	-
<b>Income and expenses</b>		
Expenses	<u>(91)</u>	-
Share of loss	<u>(91)</u>	-
<b>Share of capital commitment</b>		
Approved and contracted for:		
- Land held for property development (Note 48)	<u>676,580</u>	-

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**21. Marketable securities**

	Group			
	2011 RM'000	Market rate of quoted investments	2010 RM'000	Market rate of quoted investments
	Carrying amount		Carrying amount	
<b>Non-current</b>				
Fair value through profit or loss investments				
Quoted shares in Malaysia	31,810	31,810	56,780	56,780
<b>Current</b>				
Fair value through profit or loss investments				
Quoted shares in Malaysia	25,885	25,885	36,906	36,906
	<u>57,695</u>	<u>57,695</u>	<u>93,686</u>	<u>93,686</u>

**22. Other investments**

	Group / Company	
	2011 RM'000	2010 RM'000
Transferable corporate golf club memberships	587	587
Less : Accumulated impairment loss	(275)	(275)
	<u>312</u>	<u>312</u>

**23. Security retainers accumulation fund**

	Group	
	2011 RM'000	2010 RM'000
At 1 January	3,232	3,042
Unrealised returns	207	201
	<u>3,439</u>	<u>3,243</u>
Less: Amortisation for the year	(11)	(11)
At 31 December	<u>3,428</u>	<u>3,232</u>

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.

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**23. Security retainers accumulation fund (cont'd.)**

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 were registered prior to January 1993, at the end of their membership license term on 9 October 2051.

**24. Intangible assets**

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Goodwill on consolidation</b>		
<b>Cost</b>		
At 1 January	7,411	7,411
Acquisition of a subsidiary	1,452	-
At 31 December	<u>8,863</u>	<u>7,411</u>
<b>Accumulated impairment</b>		
At 1 January/ 31 December	<u>(4,069)</u>	<u>(4,069)</u>
<b>Net carrying amount</b>	<u>4,794</u>	<u>3,342</u>

**Impairment test of goodwill**

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment holding	933	933
Property development	3,861	2,409
	<u>4,794</u>	<u>3,342</u>

**(a) Key assumptions used in value-in-use calculations**

The recoverable amounts of the CGUs have been determined based on a value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

**(i) Budgeted gross margin**

The basis used to determine the value assigned to the budgeted gross margin is the average rate achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

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**24. Intangible assets (cont'd.)**

**(a) Key assumptions used in value-in-use calculations (cont'd.)**

(ii) Pre-tax discount rate

The discount rates used are pre-tax of (8%) and reflect specific risks relating to the relevant segments.

**(b) Sensitivity to changes in assumptions**

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the unit to materially differ from its recoverable amount.

**25. Inventories**

	Group	
	2011	2010
	RM'000	RM'000
<b>At cost</b>		
Properties held for sale	18,709	32,370
Consumable stores and spares	1,063	874
	19,772	33,244

The Group's cost of inventories recognised as an expense during the year in the Group amounted to RM12,982,000 (2010: RM24,123,000).

**26. Trade and other receivables**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	61,039	24,793	-	-
Less: Allowance for impairment	(2,713)	(2,476)	-	-
Trade receivables, net	58,326	22,317	-	-

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**26. Trade and other receivables (cont'd.)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Other receivables</b>				
Amount due from subsidiaries	-	-	531,303	491,784
Sundry receivables	29,765	15,286	1,768	46
Deposits	68,657	40,861	152	151
Less: Allowance for impairment				
- Sundry receivables	(234)	(683)	(2)	(2)
- Subsidiaries	-	-	(147,567)	(198,005)
	<u>98,188</u>	<u>55,464</u>	<u>385,654</u>	<u>293,974</u>
	<u>156,514</u>	<u>77,781</u>	<u>385,654</u>	<u>293,974</u>
<b>Non-current Other receivables</b>				
Amount due from subsidiaries	-	-	157,546	155,711

**(a) Trade receivables**

The Group's normal trade credit term ranges from 14 to 120 days (2010: 14 to 120 days). Other credit terms are assessed and approved on a case-to-case basis. Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

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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**26. Trade and other receivables (cont'd.)**

**(a) Trade receivables (cont'd.)**

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2011	2010
	RM'000	RM'000
Neither past due nor impaired	35,437	4,263
1 to 30 days past due but not impaired	6,428	4,614
31 to 60 days past due but not impaired	6,926	2,065
61 to 90 days past due but not impaired	2,473	873
91 to 120 days past due but not impaired	957	690
More than 121 days past due but not impaired	6,105	9,812
	22,889	18,054
Impaired	2,713	2,476
	<u>61,039</u>	<u>24,793</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The receivables that are past due but not impaired are unsecured in nature. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

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**26. Trade and other receivables (cont'd.)**

**(a) Trade receivables (cont'd.)**

Receivables that are impaired

The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2011 RM'000	2010 RM'000
Trade receivables - nominal amount	2,713	2,476
Less: Allowance for impairment	(2,713)	(2,476)
	-	-

Movement in the allowance accounts:

	Group	
	2011 RM'000	2010 RM'000
At 1 January	2,476	2,961
Addition during the year	451	853
Reversal for the year	(214)	(1,338)
At 31 December	2,713	2,476

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**(b) Other receivables**

The amounts due from subsidiaries are non-trade in nature, unsecured, interest free and have no fixed terms of repayment except for these amounts classified as non-current which are not expected to be repaid within the foreseeable future. Further details on related party transactions are disclosed in Note 41.

Included in sundry receivables of the Group is an amount of RM15,190,000 due from a purchaser for the disposal of a land as disclosed in Note 48.

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**26. Trade and other receivables (cont'd.)**
**(b) Other receivables (cont'd.)**

Included in deposit are deposits paid for the acquisition of lands amounting RM63,525,314 (2010: RM30,846,842) as disclosed in Note 48.

The Group has no significant concentration of credit risk included under sundry receivables that may arise from exposures to a single debtor or to groups of debtors except for debts due from subsidiaries and the amount due from a land purchaser as mentioned above.

Other receivables that are impaired

Movement in the allowance accounts:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	683	601	198,007	143,925
Provision for the year	-	86	-	81,240
Reversal for the year	-	-	(50,426)	(27,158)
Write off	(449)	(4)	(12)	-
At 31 December	234	683	147,569	198,007

**27. Other current assets**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Prepayments	878	874	34	47
Accrued billings in respect of property development costs	91,409	10,541	-	-
	92,287	11,415	34	47

**28. Cash and cash equivalents**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks	52,978	158,665	989	988
Cash on hand and at banks	66,861	81,796	1,841	927
Cash held in foreign banks	244	125	-	-
Cash and bank balances	120,083	240,586	2,830	1,915



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**28. Cash and cash equivalents (cont'd.)**

For the purpose of the cash flow:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	120,083	240,586	2,830	1,915
Less: Cash and cash equivalents not available for use	(5,009)	(7,846)	-	-
<b>Total cash and cash equivalents</b>	<b>115,074</b>	<b>232,740</b>	<b>2,830</b>	<b>1,915</b>

The interest rates for the balance of deposits with licensed banks ranged from 2.22% to 3.02% (2010: 1.20% to 3.38%) per annum and the maturities of deposits as at the end of the financial year ranged from 30 to 365 days (2010: 7 to 365 days).

Included in cash at banks of the Group are amounts of RM42,645,161 (2010: RM44,667,876) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Included in deposits with licensed banks of the Group are:

- (a) Deposits held in trust by a trustee of RM410,000 (2010: RM2,286,000), representing cash and cash equivalents not available for use; and
- (b) Deposits amounting to RM4,599,000 (2010: RM5,560,000) which were pledged as security for bank guarantees granted to the Group.

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**29. Share capital and share premium**

	Number of ordinary shares of RM1 each		Amount				
	2011 '000	2010 '000	2011		2010		
Authorised:							
At 1 January/ 31 December							
	Number of ordinary shares	2011	2010	2011	2010	2011	2010
Share capital (Issued and fully paid)	'000	Share capital RM'000	Share capital RM'000	Share premium RM'000	Share premium RM'000	Share option reserve RM'000	Share option reserve RM'000
<b>Issued and fully paid:</b>							
At 1 January	455,000	455,000	454,345	363,813	363,741	5,096	5,930
Ordinary shares pursuant to ESOS (Note 32)	3,118	3,118	655	374	72	-	-
Effects pursuant to ESOS on:							
- conversion	-	-	-	2,477	-	(2,477)	-
- grant	-	-	-	-	-	1,858	400
- forfeiture	-	-	-	-	-	(396)	(1,234)
Ordinary shares pursuant to Warrants 2009/2019	1	1	-	-	-	-	-
<b>At 31 December</b>	<b>458,119</b>	<b>458,119</b>	<b>455,000</b>	<b>366,664</b>	<b>363,813</b>	<b>4,081</b>	<b>5,096</b>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

During the financial year, the Company increased its issued and paid-up ordinary shares capital from RM455,000,000 to RM458,118,959 by way of the issuance of:

- 3,118,359 ordinary shares of RM1 each for cash pursuant to the Company's Employee Share Options Scheme at an average exercise price of RM1.12 per ordinary share; and
- 600 ordinary shares of RM1 each for cash pursuant to the Warrant 2009/2019 at an exercise price of RM1 per ordinary share.

Up to the date of this report, the issued and paid up share capital was increased to RM460,456,159 by way of issuance of 2,337,200 ordinary shares of RM1 each at an average exercise of RM1.12 purchased pursuant to the Company's Employee Share Options Scheme.

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**30. Other reserves****(a) Foreign currency translation reserve**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

**(b) Share options reserve ("ESOS")**

Employee share option reserve represents the equity-settled share options granted to employees (Note 32). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

**(c) Warrants reserve 2009/2019**

On 9 December 2009, the Company issued 129,812,791 free detachable Warrants 2009/2019.

