

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 year ended 30 June 2001.

PRINCIPAL ACTIVITIES

The Company is principally engaged in property development and investment holding. The principal activities of the subsidiary and associated companies are set out in Notes 10 and 11 to the financial statements.

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

FINANCIAL RESULTS

	Group	Company
	RM'000	RM'000
Profit for the year	20,289	23,133
Retained profits brought forward	81,976	79,967
Profits available for appropriation	102,265	103,100
Realisation of revaluation reserve	3,331	3,331
Proposed dividends	(6,235)	(6,235)
Retained profits carried forward	99,361	100,196

There were no material transfers to or from reserves or provisions during the 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.

Directors' Report (Contd.)

DIVIDENDS

During the year, the Company paid a first and final dividend of 4% less tax at 28%, amounting to RM5,201,000 in respect of the previous financial year as proposed in the Directors' Report of that year.

The Directors recommend a first and final dividends of 4% comprising of 2% tax exempt and 2% less tax at 28%, amounting to RM3,625,000 and RM2,610,000 respectively for the year ended 30 June 2001.

SHARE CAPITAL

During the year, the issued and fully paid up share capital of the Company was increased from 180,579,000 shares to 181,263,000 shares by the issue of 684,000 new ordinary shares of RM1 each pursuant to the Employees' Share Option Scheme.

EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 22 October 1998, the shareholders of the Company approved the establishment of an Employees' Share Option Scheme. The scheme was approved by the Securities Commission on 12 November 1998. The main features of the scheme are as follows:

- (a) Eligible employees are those employees, full time salaried Executive Directors and foreign executive employees of the Group, who have been confirmed with at least one year of full continuous service in the Group prior to the date of offer;
- (b) The aggregate number of shares to be issued under the scheme shall not exceed 10% of the total issued capital of the Company at any point during the existence of the scheme;
- (c) Each option is for a period of five years commencing from the date of offer of the option;
- (d) The options may be exercised in full or in lesser number of shares provided that the number shall be in the multiples of 1,000 shares; and
- (e) The price at which the options are to be exercised shall be the average of the mean market quotation of the Company's shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the date of offer.

During the financial year, 2,473,000 options for subscription of new ordinary shares were created, whilst 723,000 options were forfeited. At 30 June 2001, the options to subscribe for 5,416,000 new ordinary shares of RM1 each pursuant to the Employees' Share Option Scheme remained unexercised. The exercise prices for these options range from RM1 to RM2.06.

Directors' Report (Contd.)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) The Group acquired an additional 11% equity interest in Broadfields II Pty Ltd, a company incorporated in Australia for a cash consideration of approximately RM690,000. This acquisition increased the Group's equity interest in the subsidiary from 51% to 62%.
- (ii) The Group disposed of its 51% equity interest in Winnock Investments (Pty) Ltd, a company incorporated in South Africa for a cash consideration of approximately RM76,000.
- (iii) The Group disposed of its investment in Four Ways Crossing Retail Centre (Pty) Ltd for a cash consideration of approximately RM12,070,000.

DIRECTORS

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

Tan Sri Dato' Lee Soon Seng @ Lee San Choon, PMN, SPMJ, SSIJ, KMN
Yam Kong Choy
Jeswant Natarajan
Tee Keng Hoon
Dato' Haji Salamon bin Selamat, DPMS, SSA, AMS, PJK
Dato' Ir Haji Abu Bakar bin Haji Mohd Amin, DPMS, DPMP, KMM, PJK, JP
Yeoh Poh Suan
Sneah Kar Loon (Appointed on 31.7.2001)
John Hamilton McLean (Resigned on 31.7.2001)

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 Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than by virtue of the Employees' Share Option Scheme.

Directors' Report (Contd.)

DIRECTORS (CONTD.)

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act 1965, an interest in shares in the Company and options over shares in the Company pursuant to the Employees' Share Option Scheme, as stated below:

	Ordinary Shares of RM1 each			As at 30.6.2001
	As at 1.7.2000	During the year		
		Acquired	Disposed	
Direct interest				
Tan Sri Dato' Lee Soon Seng				
@ Lee San Choon	3,500,000	-	(2,000,000)	1,500,000
Yam Kong Choy	212,000	-	-	212,000
Yeoh Poh Suan	181,000	-	-	181,000
Dato' Haji Salamon bin Selamat	196,000	-	(143,000)	53,000
Deemed interest				
Yam Kong Choy	30,000,000	-	-	30,000,000
Yeoh Poh Suan	30,000,000	-	-	30,000,000
Options to subscribe for ordinary shares of RM1 each in the Company				
	As at 1.7.2000	During the year		As at 30.6.2001
		Granted	Exercised	
Direct interest				
Yam Kong Choy	800,000	-	-	800,000
Yeoh Poh Suan	315,000	-	-	315,000

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Group and of the Company) by reason of a contract made by the Group and 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.