The main features of the Warrants are as follows:

- (i) Each Warrant entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in Dijaya at a price of RM1.00 per share;
- (ii) The Warrants may be exercised at any time up to 9 December 2019; and
- (iii) The shares arising from the exercise of Warrants shall rank *pari passu* in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new shares.

As at reporting date, 129,812,191 free detachable Warrants remain unexercised.

**(d) Retained earnings**

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

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**30. Other reserves (cont'd.)**

**(d) Retained earnings (cont'd.)**

The Company did not elect for the irrevocable option to disregard the S108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the S108 balance to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2011, the Company has credit balance of S108 amounting RM41,303,982 (2010: RM46,999,505).

**31. Sinking fund**

	<b>Group</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	2,210	3,213
Additions	1,006	897
Claims made during the financial year	(2,621)	(1,900)
At 31 December	595	2,210

Sinking fund 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.

**32. Employee Share Options Scheme ("ESOS")**

The Dijaya's Employee Share Options Scheme ("ESOS") was implemented on 21 September 2005 and is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting ("EGM") held on 24 June 2005 and was amended and approved by the shareholders at an EGM held on 3 October 2011.

The salient terms of the new ESOS are as follows:

- (i) The Option Committee has the full discretion in determining the eligibility of executive directors and employees of the Group to participate in the ESOS provided that they are at the date of offer at least eighteen years of age and are employed by the Group and have served at least one continuous year with the Group, except for those holding job grades of Senior Managers and above, and have been confirmed their positions in writing.
- (ii) The ESOS shall be in force for a period of 10 years from 21 September 2005 to 20 September 2015.

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**32. Employee Share Options Scheme ("ESOS") (cont'd.)**

- (iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to eligible executive directors and senior management. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual eligible executive director or employee who, either singly or collectively through person connected to them, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) No options shall be granted for less than 1,000 shares or more than the maximum allowable allotment of shares.
- (v) The Option Committee shall have the discretion to determine the maximum number of options that are exercisable by the eligible Executive Directors and employees of the Group in a particular year.
- (vi) The option price for each share shall be the weighted average of the share market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the 5 market days preceding the date on which the option is offered, with a discount that does not exceed 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the period of ESOS or at the par value of the shares of RM1 each, whichever is higher.
- (vii) An offer made by the Option Committee shall be valid for a period of forty-five days from the date of offer and may be accepted within this prescribed period by the eligible employees to whom the offer is made by written notice to the Option Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of RM1.00 as consideration for the grant of the option. If the offer is not accepted in the manner aforesaid, such offer shall upon the expiry of the said forty-five days automatically lapse and be null and void and of no further force and effect.
- (viii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the then existing ordinary shares of the Company except that they will not be entitled to any dividend declared prior to the date of allotment.

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**32. Employee Share Options Scheme ("ESOS") (cont'd.)**

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	Group			
	2011		2010	
	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 January 2011	6,761,912	1.11	8,541,900	1.31
- Granted	22,997,540	1.15	-	-
- Granted	326,550	1.11	1,233,154	1.11
- Exercised	(762,200)	1.15	(655,230)	1.11
- Exercised	(2,356,159)	1.11	-	-
- Forfeited	(548,577)	1.11	(2,357,912)	1.11
Outstanding at 31 December 2011	<u>26,419,066</u>	-	<u>6,761,912</u>	<u>1.11</u>
Exercisable at 31 December 2011	4,183,726	1.11	6,761,912	1.11
2011	<u>22,235,340</u>	<u>1.15</u>	<u>-</u>	<u>-</u>

The fair value of share options granted on 13 April 2010 and 10 October 2011 was estimated by using a black-scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2011	2010
Fair values of share options as at reporting date (RM):		
- 10 October 2011	0.23	-
- 13 April 2010	-	0.35
Weighted average share price	1.29	0.98
Weighted average exercise price	1.15	1.11
Expected volatility (%)	29	51
Expected life (years)	4	5
Risk free rate (%)	<u>3.79</u>	<u>2.97</u>

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

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**33. Provision for liabilities**

	Provision of shortfall for bumi quota RM'000	Liquidated and ascertained damages RM'000	Total RM'000
<b>Group</b>			
At 1 January 2010	12,898	1,999	14,897
Utilisation of provision	-	(1,999)	(1,999)
Additional provision	68	-	68
Reversal of provision	(5,980)	-	(5,980)
At 31 December 2010/2011	<u>6,986</u>	<u>-</u>	<u>6,986</u>

Refers to quota imposed on housing development for Bumiputras only, whereby, a penalty may be imposed for shortfall in quotas not being met.

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**34. Deferred tax liabilities**

Deferred income tax as at 31 December relates to the following:

Group	As at 1 January 2010 RM'000	Recognised in equity RM'000	Transfer to land held for property development RM'000	Recognised 2010/ 1 January in profit or loss RM'000	As at 31 December 2010/ 1 January in profit or loss RM'000	Recognised 31 December 2011 in profit or loss RM'000	Transfer to land held for property development RM'000	As at 31 December 2011 RM'000
<b>Deferred tax liabilities:</b>								
Accelerated capital allowances	10,305	-	-	523	10,828	8,363	-	19,191
Fair value adjustment on business combination	58,221	-	-	993	59,214	(2,939)	(205)	56,070
Others	12,294	6,576	(6,614)	(3,507)	8,749	(234)	-	8,515
	80,820	6,576	(6,614)	(1,991)	78,791	5,190	(205)	83,776
<b>Deferred tax assets:</b>								
Provision for liabilities and unused tax losses	(413)	-	-	-	(413)	(78)	-	(491)
Capital allowances	(12,257)	-	-	(8,925)	(21,182)	(4,603)	-	(25,785)
Others	(1,197)	-	-	1,197	-	-	-	-
	(13,867)	-	-	(7,728)	(21,595)	(4,681)	-	(26,276)
	66,953	6,576	(6,614)	(9,719)	57,196	509	(205)	57,500



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**34. Deferred tax liabilities (cont'd.)**

	Group	
	2011	2010
	RM '000	RM '000
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax assets	26,276	21,595
Deferred tax liabilities	(83,776)	(78,791)
	<u>(57,500)</u>	<u>(57,196)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
Unused tax losses	4,410	4,410
Unutilised capital allowances	1,054	29,326
	<u>5,464</u>	<u>33,736</u>

The unused tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

**35. Security retainers**

Security retainers are funds 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, i.e upon the expiry of the term of the membership license on 9 October 2051 or upon revocation (ie.termination of the membership at its discretion at any time before the expiry date).

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**35. Security retainers (cont'd.)**

	Group	
	2011	2010
	RM'000	RM'000
As at 1 January	1,151	27,320
Effect of adopting FRS139	-	(26,309)
Unwinding of discount	153	170
Utilisation	(30)	(30)
As at 31 December	1,274	1,151

**36. Deferred license fees**

	Group	
	2011	2010
	RM'000	RM'000
<b>Cost</b>		
At 1 January	96,631	92,967
Additions	3,716	3,664
At 31 December	100,347	96,631
<b>Accumulated amortisation</b>		
At 1 January	22,517	20,422
Amortisation during year	2,215	2,095
At 31 December	24,732	22,517
<b>Net carrying amount</b>	75,615	74,114
Current	2,215	2,095
Non-current	73,400	72,019
	75,615	74,114

The deferred license fees refer to accrual and amortisation of license fees over 41 years which will expire on 9 October 2051.

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**37. Borrowings**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b>Short term borrowings</b>				
Secured:				
Revolving credits	53,500	-	42,500	-
Term loans	92,494	2,711	-	-
Less: Unamortised issuance expenses	(265)	(145)	-	-
	<u>145,729</u>	<u>2,566</u>	<u>42,500</u>	<u>-</u>
<b>Long term borrowings</b>				
Secured:				
Bridging loans	107,957	174,239	-	-
Term loans	749,233	34,411	-	-
Less: Unamortised issuance expenses	(11,565)	(887)	-	-
	<u>845,625</u>	<u>207,763</u>	<u>-</u>	<u>-</u>
<b>Total borrowings</b>				
Revolving credits	53,500	-	42,500	-
Bridging loans	107,957	174,239	-	-
Term loans	841,727	37,122	-	-
Less: Unamortised issuance expenses	(11,830)	(1,032)	-	-
	<u>991,354</u>	<u>210,329</u>	<u>42,500</u>	<u>-</u>
<b>Unamortised issuance expenses:</b>				
At 1 January	1,032	-	-	-
Incurred during the year	11,196	1,032	-	-
Amortisation for the year	(398)	-	-	-
At 31 December	<u>11,830</u>	<u>1,032</u>	<u>-</u>	<u>-</u>
<b>Maturities of borrowings:</b>				
Not later than one year	145,994	2,711	42,500	-
Later than 1 year and not later in 5 years	416,833	136,224	-	-
More than 5 years	440,357	72,426	-	-
Less: Unamortised issuance expenses	(11,830)	(1,032)	-	-
<b>Total</b>	<u>991,354</u>	<u>210,329</u>	<u>42,500</u>	<u>-</u>

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### 37. Borrowings (cont'd.)

The range of interest rates per annum at the reporting date for borrowings were as follows:

	2011 %	2010 %
Revolving credit	7.85% - 8.60%	-
Bridging loan	5.15% - 5.17%	4.60%
Term loan	4.60% - 5.69%	5.30%

The revolving credits, bridging loan and term loans of the Group are secured by certain assets of the Group and of the Company as follows:

- (i) Fixed charge over certain property, plant and equipment as disclosed in Note 15;
- (ii) Fixed charge over certain land held for property development and property development costs as disclosed in Note 16;
- (iii) Fixed charge over certain investment properties as disclosed in Note 17;
- (iv) Legal assignment of all cashflows, sale or tenancy agreements, insurance policies, construction contracts, construction guarantees and performance bonds in relation to a project developed by a subsidiary;
- (v) Fixed and floating charge over the assets of certain subsidiaries;
- (vi) An undertaking given by Tan Sri Dato' Tan Chee Sing, a director of the Company; and
- (vii) Corporate guarantees provided by the Company.