Directors' Report (Contd.)

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision has been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) ~~substantial~~ ~~extensive~~ ~~any~~ bad debt or the amount of the provision for doubtful debts in the Group and the Company inadequate to any
 - (ii) the values attributed to 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 and consolidated financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and 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 liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

Directors' Report (Contd.)

OTHER STATUTORY INFORMATION (CONTD.)

(f) In the opinion of the Directors:

- (i) no contingent liability 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 and of the Company to meet their obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

On behalf of the Board,

TAN SRI DATO' LEE SOON SENG

@ LEE SAN CHOON

Director

YAM KONG CHOY

Director

Kuala Lumpur, Malaysia

30 August 2001

Statement By Directors

Pursuant To Section 169(15) Of The Companies Act 1965

We, **TAN SRI DATO' LEE SOON SENG @ LEE SAN CHOON** and **YAM KONG CHOY**, being two of the Directors of **SUNRISE BERHAD**, do hereby state that in the opinion of the Directors, the financial statements set out on pages 49 to 83 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the financial position of the Group and of the Company as at 30 June 2001 and of the results of the Group and of the Company for the year ended on that date; and
- (ii) the cash flows of the Group and of the Company for the year ended 30 June 2001.

On behalf of the Board,

**TAN SRI DATO' LEE SOON SENG
@ LEE SAN CHOON
Director**

**YAM KONG CHOY
Director**

**Kuala Lumpur, Malaysia
30 August 2001**

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act 1965

I, **SIEW CHEE SENG**, being the Officer primarily responsible for the accounting records and financial management of **SUNRISE BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 49 to 83 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 **SIEW CHEE SENG** at Kuala Lumpur in the Federal Territory on **30 August 2001**.

SIEW CHEE SENG

Before me,

Zainal Abidin Bin Md. Noor (PPN)
(No W254)
Commissioner for Oaths

Report Of The Auditors

To The Members Of Sunrise Berhad

We have audited the financial statements set out on pages 49 to 83. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 30 June 2001 and of the results and cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements of the Group and of the Company.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the Auditors' Report of the subsidiary companies for which we have not acted as auditors as indicated in Note 10 to the financial statements, being financial statements which are included in the consolidated financial statements.

Report Of The Auditors (Contd.)

To The Members Of Sunrise Berhad

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

The Auditors' Reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act 1965.

ERNST & YOUNG AF: 0039
Public Accountants

See Huey Beng 1495/03/03 (J)
Partner

Kuala Lumpur, Malaysia
30 August 2001

Income Statements

for the year ended 30 June 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	3	102,374	153,657	80,149	134,652
Cost of sales		(53,636)	(99,275)	(41,208)	(89,295)
Gross profit		48,738	54,382	38,941	45,357
Administrative expenses		(6,451)	(4,653)	(2,693)	(1,490)
Other operating expenses		(16,696)	(16,046)	(7,473)	(7,064)
Profit from operations		25,591	33,683	28,775	36,803
Other income		9,558	12,454	3,588	3,197
Finance costs		(4,943)	(2,885)	(695)	(524)
Share of losses in associated companies		(794)	(64)	-	-
Profit before taxation	4	29,412	43,188	31,668	39,476
Taxation	5	(9,120)	(12,601)	(8,535)	(11,065)
Profit after taxation		20,292	30,587	23,133	28,411
Minority interests		(3)	1,750	-	-
Profit attributable to shareholders of the Company		20,289	32,337	23,133	28,411
Earnings Per Share (sen)	6				
- Basic		11.21	19.22		
- Fully Diluted		7.91	13.23		
Dividends Per Share (sen)	7	3.44	2.88	3.44	2.88

The annexed notes form an integral part of these financial statements.

Balance Sheets

as at 30 June 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
FIXED ASSETS	8	98,281	254,716	7,746	9,806
LAND HELD FOR DEVELOPMENT	9	228,957	27,992	-	-
SUBSIDIARY COMPANIES	10	-	-	7,712	7,554
ASSOCIATED COMPANIES	11	2,977	1,965	-	-
DEFERRED EXPENDITURE	12	-	356	-	-
		330,215	285,029	15,458	17,360
CURRENT ASSETS					
Properties under development	13	190,440	190,604	57,682	46,925
Stocks	14	15,340	21,396	14,712	19,862
Debtors	15	32,229	71,842	375,028	357,913
Investments	16	18,279	34,530	14,234	28,193
Cash and bank balances	17	13,794	21,097	5,211	15,247
		270,082	339,469	466,867	468,140
CURRENT LIABILITIES					
Creditors	18	60,386	78,466	34,580	53,807
Bank borrowings	19	68,358	70,325	44,558	33,202
Provision for taxation		6,482	9,955	5,616	9,036
Proposed dividends		6,235	5,201	6,235	5,201
		141,461	163,947	90,989	101,246
NET CURRENT ASSETS		128,621	175,522	375,878	366,894
		458,836	460,551	391,336	384,254
Financed by:					
SHARE CAPITAL	20	181,263	180,579	181,263	180,579
RESERVES	21	118,377	108,758	119,170	102,272
		299,640	289,337	300,433	282,851
LOAN STOCK (UNSECURED)	22	89,000	89,000	89,000	89,000
LONG TERM LIABILITIES	23	70,196	79,528	1,903	12,403
MINORITY INTERESTS		-	2,686	-	-
		458,836	460,551	391,336	384,254