Other information on financial risks of borrowings are disclosed in Note 44.

	Company	
	2011 RM'000	2010 RM'000
Unsecured corporate guarantees given to banks for credit facilities granted to certain subsidiaries	1,492,085	351,260

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**38. Trade and other payables**

	Group		Company	
	2011 RM '000	2010 RM '000	2011 RM '000	2010 RM '000
<b>Current</b>				
<b>Trade payables</b>				
Third parties	149,141	105,857	-	-
<b>Other payables</b>				
Other payables	83,087	55,336	1,997	1,446
Amounts due to related companies				
- Subsidiaries	-	-	12,817	3,305
- Non-controlling interest of subsidiaries	6,015	18,391	-	-
- Directors of subsidiaries	57	57	-	-
Advances from third parties	213	213	-	-
	<u>89,372</u>	<u>73,997</u>	<u>14,814</u>	<u>4,751</u>
	<u>238,513</u>	<u>179,854</u>	<u>14,814</u>	<u>4,751</u>

**(a) Trade payables**

The normal trade credit term granted to the Group ranges from 30 to 90 days (2010: 30 to 90 days).

**(b) Other payables**

Other payables are mainly unsecured, interest free and have no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 41.

Other information on financial risks of other payables are disclosed in Note 44.

**39. Other current liabilities**

	Group	
	2011 RM'000	2010 RM'000
Advance progress billings in respect of property development costs	<u>4,114</u>	<u>26,845</u>

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**40. Contingent liabilities and asset****Contingent asset**Legal claim

On 9 April 2007, Dijaya-Malind JV (Mauritius) Limited ("DMJML") and Dijaya-Malind Properties (India) Private Limited ("DMPI"), both subsidiaries of the Company, and Starlite Global Enterprises (India) Limited (formerly known as Telangana Spinning & Weaving Mills Limited ("SGEIL")) had entered into a Deed of Novation cum Joint Development Agreement ("Agreement") to facilitate DMPI to undertake the development of SGEIL's land measuring approximately 25.4 acres in Hyderabad, India.

Due to the breach of terms in the Agreement by SGEIL, a Notice of Termination of Agreement was issued to SGEIL on 3 August 2011 to claim for the refundable deposit as well as damages suffered by DMJML and DMPI. As SGEIL have not refunded the refundable deposit of Rs127,080,000 (approximately RM9,338,000) and failed to pay the damages within the stipulated 30 day period from the date of Notice of Termination, a Notice of Arbitration was issued to SGEIL on 11 February 2011 and application for interim reliefs was filed on 17 February 2011 against SGEIL before the Civil City Court of Hyderabad to restrain SGEIL from alienating the property under its control, and to seek interim order or injunction in favour of DMJML and DMPI, pending arbitration proceedings.

On 22 July 2011, SGEIL sought an order for a security of Rs. 300 crores by way of an application filed under s9 of the Arbitration and Conciliation Act 1996. The Directors are of the opinion that the application is baseless and frivolous.

The hearing of the application for interim relief is fixed on 18 April 2012, whilst the hearing of the arbitration is fixed on 21 July 2012.

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**41. Significant related party transactions**

**(a) Transactions with subsidiaries.**

	<b>Company</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Dividend income from subsidiaries	4,523	37,201
Interest income derived from unwinding of discount on amount due from subsidiaries	13,426	12,786

**(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Director of the Company).**

	<b>Group</b>		<b>Company</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental expenses payable to Elite Meridian Sdn. Bhd.	-	105	-	31
Rental income receivable from Inland Sports and Recreation Club Sdn. Bhd.	406	135	-	-
Rental income from Valley Talent Solutions Sdn. Bhd. (formerly known as Delta Fashion (M) Sdn. Bhd.)	3	372	-	-
Rental income from TT Resources Bhd's subsidiaries	120	120	-	-
Rental income from TT Resources F&B Sdn. Bhd., a subsidiary of TT Resources Bhd.	1,275	1,247	-	-
Rental income from Ribuan Budaya Sdn. Bhd.	338	306	-	-

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**41. Significant related party transactions (cont'd.)**
**(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Director of the Company) (cont'd.).**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Project management fees receivable from Istima Budi Sdn. Bhd.	-	389	-	389
Project management fees receivable from Alam Harmoni Sdn. Bhd.	471	-	471	-
Insurance charges payable to Berjaya-Sompo Insurance Berhad	949	217	3	15
Rental income from U Mobile Sdn. Bhd.	61	-	-	-
Security charges from Gelombang Kreatif Sdn. Bhd.	7	-	-	-
Security charges from Lambang Potensi Sdn. Bhd.	15	-	-	-
Security charges from Steady Perspective Sdn. Bhd.	24	-	-	-

**(c) Transactions with entities related to Tan Sri Dato' Tan Chee Yioun ("Tan Sri Vincent Tan"), who is a brother of Tan Sri Dato' Tan Chee Sing.**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Rental income from Berjaya Starbucks Coffee Company Sdn. Bhd.	307	302	-	-



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**41. Significant related party transactions (cont'd.)**

**(c) Transactions with entities related to Tan Sri Dato' Tan Chee Yioun ("Tan Sri Vincent Tan"), who is a brother of Tan Sri Dato' Tan Chee Sing (cont'd.).**

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Rental income from Berjaya Roasters (M) Sdn. Bhd.	241	233	-	-
Rental income from Berjaya Books Sdn. Bhd.	354	357	-	-
Rental income from Cosway (M) Sdn. Bhd.	73	73	-	-
Rental income from 7 Eleven (M) Sdn. Bhd.	124	128	-	-
Rental income from Berjaya Pizza Company Sdn. Bhd.	209	-	-	-
Purchase of marketable securities in Berjaya Corporation Berhad				
- Quoted shares	-	29,976	-	-
- Irredeemable convertible shares	-	3,314	-	-

The directors are of the opinion that all the above transactions were entered into in the normal course of business and have been established under terms that are no less favourable than those obtainable in transactions with unrelated parties.

**(d) Compensation of key management personnel**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

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**41. Significant related party transactions (cont'd.)**

**(d) Compensation of key management personnel (cont'd.)**

The remuneration of directors and other members of key management during the year were as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short-term employee benefits	12,489	7,848	382	381
Post-employment benefits:				
Defined contribution plan	1,459	867	-	-
Share-based payment ESOS	451	494	-	-
	<u>14,399</u>	<u>9,209</u>	<u>382</u>	<u>381</u>

Included in the total key management personnel are:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors' remuneration (Note 11)	<u>11,512</u>	<u>8,201</u>	<u>382</u>	<u>381</u>

Share options granted to key management personnel

	Group		Company	
	2011 '000	2010 '000	2011 '000	2010 '000
At 1 January	1,578	3,555	-	289
Granted	6,528	268	-	-
Exercised	(1,123)	(655)	-	-
Forfeited	-	(1,590)	-	(289)
At 31 December	<u>6,983</u>	<u>1,578</u>	<u>-</u>	<u>-</u>

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 32).

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**42. Financial instruments**

**Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group described how the class of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analysed the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

**Group**

	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2011</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Security retainers accumulation fund	3,428	-	-	3,428
Trade and other receivables	156,514	-	-	156,514
Marketable securities	-	57,695	-	57,695
Cash and bank balances	120,083	-	-	120,083
Total financial assets				338,032
Total non-financial assets				2,133,063
Total assets				<u>2,471,095</u>
<b>Liabilities</b>				
Borrowings	-	-	991,354	991,354
Trade and other payables	-	-	238,513	238,513
Security retainers	-	-	1,274	1,274
Total financial liabilities				1,231,141
Total non-financial liabilities				171,355
Total liabilities				<u>1,402,496</u>

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**42. Financial instruments (cont'd.)**

**Classification of financial instruments (cont'd.)**

**Group**

	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2010</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Security retainers accumulation fund	3,232	-	-	3,232
Trade and other receivables	77,781	-	-	77,781
Marketable securities	-	93,686	-	93,686
Cash and bank balances	240,586	-	-	240,586
Total financial assets				415,597
Total non-financial assets				1,124,698
Total assets				<u>1,540,295</u>
<b>Liabilities</b>				
Borrowings	-	-	210,329	210,329
Trade and other payables	-	-	179,854	179,854
Security retainers	-	-	1,151	1,151
Total financial liabilities				391,334
Total non-financial liabilities				189,340
Total liabilities				<u>580,674</u>

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**42. Financial instruments (cont'd.)**

**Classification of financial instruments (cont'd.)**

**Company**

	Loans and receivables RM'000	Fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
<b>31 December 2011</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Trade and other receivables				
- Non-current	157,546	-	-	157,546
- Current	385,654	-	-	385,654
Cash and bank balances	2,830	-	-	2,830
Total financial assets				546,342
Total non-financial assets				300,072
Total assets				846,414
<b>Liabilities</b>				
Borrowing	-	-	42,500	42,500
Other payables	-	-	14,814	14,814
Total financial liabilities				57,314
<b>31 December 2010</b>				
<b>Assets</b>				
Other investments	-	312	-	312
Trade and other receivables				
- Non-current	155,711	-	-	155,711
- Current	293,974	-	-	293,974
Cash and bank balances	1,915	-	-	1,915
Total financial assets				451,912
Total non-financial assets				291,705
Total assets				743,617
<b>Liability</b>				
Other payables	-	-	4,751	4,751
Total financial liabilities				4,751

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**43. Classification of financial instruments carried at fair value**

The fair value measurement hierarchies used to measure financial assets carried at fair value in the statements of financial position as at 31 December 2011 are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>As at 31 December 2011</b>				
<b>Asset</b>				
FVTPL financial assets	57,695	-	312	58,007
<b>Company</b>				
<b>As at 31 December 2011</b>				
<b>Asset</b>				
FVTPL financial assets	-	-	312	312

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

The Group and Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 as at 31 December 2011.

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**43. Fair value of financial instruments****A. Determination of fair value**Amounts due from subsidiaries and advances to/ from subsidiaries.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

**44. Financial risk management objectives and policies**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Finance Director. The Board Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**(a) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institutions.

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**44. Financial risk management objectives and policies (cont'd.)**

**(a) Credit risk (cont'd.)**

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

<b>Group</b>	<b>2011</b>		<b>2010</b>	
	<b>RM'000</b>	<b>% of total</b>	<b>RM'000</b>	<b>% of total</b>
Property development	53,924	92%	17,685	79%
Property investment	1,904	3%	1,809	8%
Resorts operation	2,498	4%	2,823	13%
	<b>58,326</b>	<b>100%</b>	<b>22,317</b>	<b>100%</b>



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**44. Financial risk management objectives and policies (cont'd.)**

**(b) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks.

**Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year	One to five years	2011 RM'000 More than five years	Total
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	238,513	-	-	238,513
Borrowings	145,023	544,608	482,633	1,172,264
Total undiscounted financial liabilities	<u>383,536</u>	<u>544,608</u>	<u>482,633</u>	<u>1,410,777</u>
<b>Company</b>				
<b>Financial liabilities:</b>				
Other payables	14,814	-	-	14,814
Borrowings	42,500	-	-	42,500
Total undiscounted financial liabilities	<u>57,314</u>	<u>-</u>	<u>-</u>	<u>57,314</u>
	On demand or within one year	One to five years	2010 RM'000 Total	
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	179,854	-	179,854	
Borrowings	28,726	168,777	197,503	
Total undiscounted financial liabilities	<u>208,580</u>	<u>168,777</u>	<u>377,357</u>	

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**44. Financial risk management objectives and policies (cont'd.)**

**(b) Liquidity risk (cont'd.)**

	2010 RM'000		Total
	On demand or within one year	One to five years	
<b>Company</b>			
<b>Financial liabilities:</b>			
Other payables	4,751	-	4,751
Total undiscounted financial liabilities	<u>4,751</u>	<u>-</u>	<u>4,751</u>

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's primary interest rate risk relates to interest-bearing borrowings.

The investments in financial assets including fixed deposits are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Group RM'000	Company RM'000
<b>31 December 2011</b>		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 0.25 percentage point	10,688	-
Interest rates decrease by 0.25 percentage point	10,688	-
<b>31 December 2010</b>		
Borrowings denominated in Ringgit Malaysia		
Interest rates increase by 0.25 percentage point	112	-
Interest rates decrease by 0.25 percentage point	112	-

**(d) Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

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**44. Financial risk management objectives and policies (cont'd.)**

**(d) Market price risk (cont'd.)**

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia. These instruments are classified fair value through profit or loss financial assets. The Group does not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

At the reporting date, the Group's equity portfolio consists of the equity portfolio comprises investment grade shares included in the Financial Times Stock Exchange (FTSE) Bursa Malaysia KLCI.

Sensitivity analysis for equity price risk

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 5% higher/lower, with all other variables held constant, the Group's profit net of tax would have been higher/lower RM2,898,300 (2010: RM4,684,300), arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

**(e) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from balances in other payables in a currency other than the functional currencies of Group. The foreign currency in which these transactions are denominated is US Dollars ("USD").

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, foreign currency balances which is in USD amount to RM244,124 (2010: RM125,444) for the Group.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD exchange rates against the respective functional currency of the Group entities, with all other variables held constant.

	<b>Group 2011 RM'000 Profit net of tax</b>
USD/RM - strengthened 5% (2010: 5%)	(131)
- weakened 5% (2010: 5%)	131

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**45. Operating lease arrangements**

**(a) The Group as lessee**

The Group has entered into non-cancellable operating lease agreements for the use of office premises and equipment. These leases have an average life of 3 years with renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Future minimum rentals payments:				
Not later than 1 year	231	177	472	483
Later than 1 year and not later than 5 years	350	213	2,019	1,965
	<u>581</u>	<u>390</u>	<u>2,491</u>	<u>2,448</u>

**(b) The Group as lessor**

The Group has entered into cancellable operating lease agreements on its investment property portfolio. These leases have remaining cancellable lease terms of between 2 and 39 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2011 RM'000	2010 RM'000
Not later than 1 year	22,491	22,737
Later than 1 year and not later than 5 years	23,230	18,446
Later than 5 years	52,823	55,338
	<u>98,544</u>	<u>96,521</u>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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**Dijaya Corporation Berhad**  
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#### 46. Commitments

	Group 2011 RM'000	2010 RM'000
<b>Capital expenditure</b>		
<b>Capital commitment</b>		
Approved and contracted for:		
- Land held for property development	745,990	277,622
- Property, plant and equipment/property development costs (mixed development in respect of a commercial and residential project)	906,307	46,548
	<u>1,652,297</u>	<u>324,170</u>

#### 47. Segmental information

##### (a) Business segments:

For management purposes, the Group is organised into business units based on their business segments, and has three reportable operating segments as follows:

- |       |                                 |   |  |
|-------|---------------------------------|---|--|
| (i)   | Property and resort development | - | development of residential and commercial properties and provision of golfing and other sporting and recreational facilities |
| (ii)  | Property investment             | - | Operation of clubhouse and shopping mall   |
| (iii) | Investment holding              | - | Investment income  |

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

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**47. Segmental information (cont'd.)**

**Segmental information by business segments:**

	Property and resort development		Property investment		Investment holding		Adjustments and eliminations		Notes		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue and expenses</b>												
<b>Revenue</b>												
External sales	334,489	256,115	38,761	32,818	1,968	3,325	-	-	-	-	375,218	292,258
Inter-segment	7,204	51,092	1,389	1,094	134,329	51,957	(142,922)	(104,143)	A	-	-	-
<b>Total revenue</b>	<b>341,693</b>	<b>307,207</b>	<b>40,150</b>	<b>33,912</b>	<b>136,297</b>	<b>55,282</b>	<b>(142,922)</b>	<b>(104,143)</b>			<b>375,218</b>	<b>292,258</b>
<b>Results</b>												
Interest income	6,830	6,456	458	360	13,443	12,809	(15,409)	(14,622)			5,322	5,003
Depreciation and amortisation	(8,592)	(9,098)	(6,620)	(4,509)	(1,592)	(997)	-	-			(16,804)	(14,604)
Share of results of associate	-	-	-	-	-	-	6,361	6,605			6,361	6,605
Share of results of jointly controlled entities	-	-	-	-	-	-	(91)	-			(91)	-
Other non-cash expenses	(984)	(12,864)	(383)	(3,927)	(7,603)	(175,219)	1,450	178,336	B		(7,520)	(13,674)
<b>Segment profit</b>	<b>69,680</b>	<b>48,677</b>	<b>9,251</b>	<b>5,165</b>	<b>27,418</b>	<b>27,557</b>	<b>(19,702)</b>	<b>(28,005)</b>	<b>C</b>		<b>86,647</b>	<b>53,394</b>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**47. Segmental information (cont'd.)**

	Property and resort development		Property investment		Investment holding		Adjustments and eliminations		Notes		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>												
Investment in an associate	-	-	-	-	5,357	5,357	22,534	20,378			27,891	25,735
Investment in jointly controlled entities	-	-	-	-	24,383	-	(91)	-			24,292	-
Additions to non-current assets	746,983	152,224	59,157	20,214	3,854	8,190	-	-	<b>D</b>		809,994	180,628
Segment assets	1,987,404	943,585	335,470	377,710	87,789	58,237	60,432	160,763			2,471,095	1,540,295
<b>Segment liabilities</b>	<b>1,296,234</b>	<b>497,397</b>	<b>13,539</b>	<b>11,983</b>	<b>44,870</b>	<b>22,085</b>	<b>47,853</b>	<b>49,209</b>			<b>1,402,496</b>	<b>580,674</b>

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**


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**47. Segmental information (cont'd.)**

Inter-segment revenue are eliminated upon consolidation and reflected in the 'adjustment and eliminations' column. All other adjustments and eliminations are part of detail reconciliation presented below:

**Notes: Nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements**

- A. Inter-segment revenues are eliminated on consolidation
- B. Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements

	2011 RM'000	2010 RM'000
Share based payments	1,858	400
Impairment loss on financial assets	451	939
Fair value loss on marketable securities	5,211	12,267
Provision for liabilities	-	68
	<u>7,520</u>	<u>13,674</u>

- C. The following items are added to/(deducted from) segment profit to arrive at profit before tax from continuing operations presented in the consolidated statement of comprehensive income:

	2011 RM'000	2010 RM'000
Share of results of associates	6,361	6,605
Share of results of jointly controlled entities	(91)	-
Finance costs	<u>(11,359)</u>	<u>(6,001)</u>

- D. Additions to non-current assets consist of:

	2011 RM'000	2010 RM'000
Property, plant and equipment	45,247	157,662
Investment properties	57,977	18,857
Land held for property development	706,770	4,109
	<u>809,994</u>	<u>180,628</u>



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**48. Significant events**

During the financial year, the Group through its various subsidiaries and jointly controlled entities entered into agreements to purchase various parcels of land located through West Malaysia. A summary of material purchase is presented below:

Transactions where the conditions precedents are substantially met as at 31 December 2011 are as follows:

Vendor	Location of property	Type	Area	Consideration RM'000
(a) Danga Bay Sdn. Bhd.	H.S.(D) 471884, PTB 22902, Bandar Johor Bahru, District of Johor Bahrु and State of Johor.	Freehold	Johor	258,812 <sup>(1)</sup>
(b) Danga Bay Sdn. Bhd.	H.S.(D) 471883, PTB 22901, Bandar Johor Bahru, District of Johor Bahrุ and State of Johor.	Freehold	Johor	49,656 <sup>(1)</sup>
(c) Paramount Landmark Sdn. Bhd.	Geran 51446 Lot 1055, Mukim Plentong, District of Johor Bahrุ and State of Johor.	Freehold	Johor	11,097 <sup>(1)</sup>
(d) Chunghwa Picture Tubes (Malaysia) Sdn.	PN 324855 for Lot 312205 and PN 324689 for Lot 312207, Mukim and District of Kampar.	Leasehold	Perak	3,233 <sup>(1)</sup>
(e) Makolin Electronics (M) Sdn. Bhd.	PN 324876 for Lot 312208, Mukim and District of Kampar.	Leasehold	Perak	2,399 <sup>(1)</sup>
(f) Chunghwa Picture Tubes (Malaysia) Sdn.	GRN 84178 - Lot 38513, GRN 84179 - Lot 38514, GRN 84180 - Lot 38515 and GRN 84181 - Lot 38516, Pekan Country Heights, District of Petaling, State of Selangor.	Freehold	Selangor	385,461 <sup>(1)</sup>

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Dijaya Corporation Berhad  
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**48. Significant events (cont'd.)**

Transactions where the conditions precedents are not met as at 31 December 2011 are as follows:

Vendor	Location of property	Type	Area	Consideration RM'000
(a) Ong Sook Keok and executors of estate of Loh Ah Moy	GRN 28425 - lot 784, Seksyen 0057, Bandar Kuala Lumpur.	Freehold	Kuala Lumpur	43,123 <sup>(1)</sup>
(b) G.P.Y. (Holding) Sdn. Bhd.	GRN 28463 - lot 779 and GRN28423 - lot 780, Seksyen 0057, Bandar Kuala Lumpur.	Freehold	Kuala Lumpur	22,129 <sup>(1)</sup>
(c) Taiyo Resort (KL) Berhad	H.S.(D) 68253 - PT 14533, H.s.(D) 68256 - PT 14536, Geran 63194 - Lot 12683, Geran 53170 - Lot 1258, Geran 27675 - Lot 27657, Mukim Semenyih, Daerah Ulu Langat.	Freehold	Selangor	228,000 <sup>(1)</sup>
(d) Chief Minister of Penang (Incorporation)	Mukim 13, District of Timur Laut, State of Pulau Pinang.	Freehold/ Leasehold	Penang	1,072,203 <sup>(2)</sup>
(e) Trident World Sdn. Bhd.	1,426 plots of land in Taman Cahaya Kota Putri, Mukim Plentong Daerah Johor Bahru.	Freehold	Johor	220,000 <sup>(2)</sup>

<sup>(1)</sup> These are acquired via subsidiaries.

<sup>(2)</sup> These are acquired via jointly controlled entities

During the financial year, the Group through its subsidiary have disposed off a land being disclosed as follows:

Purchaser	Location of property	Type	Area	Consideration RM'000
(a) Fame Heritage Development Sdn. Bhd.	PN 324855 - Lot 312205, PN324869 - Lot 312207 and PN 324876 - Lot 312208, Mukim and District of Kampar.	Leasehold	Perak	15,500

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**49. Subsequent events**

On 18 August 2011, the Company announced a proposed private placement of new ordinary shares of RM1.00 each up to 30% of the issued and paid-up share capital in Dijaya, to third party investors to be identified and at an issue price to be determined later. On 5 March 2012, the Company aborted the proposed private placement.

On 6 March 2012, the Company entered into a conditional amalgamation exercise agreement with Tan Sri Dato' Tan Chee Sing (Director of the Company) and certain parties related to him ("Vendors") pursuant to which Dijaya and the Vendors proposed to participate in and implement an asset amalgamation and rationalisation exercise involving the amalgamation of the assets and properties of Dijaya and its subsidiaries with certain identified assets and properties of the Vendors for a total indicative consideration of RM948,696,998. The total indicative consideration will be satisfied partly in cash and partly via the issuance of 10-years 2% redeemable convertible unsecured loan stocks in Dijaya.

**50. Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital refers to equity attributable to the owners of the parent.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Borrowings	991,354	210,329	42,500	-
Trade and other payables	238,513	179,854	14,814	4,751
Less: Cash and bank balances	(120,083)	(240,586)	(2,830)	(1,915)
<i>Net debt</i>	<u>1,109,784</u>	<u>149,597</u>	<u>54,484</u>	<u>2,836</u>
Equity attributable to the owners of the parent	950,629	898,836	789,100	738,866
<i>Total capital</i>	<u>950,629</u>	<u>898,836</u>	<u>789,100</u>	<u>738,866</u>
<b>Capital and net debt</b>	<u>2,060,413</u>	<u>1,048,433</u>	<u>843,584</u>	<u>741,702</u>
<b>Gearing ratio</b>	<u>0.54</u>	<u>0.14</u>	<u>0.06</u>	<u>0.00</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2011 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**51. Supplementary information - breakdown of retained earnings/(accumulated losses) into realised and unrealised**

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 31 December 2011 and 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	2011 Group RM'000	2011 Company RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
- Realised profits/(losses)	40,168	(79,084)
- Unrealised profits	32,269	-
	<u>72,437</u>	<u>(79,084)</u>
Total share of retained earnings from jointly controlled entities		
- Realised losses	(91)	-
Total share of retained earnings from associate		
- Realised profits	22,041	-
	<u>94,387</u>	<u>(79,084)</u>
Add: Consolidation adjustments	(11,901)	-
Retained earnings/(accumulated losses) as per financial statements	<u>82,486</u>	<u>(79,084)</u>
	2010 Group RM'000	2010 Company RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
- Realised losses	(37,149)	(124,363)
- Unrealised profits	28,105	-
	<u>(9,044)</u>	<u>(124,363)</u>
Total share of retained earnings from associate		
- Realised profits	19,646	-
	<u>10,602</u>	<u>(124,363)</u>
Add: Consolidation adjustments	23,509	-
Retained earnings/(accumulated losses) as per financial statements	<u>34,111</u>	<u>(124,363)</u>

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012**



**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Individual Period		Cumulative Periods	
		Current Year	Preceding Year	Current Year	Preceding Year
		<u>30/06/2012</u>	<u>30/06/2011</u>	<u>30/06/2012</u>	<u>30/06/2011</u>
		RM'000	RM'000	RM'000	RM'000
Revenue		117,081	70,663	234,915	128,338
Cost of sales		(63,708)	(43,175)	(131,978)	(76,362)
Gross profits		<u>53,373</u>	<u>27,488</u>	<u>102,937</u>	<u>51,976</u>
Other income		136,062	17,141	140,344	30,198
Administrative and other expenses		(37,183)	(21,616)	(67,604)	(39,232)
Finance Income		998	2,323	1,796	2,502
Finance costs		(4,741)	(1,732)	(9,329)	(3,281)
Share of results of associates		1,758	1,785	3,158	3,205
Share of results of jointly controlled entities		(414)	-	(460)	-
(Loss)/profit before tax		<u>149,853</u>	<u>25,389</u>	<u>170,842</u>	<u>45,368</u>
Taxation	B5	(39,842)	(2,797)	(44,483)	(4,233)
(Loss)/profit for the period		<u>110,011</u>	<u>22,592</u>	<u>126,359</u>	<u>41,135</u>
<b>Other comprehensive income</b>					
Foreign currency translation		22	(54)	22	174
<b>Total comprehensive income/(expense)</b>		<u>110,033</u>	<u>22,538</u>	<u>126,381</u>	<u>41,309</u>
<b>Profit attributable to:</b>					
Owners of the parent		107,194	20,757	119,530	38,891
Non-controlling interests		2,817	1,835	6,829	2,244
		<u>110,011</u>	<u>22,592</u>	<u>126,359</u>	<u>41,135</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		107,216	20,703	119,552	39,065
Non-controlling interests		2,817	1,835	6,829	2,244
		<u>110,033</u>	<u>22,538</u>	<u>126,381</u>	<u>41,309</u>
<b>Earnings per share attributable to owners of the parent:</b>					
- Basic (sen)	B10	23.27	4.56	25.99	8.55
- Diluted (sen)	B10	17.53	4.56	19.58	8.55

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



Company No. 47908-K

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/06/2012 RM'000	As At 31/12/2011 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	472,653	437,197
Investment properties		494,062	378,209
Land held for property development		810,891	793,961
Intangible assets		4,794	4,794
Investment in associates		29,593	27,891
Investment in jointly controlled entities		39,865	24,292
Other Investments		312	312
Marketable securities		-	31,810
Security retainers accumulation fund		3,524	3,428
		<u>1,855,694</u>	<u>1,701,894</u>
<b>Current assets</b>			
Property development costs		378,116	323,413
Inventories		18,148	19,772
Trade receivables		70,295	58,326
Other receivables		116,904	103,159
Other current assets		73,576	92,287
Marketable securities		15,069	25,885
Cash and bank balances		130,038	120,083
		<u>802,146</u>	<u>742,925</u>
<b>TOTAL ASSETS</b>		<u>2,657,840</u>	<u>2,444,819</u>

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



Company No. 47908-K

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As At 30/06/2012 RM'000	As At 31/12/2011 (Audited) RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		460,671	458,119
Reserves		612,411	492,510
		<u>1,073,082</u>	<u>950,629</u>
Non-controlling interests		129,864	117,970
Total equity		<u>1,202,946</u>	<u>1,068,599</u>
<b>Non-current liabilities</b>			
Provision for liabilities		6,306	6,986
Long term borrowings	B7	855,501	845,625
Deferred tax liabilities		85,823	57,500
Sinking fund reserve		99	595
Security retainers		1,324	1,274
Deferred license fees		74,077	73,400
		<u>1,023,130</u>	<u>985,380</u>
<b>Current liabilities</b>			
Deferred license fees		1,112	2,215
Short term borrowings	B7	180,599	145,729
Trade payables		150,496	149,141
Other payables		86,820	89,372
Other current liabilities		4,177	4,114
Tax payable		8,560	269
		<u>431,764</u>	<u>390,840</u>
<b>TOTAL LIABILITIES</b>		<u>1,454,894</u>	<u>1,376,220</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,657,840</u>	<u>2,444,819</u>
<b>Net assets per share (RM)</b>		<u>2.33</u>	<u>2.08</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