The annexed notes form an integral part of these financial statements.

Cash Flow Statements

for the year ended 30 June 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	29,412	43,188	31,668	39,476
Adjustments for:				
Gain on disposal of investments	(5,586)	-	-	-
(Gain) / loss on disposal of fixed assets	(649)	(5)	(650)	19
Loss on disposal of subsidiary company	687	115	-	-
Movement on foreign exchange translation	(739)	(888)	-	-
Deferred expenditure written off	356	-	-	-
Gross dividend income	-	(8,944)	-	(160)
Depreciation of fixed assets	1,744	1,470	771	604
Share of losses in associated companies	794	64	-	-
Interest income	(1,664)	(1,303)	(1,451)	(1,641)
Interest expense	4,943	2,885	695	524
Operating profit before working capital changes	29,298	36,582	31,033	38,822
Changes in working capital:				
Properties under development	1,786	(8,552)	(10,757)	(15,508)
Stocks	6,056	(19,377)	5,150	(17,843)
Debtors	30,189	(4,849)	9,387	(21,484)
Creditors	(23,204)	37,389	(25,582)	27,905
Subsidiary companies	-	-	(26,069)	(1,404)
Cash generated from / (used in) operations	44,125	41,193	(16,838)	10,488
Interest paid	(4,943)	(2,885)	(695)	(524)
Interest received	1,664	1,303	1,451	1,641
Dividend received	-	-	-	160
Taxation paid	(12,375)	(9,771)	(11,831)	(9,313)
Development expenditure incurred on land held for development	(27,899)	19,549	-	11,177
Net cash generated from / (used in) operating activities	572	49,389	(27,913)	13,629

Cash Flow Statements (Contd.)

for the year ended 30 June 2001

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of fixed assets	3,583	212	3,471	230
Purchase of fixed assets	(22,534)	(18,996)	(1,157)	(1,447)
Purchase of investments	(9,706)	-	(6,015)	-
Deferred expenditure incurred	-	(310)	-	-
Acquisition of shares in associated company	(179)	(615)	-	-
Acquisition of shares from minority shareholders	-	(60)	-	-
Proceeds from disposal of investments	5,586	-	-	-
Proceeds from disposal of associated company	-	2	-	-
(Advance to) / repayment by associated company	(1,627)	759	-	-
Disposal of subsidiary company, net of cash disposed	(2,283)	-	-	-
Net cash used in investing activities	(27,160)	(19,008)	(3,701)	(1,217)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of term loans	(2,875)	(19,311)	-	(10,500)
Repayment of revolving credits	-	(10,000)	-	(10,000)
Repayment of loans to minority shareholders	(5,323)	(1,791)	-	-
Dividend paid	(5,201)	(4,820)	(5,201)	(4,820)
Proceeds from issue of shares	684	36,769	684	36,769
Investment in subsidiary companies	-	-	(158)	-
Payment of hire purchase and lease creditors	(230)	(135)	(217)	(121)
Net cash (used in) / generated from financing activities	(12,945)	712	(4,892)	11,328

Cash Flow Statements (Contd.)

for the year ended 30 June 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Net (decrease) / increase in cash and cash equivalents		(39,533)	31,093	(36,506)	23,740
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		54,202	23,109	42,238	18,498
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	14,669	54,202	5,732	42,238
					Group 2001 RM'000
Analysis of the disposal of subsidiary company:					
Debtors					9,424
Cash and bank balances					2,359
Creditors					(824)
Long term liabilities					(3,858)
Minority interest					(2,689)
Share of net assets disposed					4,412
Reserve on consolidation					(3,649)
Loss on disposal					(687)
Total sales consideration					76
Less: Cash and bank balances					(2,359)
Disposal of subsidiary company, net of cash disposed					(2,283)

The annexed notes form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

for the year ended 30 June 2001

Group	Share capital RM'000	Non-distributable reserves			Consolidation reserve RM'000	Distributable reserve	Total RM'000
		Revaluation reserve RM'000	Share premium RM'000	Exchange reserve RM'000		Retained profits RM'000	
At 1 July 1999	80,341	6,136	326	687	3,649	135,181	226,320
Pursuant to ESOS	3,725	-	11	-	-	-	3,736
Private placement of shares	16,172	-	17,142	-	-	-	33,314
Share issue expenses	-	-	(281)	-	-	-	(281)
Bonus issue	80,341	-	-	-	-	(80,341)	-
Translation of financial statements of foreign subsidiaries	-	-	-	(888)	-	-	(888)
Profit for the year	-	-	-	-	-	32,337	32,337
Dividend (Note 7)	-	-	-	-	-	(5,201)	(5,201)
At 30 June 2000	180,579	6,136	17,198	(201)	3,649	81,976	289,337
At 1 July 2000	180,579	6,136	17,198	(201)	3,649	81,976	289,337
Pursuant to ESOS	684	-	-	-	-	-	684
Realisation of revaluation reserve	-	(3,331)	-	-	-	3,331	-
Translation of financial statements of foreign subsidiaries	-	-	-	(786)	-	-	(786)
Disposal of subsidiary company	-	-	-	-	(3,649)	-	(3,649)
Profit for the year	-	-	-	-	-	20,289	20,289
Dividends (Note 7)	-	-	-	-	-	(6,235)	(6,235)
At 30 June 2001	181,263	2,805	17,198	(987)	-	99,361	299,640

The annexed notes form an integral part of these financial statements.

Statement Of Changes In Equity

for the year ended 30 June 2001

Company	Share capital RM'000	Non-distributable reserves		Distributable reserve	Total RM'000
		Revaluation reserve RM'000	Share premium RM'000	Retained profits RM'000	
At 1 July 1999	80,341	6,136	326	136,069	222,872
Pursuant to ESOS	3,725	-	11	-	3,736
Realisation of revaluation reserve	-	(1,029)	-	1,029	-
Private placement of shares	16,172	-	17,142	-	33,314
Share issue expenses	-	-	(281)	-	(281)
Bonus issue	80,341	-	-	(80,341)	-
Profit for the year	-	-	-	28,411	28,411
Dividend (Note 7)	-	-	-	(5,201)	(5,201)
At 30 June 2000	180,579	5,107	17,198	79,967	282,851
At 1 July 2000	180,579	5,107	17,198	79,967	282,851
Pursuant to ESOS	684	-	-	-	684
Realisation of revaluation reserve	-	(3,331)	-	3,331	-
Profit for the year	-	-	-	23,133	23,133
Dividends (Note 7)	-	-	-	(6,235)	(6,235)
At 30 June 2001	181,263	1,776	17,198	100,196	300,433

The annexed notes form an integral part of these financial statements.

Notes To The Financial Statements

30 June 2001

1. GENERAL

The principal activities of the Company are property development and investment holding. The principal activities of the subsidiary companies are disclosed in Note 10 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies for the year ended 30 June. The results of the subsidiary companies acquired or disposed are included in the consolidated financial statements from the date of acquisition or up to the date of disposal as appropriate.

The difference between the consideration paid for shares in subsidiary companies and the fair value of the attributable net assets acquired is reflected as goodwill or reserve on consolidation as appropriate and is dealt with through reserves in the year of acquisition.

(c) Subsidiary Companies

Investment in subsidiary companies is stated at cost unless in the opinion of the Directors there has been a permanent diminution in value, in which case, provision is made for the diminution in value.

(d) Associated Companies

Associated company is a company not being a subsidiary company, in which the Group has a long term equity interest of not less than 20 per cent and where it exercises significant influence over financial and operating policies.

The Group equity accounts for its share of post acquisition results and reserves of associated companies based on the latest audited or management financial statements.

Under the equity method of accounting, the Group's share of results of the associated company for the year is recognised in the income statement. The Group's investment in associated company is carried in the balance sheet at an amount that reflects its share of net assets of the associated company and includes the premium paid or discount on acquisition.

Equity accounting is discontinued when the Group's share of losses of the associated company exceeds the carrying amount of the investment, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Notes To The Financial Statements (Contd.)

30 June 2001

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost or valuation, less accumulated depreciation. No amortisation is provided on freehold land and capital work-in-progress. No depreciation is charged on commercial complex and long term leasehold land with an unexpired lease period exceeding 50 years, as the Directors consider that the economic lives of these properties and residual values are such that the depreciation is not significant.

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the estimated useful lives of the assets concerned. The annual rates used are as follows:

Site equipment	20%
Motor vehicles	20%
Office equipment, furniture, fixtures and fittings	10% - 20%

The carrying amounts of fixed assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amounts, assets are written down to their recoverable amounts.

(f) Land Held for Development

Land and development expenditure are reflected as long term assets unless significant development has been undertaken and is expected to be completed within the normal operating cycle, in which case such land and development expenditure are reflected as property under development.