Company No. 47908-K

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←-----Attributable to owners of the parent----->					Accumulated Losses/ Retained Earnings	Total	Non-controlling Interests	Total Equity
	←-----Non-distributable----->								
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Share Options Reserve RM'000	Other Reserve RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2011	455,000	363,813	39,320	5,096	1,496	34,111	898,836	60,785	959,621
Total comprehensive income	-	-	-	-	174	38,891	39,065	2,244	41,309
<b>Transactions with owners</b>									
Issue of ordinary shares pursuant to warrants 2009/2019	1	-	-	-	-	-	1	-	1
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	120	120
Dividend paid	-	-	-	-	-	-	-	(15,750)	(15,750)
Total transaction with owners	1	-	-	-	-	-	1	(15,630)	(15,629)
<b>As at 30 June 2011</b>	<b>455,001</b>	<b>363,813</b>	<b>39,320</b>	<b>5,096</b>	<b>1,670</b>	<b>73,002</b>	<b>937,902</b>	<b>47,399</b>	<b>985,301</b>
As at 1 January 2012	458,119	366,664	39,320	4,081	(41)	82,486	950,629	117,970	1,068,599
Total comprehensive income	-	-	-	-	22	119,530	119,552	6,829	126,381
<b>Transactions with owners</b>									
Issue of ordinary shares pursuant to ESOS	2,550	349	-	-	-	-	2,899	-	2,899
Issue of ordinary shares pursuant to warrants 2009/2019	2	-	-	-	-	-	2	-	2
Effects pursuant to ESOS on:									
- conversion	-	960	-	(960)	-	-	-	-	-
Effects pursuant to warrants on:									
- conversion	-	1	(1)	-	-	-	-	-	-
- forfeiture	-	-	-	(277)	-	277	-	-	-
Issuance of equity to non-controlling interests	-	-	-	-	-	-	-	5,065	5,065
Total transaction with owners	2,552	1,310	(1)	(1,237)	-	277	2,901	5,065	7,966
<b>As at 30 June 2012</b>	<b>460,671</b>	<b>367,974</b>	<b>39,319</b>	<b>2,844</b>	<b>(19)</b>	<b>202,293</b>	<b>1,073,082</b>	<b>129,864</b>	<b>1,202,946</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter ended	
	30/06/2012	30/06/2011
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	170,842	45,368
Adjustments for:		
Interest income	(1,796)	-
Interest expense	9,278	2,576
Net fair value loss/(gains) on marketable securities	2,268	(20,510)
Depreciation of property, plant and equipment	5,119	4,402
Amortisation of investment properties	2,933	2,827
Share of profits in an associate	(3,158)	(1,222)
Share of loss in jointly controlled entities	460	-
Unwinding of discount of security retainers	50	-
Loss/(gain) on disposal of marketable securities	1,977	(263)
Amortisation of borrowings expenses	1,287	-
Amortisation of deferred license fees	(746)	-
Amortisation of endowment fund premium	6	6
Net gains from fair value adjustment of investment properties	(132,774)	-
Unrealised returns on endowment policy	(102)	(72)
Total adjustments	(115,198)	(12,256)
<b>Operating profit before working capital changes</b>	<b>55,644</b>	<b>33,112</b>
Changes in working capital:		
Decrease in receivables	21,663	3,765
Increase in deposits with licensed bank not available for use	888	197
Decrease in inventories	1,625	7,056
Increase in property development costs	(50,418)	(51,408)
Decrease in provision for liabilities	(680)	-
Decrease in payables	(2,070)	(28,853)
<b>Cash generated from/(used in) operations</b>	<b>26,652</b>	<b>(36,131)</b>
Decrease in sinking fund reserve	(495)	(519)
Increase in deferred license fee	320	503
Interest paid	(15,171)	(2,550)
Taxes paid, net of refunds	(4,574)	(7,054)
<b>Net cash generated from/(used in) operations</b>	<b>6,732</b>	<b>(45,751)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(22,134)	(12,410)
Purchase of investment properties	(1,912)	-
Proceeds from disposal of marketable securities	38,382	15,665
Interest received	1,796	-
Acquisition of jointly controlled entities	(16,032)	-
(Increase)/decrease in land held for property development	(16,930)	23,296
Deposits for purchase of land	(31,960)	(111,423)
Proceeds from issuance of equity to non-controlling interests	5,064	120
Dividend received from associates	1,455	-
<b>Net cash used in investing activities</b>	<b>(42,271)</b>	<b>(64,752)</b>
<b>Cash flows from financing activities</b>		
Drawdown from borrowings, net	43,460	45,259
Issue of ordinary shares pursuant to the ESOS	2,899	-
Issue of ordinary shares pursuant to the warrant	2	-
Dividends paid to minority shareholder of a subsidiary	-	(15,750)
<b>Net cash generated from financing activities</b>	<b>46,361</b>	<b>29,509</b>

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter ended	
	30/06/2012	30/06/2011
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	10,822	(100,994)
Effects of foreign exchange rate changes	21	177
Cash and cash equivalents at beginning of financial period	115,074	232,852
Cash and cash equivalents at end of financial period *	125,917	132,035

\* Cash and cash equivalents at end of the financial period comprise the following:

	30/06/2012	30/06/2011
	RM'000	RM'000
Cash and bank balances	130,038	139,572
Less: Bank overdraft	-	-
	130,038	139,572
Less: Cash and cash equivalents not available for use	(4,121)	(7,537)
	125,917	132,035

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

**A2. Changes in accounting policies**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except for the adoption of the following new/revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2011:

IC Interpretation 19                      Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC                      Prepayments of a Minimum Funding Requirement  
Interpretation 14

Effective for financial periods beginning on or after 1 January 2012:

Amendments to FRS 7                      Transfers of Financial Assets

Amendments to FRS 112                      Deferred Tax : Recovery of Underlying Assets

FRS 124                                      Related Party Disclosures

Effective for financial periods beginning on or after 1 July 2012:

Amendments to FRS 101                      Presentation of Items of Other Comprehensive Income

The adoption of the above FRSs did not have any significant financial impact on the Group except for Amendments to FRS 140.

(i) Amendment to FRS 140

The Group has previously classified its investment properties at amortised cost and subsequently fair valued these properties based on the valuation performed by independent professional valuers. The difference between the net book value and fair value of the freehold land and building has been adjusted in the consolidated statement of comprehensive income for the current period.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

The effects of the changes have been applied prospectively and have resulted in the following:

	RM'000
<b>Effect on 1 July 2012:</b>	
Increase in property, plant and equipment	15,900
Increase in investment properties	116,873
Increase in retained profits	99,580

As a result of the adoption of the above changes, the net assets per share have increased by RM0.21 per share.

**Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called ‘Transitioning Entities’).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the quarter ending 31 March 2013.

**A3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

**A4. Comments about seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

**A5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX  
(6)-MONTH FPE 30 JUNE 2012 (Cont'd)



(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

**A6. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

**A7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.

**A8. Dividends paid**

No dividend was paid during the current quarter under review.

**A9. Segmental information**

Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company.

The Group's principal business segments are property development and resort operations, property investment and investment holding.

The information by geographical location is not presented as the Group's activities are carried out predominantly in Malaysia.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

Business segment analysis	QTR ended 30 June 2012				YTD ended 30 June 2012			
	Property development and resort operations	Property Investment	Investment holding and others	Consolidated	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	106,696	10,385	-	117,081	214,366	20,549	-	234,915
Results from operations	21,395	137,959	(7,102)	152,252	36,554	141,841	(2,718)	175,677
Net finance cost	(1,788)	(622)	(1,333)	(3,743)	(3,645)	(1,260)	(2,628)	(7,533)
Share of results of associates	-	-	1,758	1,758	-	-	3,158	3,158
Share of results of jointly controlled entities	-	-	(414)	(414)	-	-	(460)	(460)
Profit/ (loss) before tax	19,607	137,337	(7,091)	149,853	32,909	140,581	(2,648)	170,842

Business segment analysis	QTR ended 30 June 2011				YTD ended 30 June 2011			
	Property development and resort operations	Property Investment	Investment holding and others	Consolidated	Property development and resort operations	Property Investment	Investment holding and others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	61,415	9,248	-	70,663	110,558	17,780	-	128,338
Results from operations	7,881	4,287	13,166	25,334	20,518	7,803	17,123	45,444
Net finance cost	(773)	(840)	(119)	(1,732)	(1,481)	(1,681)	(119)	(3,281)
Share of results of associates	-	-	1,786	1,786	-	-	3,205	3,205
Profit/ (loss) before tax	7,108	3,447	14,833	25,388	19,037	6,122	20,209	45,368

Property development and resort operations segment

Revenue was RM106.70million in the current quarter compared to RM61.41million in the corresponding quarter last year. Profit before tax was RM19.61million in the current quarter compared to RM7.11million in the corresponding quarter last year. The increase in revenue and profit before tax was mainly due to higher contributions from existing on-going projects and new projects launched in Tropicana Golf and Johor Bahru.

The current period to-date also registered higher revenue and profit before tax of RM214.37million and RM32.91million respectively compared to RM110.56million and RM19.04million respectively in the preceding corresponding period due to the same reason above.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX  
(6)-MONTH FPE 30 JUNE 2012 (Cont'd)



(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

Property investment segment

Revenue was RM10.38million and profit before tax was RM137.34million in the current quarter compared to RM9.25million and RM3.45million respectively in the corresponding quarter last year. The increase in profit before tax was mainly due to fair value adjustment of investment properties.

Revenue for the 6 months period ended 30 June 2012 was RM20.55million and profit before tax in the current period to-date was RM140.58million compared to RM17.78million and RM6.12million respectively in the preceding corresponding period. In addition to the reason stated above, the increase in revenue was also attributed to an increased occupancy rate of 94.6% from 89.2% for the shopping mall.