The carrying amounts of land held for development are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amounts, the land held for development are written down to their recoverable amounts.

(g) Properties Under Development

This is stated at cost, and where appropriate, include attributable profits less progress billings received and receivable. Cost includes the cost of land, development expenditure, interest charges related to the financing of the development and an allocation of direct overhead expenditure. Profit on properties under development is recognised on a percentage of completion method determined by way of comparison between accumulated actual cost to date against total estimated cost of development. Full provision is made for anticipated loss.

(h) Stocks

Stocks of unsold development properties and furnishing products are valued at the lower of cost and net realisable value.

Retail stocks are valued at the lower of cost and net realisable value.

Notes To The Financial Statements (Contd.)

30 June 2001

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(i) Investments

Short term investments are stated at lower of cost and net realisable value.

(j) Finance Lease

Assets acquired under leasing arrangements which transfer substantially all the risks and rewards of ownership (i.e. finance leases) are capitalised as fixed assets and the corresponding obligations are treated as liabilities. Financing charges arising from finance leases are charged to the income statement over the terms of the leases.

(k) Deferred Taxation

Deferred taxation is provided for all material timing differences using the liability method except where it can be demonstrated with reasonable probability that the tax deferrals will continue in the foreseeable future. Debit balances are not recognised in the financial statements unless there is a reasonable expectation of realisation.

(l) Revenue Recognition

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

(i) Contract Revenue

Contract revenue from properties under development and construction contracts is recognised on the percentage of completion method determined by way of comparison between accumulated actual cost to date against total estimated cost.

(ii) Rental Revenue

Rental revenue is accounted for when the right to receive is established and no significant uncertainty exist with regard to its receipt. Rental revenue is accounted for on a cash basis where collectibility is in doubt.

(iii) Rendering of Services

Revenue from services are recognised when services are rendered and invoices issued to customers.

(iv) Retail Revenue

Revenue is recognised when significant risks and rewards of ownership of the goods have passed to the buyer.

(v) Dividends

Dividends are accounted for when the right to receive is established and no significant uncertainty exist with regard to their receipt.

Notes To The Financial Statements (Contd.)

30 June 2001

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(l) Revenue Recognition (Contd.)

(vi) Interest Income

Revenue is recognised as interest accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

(vii) Others

Management fees, contracted maintenance and landscaping works are recognised on accrual basis.

(m) Foreign Currencies

Transactions in foreign currencies are recorded in Ringgit Malaysia at the approximate rates of exchange ruling at the time of the transaction or at contracted rates where applicable. Foreign currency assets and liabilities are reported at the exchange rates ruling at the balance sheet date. All exchange differences are dealt with in the income statements.

Assets, liabilities and income statement items of foreign subsidiary companies are translated into Ringgit Malaysia at the rate of exchange ruling at the balance sheet date. The translation differences arising therefrom are taken to Exchange Reserve account.

The principal closing rates used in the translation of foreign subsidiaries' financial statements are as follows:

Foreign currency	30.6.2001 RM	30.6.2000 RM
1 Sterling Pound	5.3415	5.7695
1 Australian Dollar	1.9285	2.2810
1 South African Rand	0.4713	0.5568

(n) Borrowing Costs

Borrowing costs incurred on development property that require a substantial period of time to get ready for their intended use or sale are capitalised. Capitalisation of borrowing costs ceases when development of the property is completed.

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, deposits on demand and other short term investments, which are readily convertible to cash and are subject to insignificant risk of changes in value, less bank overdrafts.

Notes To The Financial Statements (Contd.)

30 June 2001

3. REVENUE

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property development	87,769	141,885	80,149	134,652
Property management	6,060	4,780	-	-
Interior designing and consultancy	4,086	6,047	-	-
Others	4,459	945	-	-
	102,374	153,657	80,149	134,652

4. PROFIT BEFORE TAXATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
This is arrived at after charging:				
Auditors' remuneration				
- current	137	115	60	59
- underprovision in prior year	19	-	1	-
Interest expense	4,943	2,885	695	524
Depreciation of fixed assets	1,744	1,470	771	604
Deferred expenditure written off	356	-	-	-
Directors' emoluments				
- fees	78	74	78	74
- remuneration	879	871	879	871
- benefits-in-kind	30	23	30	23
- other emoluments	10	16	10	16
Consultancy fees paid to a company in which a Director has an interest	144	144	144	144
Rent of premises	708	63	104	325
Loss on disposal of associated companies	-	115	-	-
Loss on disposal of subsidiary company	687	-	-	-
Loss on disposal of fixed assets	-	-	-	19
Provision for doubtful debts	395	9	-	-
Realised loss on foreign exchange	2,275	1,816	-	-
Unrealised loss on foreign exchange	86	-	-	-

Notes To The Financial Statements (Contd.)

30 June 2001

4. PROFIT BEFORE TAXATION (CONTD.)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
And crediting:				
Dividend income	-	8,944	-	160
Bad debts recovered	-	56	-	43
Gain on disposal of investments	5,586	-	-	-
Gain on disposal of fixed assets	649	5	650	-
Interest income	1,664	1,303	1,451	1,641
Rental income from motor vehicles and office equipment	71	-	71	67
Rent of premises	879	1,086	632	935
Realised gain on foreign exchange	33	-	-	-

5. TAXATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Taxation based on results for the year:				
Malaysian				
- current	8,860	11,334	8,411	11,015
- deferred	218	(74)	124	-
- underprovision in prior years	42	347	-	50
	9,120	11,607	8,535	11,065
Foreign				
- current	-	994	-	-
	9,120	12,601	8,535	11,065

Notes To The Financial Statements (Contd.)

30 June 2001

6. EARNINGS PER SHARE

	Group	
	2001	2000
Basic Earnings Per Share		
Profit after taxation, minority interests (RM'000)	20,289	32,337
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	181,030	168,240
Basic earnings per share (sen)	11.21	19.22
Fully Diluted Earnings Per Share		
Profit after taxation, minority interests (RM'000)	20,289	32,337
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	181,030	168,240
Adjustments for:		
- conversion of ICULS to ordinary shares ('000)	74,167	74,167
- conversion of options under ESOS to ordinary shares ('000)	1,223	2,015
	256,420	244,422
Diluted earnings per share (sen)	7.91	13.23

Notes To The Financial Statements (Contd.)

30 June 2001

7. DIVIDENDS

	Group/Company			
	2001		2000	
	Sen per share	RM'000	Sen per share	RM'000
Proposed first and final dividends				
- 2% (2000: 4%) less tax at 28%	1.44	2,610	2.88	5,201
- 2% tax exempt	2.00	3,625	-	-
	3.44	6,235	2.88	5,201

8. FIXED ASSETS

Group	Office equipment,							Total RM'000
	Freehold land RM'000	Long term leasehold land RM'000	Commercial complex RM'000	Site equipment RM'000	Motor vehicles RM'000	furniture, fixtures and fittings RM'000	Capital work-in- progress RM'000	
Net Book Value								
At 1 July 1999	24,330	166,628	-	7,069	470	917	41,583	240,997
Additions	30	8,337	-	32	458	2,076	8,063	18,996
Disposals	-	-	-	(73)	-	(134)	-	(207)
Depreciation charge	-	-	-	(2,420)	(255)	(496)	-	(3,171)
Reclassification	(6,214)	(1,899)	55,860	-	-	-	(49,646)	(1,899)
At 30 June 2000	18,146	173,066	55,860	4,608	673	2,363	-	254,716

Notes To The Financial Statements (Contd.)

30 June 2001

8. FIXED ASSETS (CONTD.)

Group	Long term				Office equipment,			Total RM'000
	Freehold land RM'000	leasehold land RM'000	Commercial complex RM'000	Site equipment RM'000	Motor vehicles RM'000	furniture, fixtures and fittings RM'000	Capital work-in- progress RM'000	
At 30 June 2000	18,146	173,066	55,860	4,608	673	2,363	-	254,716
Additions	9,177	11,599	-	616	556	1,030	-	22,978
Disposals	(2,818)	-	-	-	-	(116)	-	(2,934)
Depreciation charge	-	-	-	(2,390)	(381)	(595)	-	(3,366)
Reclassification	-	(173,066)	-	223	-	(223)	-	(173,066)
Currency translation differences	-	-	-	(36)	(11)	-	-	(47)
At 30 June 2001	24,505	11,599	55,860	3,021	837	2,459	-	98,281
At 30 June 2000								
Cost	12,266	173,066	55,860	14,188	3,048	4,666	-	263,094
Valuation	5,880	-	-	-	-	-	-	5,880
Accumulated depreciation	-	-	-	(9,580)	(2,375)	(2,303)	-	(14,258)
Net book value	18,146	173,066	55,860	4,608	673	2,363	-	254,716
At 30 June 2001								
Cost	21,005	11,599	55,860	15,000	3,171	5,163	-	111,798
Valuation	3,500	-	-	-	-	-	-	3,500
Accumulated depreciation	-	-	-	(11,979)	(2,334)	(2,704)	-	(17,017)
Net book value	24,505	11,599	55,860	3,021	837	2,459	-	98,281

Notes To The Financial Statements (Contd.)