Investment holding and others segment

Loss before tax for the current quarter was RM7.09million compared to a profit before tax RM14.83million in the corresponding quarter last year.

Loss before tax for the 6 months period ended 30 June 2012 was RM2.65million compared to a profit before tax RM20.21million in the corresponding period last year. Current period results was lower mainly due to higher finance costs of RM2.63million incurred in the current period and a net gain of fair value adjustment amounting to RM20.51million arising from marketable securities in the corresponding period last year.

**A10. Valuations of property, plant and equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2011.

**A11. Material events subsequent to the end of interim period**

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements.

**A12. Changes in composition of the Group**

There were no changes in composition of the Group during the current quarter under review, except as follows:

- 1) On 1 June 2012, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Advent Nexus Sdn. Bhd. (“ANSB”) representing the entire issued and paid-up share capital of ANSB, for a total consideration of RM2.00 (“Acquisition”). With the Acquisition, ANSB became a wholly-owned subsidiary of the Company.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134**

- 2) As announced on 5 June 2012, the Company acquired the remaining 5 ordinary shares of RM1.00 each in the share capital of Tropicana KL Development Sdn. Bhd. (formerly known as Ace Rhythm Sdn. Bhd.) (“TKLDSB”) for a cash consideration of RM5.00 (“Acquisition”). Prior to the Acquisition, the Company held 249,995 ordinary shares of RM1.00 each and 250,000 redeemable non-cumulative preference shares of RM0.01 each (“RNCPS”) representing 99.99% of the total issued and paid-up share capital of TKLDSB.

Upon the Acquisition, the Company holds 250,000 ordinary shares of RM1.00 each and 250,000 RNCPS representing 100% of the entire issued and fully paid-up share capital of TKLDSB.

- 3) On 21 June 2012, the Company acquired 2 ordinary shares of RM1.00 each in the share capital of Aliran Peluang Sdn Bhd (“APSB”) for a cash consideration of RM2.00 (“the Acquisition”) and subscribed for 6 new ordinary shares of RM1.00 each in APSB for a cash consideration of RM6.00 (“the Subscription”), in aggregate representing 80% of the issued and paid-up share capital of APSB, for a total consideration of RM8.00. With the Acquisition and the Subscription, APSB became an 80% owned subsidiary of the Company.

**A13. Changes in contingent liabilities or contingent assets**

There were no changes in contingent liabilities since the last annual audited position at 31 December 2011 except for additional corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries amounting to RM98,325,000.

**A14. Capital commitments**

The amount of commitments for capital expenditure as at 30/06/2012 is as follows:

	As at 30/06/12 RM'000	As at 31/12/11 RM'000
Capital expenditure		
Approved and contracted for	1,051,900	975,718
Share of joint venture's capital commitment in relation to land held for development	621,600	676,579
	1,673,500	1,652,297



**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD****B1. Performance review****Quarterly Results**

For the current quarter, the Group registered a higher revenue of RM117.08million compared to RM70.66million in the corresponding quarter last year. The increase was mainly due to higher recognition of progress billings from existing on-going development projects and new projects launched in Klang Valley and Johor Bahru.

PBT for the current quarter increased by RM124.46million to RM149.85million compared to RM25.39million in the corresponding quarter last year. The higher PBT is mainly due to the same reason as above and a fair value adjustment on investment properties. Excluding the adjustments on fair value, the Group registered a profit before tax of RM20.08million compared to RM10.03million in the corresponding quarter last year.

**Year-to-date Results**

For the current period ended 30 June 2012, the Group registered a higher revenue for the 6 months period ended 30 June 2012 was RM234.91million compared to RM128.34million in corresponding period last year.

PBT for the current period ended 30 June 2012 has increased by RM125.47million or 276% to RM170.84million compared to RM45.37million in the corresponding period last year. The improved performance is mainly due to the similar reason stated above. Excluding the adjustments on fair value, the Group registered a PBT of RM36.07million in the current period compared to RM24.86million in the corresponding period last year.

**B2. Variation of results against preceding quarter**

The current quarter's revenue of RM117.08million was slightly lower compared to RM117.83million in the immediate preceding quarter.

However, the current quarter has reported a PBT of RM149.85million compared to RM20.99million in the immediate preceding quarter. The higher PBT was mainly due to fair value adjustment of investment properties in the current quarter.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**

(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012****PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD****B3. Prospects**

For the 2nd quarter of 2012, the Malaysia's economy recorded a higher growth of 5.4% as compared to 4.9% for the 1st quarter of 2012. This is mainly due to the stronger expansion in domestic demand amid a further moderation in external demand.

*(Source: Developments in the Malaysian Economy, Quarterly Bulletin, Second Quarter 2012, 15 August 2012, Bank Negara Malaysia)*

On the property market, with tighter lending conditions and concerns on the global economic outlook, speculative property purchases were expected to be less resilient for 2012. Based on statistics by Bank Negara Malaysia, although the total value of loans applied for purchases of residential properties increased by approximately 2.9% in the first half of 2012 as compared to the same period last year, the total value of loans approved has declined with 46.8% approval rates as compared to 50.1% in the corresponding period in 2011.

*(Source: Monthly Statistical Bulletin, June 2012, Bank Negara Malaysia)*

With the current lending conditions, the property market is expected to attract more genuine property buyers that are more careful and choosy on the choice of development they invested in. Coupled with the continuous efforts by the Government to further enhance the Malaysia's economy, it is expected that the growth momentum moving forward in 2012 is sustainable and prospects for the property sector is expected to be favourable.

Currently, the Group has unbilled sales of RM635million as at 30 June 2012. In addition, as it's projects are located at prime and strategic locations, the Group believes that it will continue to receive positive response and achieve an improved performance for the financial year ending 31 December 2012.

**B4. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was issued for the financial period.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

**B5. Taxation**

	Individual quarter		Year to date	
	30/06/12 RM'000	30/06/11 RM'000	30/06/12 RM'000	30/06/11 RM'000
Tax expense for the period	9,017	3,487	16,156	5,232
Overprovision of tax for the previous financial year	-	-	-	-
Deferred tax transfers	30,825	(690)	28,327	(999)
	<u>39,842</u>	<u>2,797</u>	<u>44,483</u>	<u>4,233</u>

The effective tax rate was disproportionate to the financial results principally due to recognition of deferred tax assets and liabilities, utilisation of business losses and certain expenses/gain not deductible/taxable for tax purposes.

**B6. Corporate Proposals**

**Status of corporate proposals**

The following corporate proposals announced by the Company have not been completed as at 23 August 2012, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Report:

- 1) As announced on 25 June 2012, Aliran Peluang Sdn Bhd ("APSB"), an 80% owned subsidiary company of the Company, had on 22 June 2012, entered into a sale and purchase agreement with Chua Joo Cheng @ Chua Su Yin ("CJC"), wherein CJC has agreed to sell and APSB has agreed to purchase eleven (11) parcels of lands held by respective individual titles all in Mukim Pulai, Daerah Johor Bahru, Negeri Johor for a total cash consideration of RM105,069,016.80 or approximately RM43.80 per square foot.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the third quarter of year 2012.

- 2) As announced on 8 June 2012, Advent Nexus Sdn Bhd ("ANSB"), a wholly-owned subsidiary of the Company had, on the same date, entered into a sale and purchase agreement with Multi-Purpose Holdings Berhad ("MPHB"), wherein MPHB agreed to sell and ANSB agreed to purchase for a consideration of RM54,000,000, a piece of freehold land measuring approximately 1106 square meters held under Geran 5826, Lot 474, Seksyen 19, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan together with a building constructed thereon and all the fixtures, fittings, furniture and equipments therein.

As at the date of this report, the above-mentioned proposed land acquisitions have been completed in July 2012.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE SIX (6)-MONTH FPE 30 JUNE 2012 (Cont'd)**



(Company No. 47908-K)

**INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2012**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD**

- 3) As announced on 6 March 2012, the Company had entered into a conditional amalgamation exercise agreement ("AEA") with Tan Sri Dato' Tan Chee Sing ("TSDTCS") and certain parties related to him ("Related Parties") (collectively referred to as "Vendors") pursuant to which the Company and the Vendors propose to participate in and implement an asset amalgamation and rationalisation exercise involving the amalgamation of the assets and properties of the Company and its subsidiaries ("Group") with certain identified assets and properties of the Vendors ("Proposed Amalgamation Exercise").

As announced on 9 April 2012, the Company had entered into 24 conditional sale and purchase agreements ("SPAs") and 16 conditional share sale agreements ("SSAs") (collectively referred to as the "Definitive Agreements") with the respective Vendors for the Proposed Acquisitions.

The Proposed Amalgamation Exercise will entail the following proposals:-

- (i) Acquisitions by the Company and/or its nominated entity(ies) ("Purchaser") of the entire equity interest in the identified companies and the identified properties from the respective Vendors for a total indicative consideration of RM949,919,998, which will be satisfied partly in cash and partly via the issuance of 10-year 3% redeemable convertible unsecured loan stocks in Dijaya ("RCULS") at 100% of their nominal value ("Purchase Consideration") ("Proposed Acquisitions");
- (ii) Renounceable rights issue of up to 491,302,655 new ordinary shares of RM1.00 each in the Company ("Dijaya Shares") ("Rights Shares") at an issue price of RM1.20 per Rights Share, together with a bonus issue of up to 122,825,664 new ordinary shares of RM1.00 each in the Company ("Bonus Shares") to be credited as fully paid up, on the basis of four (4) Rights Shares for every five (5) existing Dijaya Shares held and one (1) Bonus Share for every four (4) Rights Shares subscribed for as at the entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue"); and
- (iii) Establishment of a bank guaranteed programme of up to RM500,000,000 nominal value of commercial papers ("CP")/medium term notes ("MTN") with an option to issue detachable warrants, as the Board may determine at a later date ("Warrants") ("Proposed CP/MTN Programme").