30 June 2001

8. FIXED ASSETS (CONTD.)

Company	Freehold	Site	Motor	Office equipment,	Total
	land	equipment	vehicles	furniture,	
	RM'000	RM'000	RM'000	fixtures and fittings	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Net Book Value					
At 1 July 1999	7,774	144	414	638	8,970
Additions	-	-	378	1,312	1,690
Disposals	-	(2)	-	(126)	(128)
Depreciation charge	-	(133)	(222)	(371)	(726)
At 30 June 2000	7,774	9	570	1,453	9,806
Additions	437	-	458	637	1,532
Disposals	(2,817)	-	-	(4)	(2,821)
Depreciation charge	-	(7)	(348)	(416)	(771)
At 30 June 2001	5,394	2	680	1,670	7,746
At 30 June 2000					
Cost	1,894	2,734	2,810	3,289	10,727
Valuation	5,880	-	-	-	5,880
Accumulated depreciation	-	(2,725)	(2,240)	(1,836)	(6,801)
Net book value	7,774	9	570	1,453	9,806
At 30 June 2001					
Cost	1,894	2,734	2,850	3,848	11,326
Valuation	3,500	-	-	-	3,500
Accumulated depreciation	-	(2,732)	(2,170)	(2,178)	(7,080)
Net book value	5,394	2	680	1,670	7,746

Notes To The Financial Statements (Contd.)

30 June 2001

8. FIXED ASSETS (CONTD.)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Net book value of revalued freehold land, had these assets been carried at cost less accumulated depreciation	1,724	2,348	1,724	2,348

(a) The freehold land was valued by the Directors on an open market value for existing use based on a valuation carried out by independent professional valuers in 1996.

The Group and the Company have applied certain transitional provisions in the standard on property, plant and equipment whereby these assets are stated on the basis of their previous valuation (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amounts) if the Group and the Company do not adopt a policy of revaluing fixed assets.

(b) At the end of the financial year, the net book value of the Group's assets acquired through hire purchase contracts amounted to RM712,000 (2000: RM538,000).

9. LAND HELD FOR DEVELOPMENT

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Freehold land, at cost	31,747	17,743	-	-
Long leasehold land, at cost	138,837	-	-	-
Development expenditure	58,373	10,249	-	-
	228,957	27,992	-	-
Included in development expenditure for the year is:				
Interest expense	3,740	-	-	-

Notes To The Financial Statements (Contd.)

30 June 2001

9. LAND HELD FOR DEVELOPMENT (CONTD.)

Certain pieces of freehold land of the Group with a net book value of RM8,232,000 (2000: RM5,772,000) are charged to financial institutions as security for banking facilities granted to the Group.

The long leasehold land of the Group is charged to financial institutions as security for banking facilities granted to the Group.

Included in land held for development are RM138,837,000 of long leasehold land and RM34,230,000 of development expenditure reclassified from fixed assets.

10. SUBSIDIARY COMPANIES

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	7,712	7,554

The subsidiary companies are as follows:

Name	Country of Incorporation	Principal Activities	Percentage of Equity	
			2001 %	2000 %
Aston Star Sdn Bhd	Malaysia	Property investment, development and construction	100	100
Cekap Kawal Sdn Bhd	Malaysia	Provision of security services	100	100
Crescent Phase I Ltd**	British Virgin Islands	Investment holding	100	100
Crescent Phase II Ltd**	British Virgin Islands	Dormant	100	100

Notes To The Financial Statements (Contd.)

30 June 2001

10. SUBSIDIARY COMPANIES (CONTD.)

Name	Country of Incorporation	Principal Activities	Percentage of Equity	
			2001 %	2000 %
Interior Design One Sdn Bhd (formerly known as Designways Sdn Bhd)	Malaysia	General contracting, interior designing and consultancy	100	100
Lucky Bright Star Sdn Bhd	Malaysia	Property investment and development	100	100
Milik Harta Sdn Bhd	Malaysia	Property development	100	100
Millennium Assets Sdn Bhd	Malaysia	Property development	100	100
MK Property Sdn Bhd	Malaysia	Property development	100	100
New Planet Trading Sdn Bhd	Malaysia	Property investment and development	100	100
SCM Property Services Sdn Bhd	Malaysia	Property management	100	100
Solid Performance Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Alliance Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Assets Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Benchmark Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Century Sdn Bhd	Malaysia	Dormant	100	100

Notes To The Financial Statements (Contd.)

30 June 2001

10. SUBSIDIARY COMPANIES (CONTD.)

Name	Country of Incorporation	Principal Activities	Percentage of Equity	
			2001 %	2000 %
Sunrise dotCom Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Facilities Management Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Future Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Hospitality and Leisure Sdn Bhd	Malaysia	Provision of property related and ancillary services	100	100
Sunrise Incubation Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Innovations Sdn Bhd	Malaysia	Property development	100	100
Sunrise KHP Sdn Bhd	Malaysia	Property investment and development	100	100
Sunrise Landmark Sdn Bhd	Malaysia	Property development	100	100
Sunrise Mersing Sdn Bhd	Malaysia	Property development	100	100
Sunrise Millennium Sdn Bhd	Malaysia	Dormant	100	100
Sunrise Oscar Sdn Bhd	Malaysia	Property investment	100	100
Sunrise Overseas Corporation Sdn Bhd	Malaysia	Investment holding	100	100
Sunrise Paradigm Sdn Bhd	Malaysia	Dormant	100	100

Notes To The Financial Statements (Contd.)