In addition, the Company will also concurrently undertake the following proposals to facilitate the implementation of the Proposed Amalgamation Exercise:-

- (iv) Increase in the authorised share capital of the Company ("Proposed IASC"); and

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(v) Amendments to the Memorandum and Articles of Association ("M&A") of the Company ("Proposed Amendments").

(The Proposed Acquisitions, Proposed Rights Issue, Proposed CP/MTN Programme, Proposed IASC and Proposed Amendments are collectively referred to as the "Proposals").

The Securities Commission had, vide its letter dated 11 May 2012, granted its approval for the issuance of up to RM850,000,000 nominal value of RCULS.

Pursuant to the Proposed Acquisitions, the Company had on 6 July 2012, entered into 26 conditional property lease agreements with various parties related to TSDTCS for the letting/tenancy of various properties to be acquired by the Company, after taking into consideration the lettable areas already tenanted by external parties ("Lease Arrangements"). The Company had on the same date, entered into a deed of rescission with Intan Recreation Sdn Bhd ("IRSB") to rescind the SPA for the acquisition of certain properties held by IRSB. Simultaneously, the Company had entered into a share sale agreement with TSDTCS and Puan Sri Datin Chan Shao Tsiu ("collectively the "IRSB Vendors") for the acquisition by the Company of the entire issued and paid-up share capital of IRSB for a purchase consideration of RM168,068,456 ("Revised Purchase Consideration") to be satisfied via the issuance of RCULS at 100% of their nominal value ("Variation").

The Company had further, on even date, entered into a supplemental agreement to the AEA to accommodate the Variation. Accordingly, the Proposed Acquisitions will hereinafter include the Lease Arrangements and Variation.

The Company had on even date, announced to undertake the Proposed CP/MTN Programme without the issuance of detachable warrants.

Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 18 July 2012, given its approval-in-principle for the following:-

- (a) the listing of and quotation for up to 491,302,655 Rights Shares and up to 122,825,664 Bonus Shares to be issued pursuant to the Proposed Rights Issue;
- (b) the listing of and quotation for up to 653,846,153 new Shares to be issued pursuant to the conversion of the RCULS;
- (c) the listing of and quotation for up to 30,907,665 additional Warrants 2009/2019 to be issued pursuant to the adjustment under the deed poll dated 28 October 2009 constituting the Warrants 2009/2019 as a result of the Proposed Rights Issue; and
- (d) the listing of and quotation for up to 30,907,665 new Shares to be issued pursuant to the exercise of the additional Warrants 2009/2019.

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on the Main Market of Bursa Securities subject to, inter-alia, the following conditions:-

- (a) Dijaya and its adviser must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Rights Issue;
- (b) Dijaya and its adviser to inform Bursa Securities upon the completion of the Proposed Rights Issue; and
- (c) Dijaya to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; and
- (d) Dijaya to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of quarter together with details of computation of listing fees payable.

The Circular in relation to the Proposals was issued on 19 July 2012 and the Company has obtained its shareholders' approval in relation to the Proposals in its Extraordinary General Meeting held on 10 August 2012.

As at the date of this report, the Proposals are expected to be completed in the fourth quarter of year 2012.

- 4) As announced on 7 October 2011, Ace Rhythm Sdn Bhd (now known as Tropicana KL Development Sdn Bhd) ("ARSB"), a 99.99% owned subsidiary of the Company had, on the same date, entered into the following agreements:
  - (a) a conditional sale and purchase agreement between ARSB and G.P.Y. (Holding) Sdn Bhd ("GPY"), wherein GPY shall sell and ARSB shall purchase two (2) parcels of freehold vacant land held under GRN 28463, Lot 779 and GRN 28423, Lot 780, all in Seksyen 0057, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan thereon for a total cash consideration of RM22,129,936; and
  - (b) a conditional sale and purchase agreement between ARSB and the vendors, Ong Soo Keok, and the executors of the estate of Loh Ah Moy, namely Ong Ghee Sai, Ong Ghee Soon and Ong Soo Keok ("Vendors"), wherein the Vendors shall sell and ARSB shall purchase a parcel of freehold vacant land held under GRN 28425, Lot 784, Seksyen 0057, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan together with the building erected thereon for a total cash consideration of RM43,123,200.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the fourth quarter of year 2012.

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- 5) As announced on 5 September 2011, Tropicana City Service Suites Sdn Bhd (now known as Tropicana Kajang Hill Sdn Bhd) ("TCSS"), a company in which the Company is the ultimate holding company, had, on the same date, entered into a conditional sale and purchase agreement with Taiyo Resort (KL) Berhad ("TRB"), wherein TRB has agreed to sell and TCSS has agreed to purchase five (5) parcels of freehold land held under the following individual title:
- (a) H.S.(D) 68253 PT 14533, Mukim Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 14,669.9991 square metres;
  - (b) H.S.(D) 68256 PT 14536, Mukim Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 710,939.9573 square metres;
  - (c) Geran 63194, Lot No. 12683 (formerly H.S.(D) 68257 PT 14537), Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 28,657 square metres;
  - (d) Geran 53170, Lot No. 1258, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 29,313.9982 square metres; and
  - (e) Geran 27675, Lot No. 32, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring in area approximately 19,880.1506 square metres,

for a total cash consideration of RM228,000,000 or approximately RM26.36 per square foot.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the fourth quarter of year 2012.

- 6) As announced on 15 August 2011, Accroway Sdn Bhd (now known as Dijaya Tropicana Cove Sdn Bhd), a wholly-owned subsidiary of the Company had, on the same date, entered into a Shareholders' Agreement with Iskandar Waterfront Sdn Bhd, to regulate their relationships as shareholders of Magical Heights Sdn Bhd (now known as Tropicana Danga Cove Sdn Bhd) ("MH SB" or the "Purchaser") in undertaking the development of the freehold land in Mukim Plentong, Daerah Johor Bahru, with a potential gross development area of approximately 227 acres; and MH SB had, on the same date entered into a conditional Sale and Purchase Agreement with Trident World Sdn Bhd ("TWSB") to acquire the following:
- (a) 1,236 plots of undeveloped vacant subdivided building lots for commercial and residential development for a cash consideration of RM165,000,000, for an existing title area of 125 acres (excluding additional 212 plots of land which is designated for public utilities measuring approximately 374,643 square feet or 8.6 acres in total ("Designated Land")) ("Property 1"); and
  - (b) 190 plots of land with incomplete 3 storey shop apartments, semi-detached and bungalow buildings in various stages of construction erected thereon it measuring approximately 631,784 square feet of 14.5 acres in total, for a cash consideration of RM55,000,000 for an existing title area of 15 acres ("Property 2").

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Based on a power of attorney granted by TWSB, MHSB shall proceed to revise the development planning of Property 1 and Property 2 (including the Designated Land) and re-submit the necessary application to the relevant authorities to seek a revised planning approval ("Revised KM"). With the Revised KM, Property 1 and Property 2 collectively will have a revised aggregate potential gross area of approximately 227 acres. Based on the aggregate potential gross area of approximately 227 acres, the cash consideration for Property 1 and Property 2 collectively shall be approximately RM22.25 per square foot.

As at the date of this report, the above-mentioned proposed land acquisitions are still pending completion and the completion date is expected to be in the fourth quarter of year 2012.

**B7. Borrowings**

	As at 30/06/12 RM'000	As at 31/12/11 RM'000
Secured short term borrowings	180,599	145,729
Secured long term borrowings	855,501	845,625
	1,036,100	991,354

All of the above borrowings are denominated in Ringgit Malaysia.

**B8. Material litigation**

As at 23 August 2012, being 7 days prior to the date of this report, there has been no material litigation of which the value exceeds 5% of the Group's net tangible assets.

**B9. Dividend payable**

There was no dividend proposed for the quarter under review.

**B10. Earnings per share**

a) Basic earnings per ordinary share

Basic earnings per share amounts were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	30/06/12	30/06/11	30/06/12	30/06/11
Profit attributable to ordinary equity holders of the Company (RM'000)	107,194	20,757	119,530	38,891
Weighted average number of ordinary shares in issue ('000)	460,615	455,000	459,879	455,000
Basic earnings per share (sen)	23.27	4.56	25.99	8.55



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(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS and the Warrants.

	Individual quarter		Year to date	
	30/06/12	30/06/11	30/06/12	30/06/11
Profit attributable to ordinary equity holders of the Company (RM'000)	107,194	20,757	119,530	38,891
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	460,615	455,000	459,879	455,000
Effects of dilution :				
- ESOS ('000)	20,872	-	20,872	-
- Warrants ('000)	129,810	-	129,810	-
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	611,297	455,000	610,561	455,000
Diluted earnings per share (sen)	17.53	4.56	19.58	8.55

**B11. Realised/Unrealised Retained Profits/Losses**

	Current Quarter RM'000	Immediate preceding quarter RM'000
Total retained profits of the Group:		
- Realised	359,486	67,498
- Unrealised	(152,025)	23,991
	207,461	91,489
Total share of retained earnings from associate		
- Realised	23,744	23,441
Total share of retained earnings from jointly controlled entities		
- Realised	(460)	(137)
Consolidation Adjustment	(28,452)	(19,971)
<b>Total retained profits c/f</b>	<b>202,293</b>	<b>94,822</b>

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**B12. Notes to the Statement of Comprehensive Income**

	Individual quarter 30/06/12 RM'000	Year to date 30/06/12 RM'000
Profit for the period is arrived at after crediting/(charging):-		
Interest income	998	1,796
Other income including investment income	136,062	140,344
Interest expense	(4,741)	(9,329)
Depreciation and amortisation	(4,034)	(8,052)
Provision for and write off of receivables	-	-
Gain/(loss) on disposal of quoted investment	(1,142)	(1,977)
Impairment of assets (fair value adjustments)	(3,023)	(2,268)
Foreign exchange gain/(loss)	-	217

**B13. Authorisation for issue**

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 29 August 2012.