30 June 2001

10. SUBSIDIARY COMPANIES (CONTD.)

Name	Country of Incorporation	Principal Activities	Percentage of Equity	
			2001 %	2000 %
Sunrise Pioneer Sdn Bhd	Malaysia	Property investment	100	100
Sunrise Quality Sdn Bhd	Malaysia	Property development	100	100
Sunrise Region Sdn Bhd	Malaysia	Property development	100	100
Sunrise Sovereign Ltd**	British Virgin Islands	Investment holding	100	100
Sunrise Sovereign Sdn Bhd	Malaysia	Investment holding	100	100
Sunrise Summit Sdn Bhd	Malaysia	Dormant	100	100
Sun Victory Sdn Bhd	Malaysia	Property investment and development	100	100
Tropical Terrain Sdn Bhd	Malaysia	Property development	100	100
Global Associates International Limited**	British Virgin Islands	Dormant	100	-
Sunrise Project Services Limited**	British Virgin Islands	Dormant	100	-
Top Track Development Sdn Bhd	Malaysia	Dormant	100	-
Broadfields II Pty Ltd*	Australia	Provision of education services	62	51

Notes To The Financial Statements (Contd.)

30 June 2001

10. SUBSIDIARY COMPANIES (CONTD.)

Name	Country of Incorporation	Principal Activities	Percentage of Equity	
			2001 %	2000 %
Moneyline 195 (Pty) Ltd*	South Africa	Property development	-	51
Winnock Investments (Pty) Ltd*	South Africa	Property development	-	51

* Audited by a member firm of Ernst & Young International

** Not audited by a member firm of Ernst & Young International

11. ASSOCIATED COMPANIES

	Group	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	800	622
Share of post-acquisition reserves	(796)	(3)
Share of net tangible assets	4	619
Amounts due from associated companies	2,973	1,346
	2,977	1,965

Notes To The Financial Statements (Contd.)

30 June 2001

11. ASSOCIATED COMPANIES (CONTD.)

Details of the associated companies are as follows:

Name	Country of Incorporation	Principal Activities	Percentage of Equity	
			2001 %	2000 %
Milequay Ltd**	United Kingdom	Property development and investment	50	50
Milequay Management Services Ltd**	United Kingdom	Dormant	50	50
CEO Network Sdn Bhd	Malaysia	Fraternal networking	40	40
Broadfields Sdn Bhd	Malaysia	Operation of an international school	30.3	23.5

** Not audited by a member firm of Ernst & Young International

The amounts due from associated companies are unsecured, interest free and have no fixed term of repayment.

12. DEFERRED EXPENDITURE

Deferred expenditure comprising preliminary and pre-operating expenses were written off during the year in compliance with the Interpretation Bulletin IB-1, Preliminary and Pre-operating Expenditure issued by the Malaysian Accounting Standards Board.

Notes To The Financial Statements (Contd.)

30 June 2001

13. PROPERTIES UNDER DEVELOPMENT

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Freehold land, at cost	112,425	147,969	17,295	13,919
Development expenditure incurred	160,095	100,353	82,274	47,173
	272,520	248,322	99,569	61,092
Attributable profits	17,912	5,562	15,661	5,550
	290,432	253,884	115,230	66,642
Progress billings	(99,992)	(63,280)	(57,548)	(19,717)
	190,440	190,604	57,682	46,925

Certain pieces of land under development of the Company with an aggregate net book value of RM9,251,000 is charged to financial institutions as security for banking facilities granted to the Company.

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Included in development expenditure for the year are:				
Depreciation of fixed assets	1,622	1,701	-	-
Interest cost	8,497	10,232	3,156	4,529

Notes To The Financial Statements (Contd.)

30 June 2001

14. STOCKS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At Cost				
Completed development properties	14,712	19,862	14,712	19,862
Furnishing products	573	1,466	-	-
Others	55	68	-	-
	15,340	21,396	14,712	19,862

15. DEBTORS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade debtors	15,855	33,664	11,973	20,737
Less: Provision for doubtful debts	(1,113)	(763)	(508)	(469)
	14,742	32,901	11,465	20,268
Other debtors, deposits and prepayments				
- proceeds receivable from disposal of investment	12,070	-	-	-
- advances to invested company	-	14,257	-	-
- others	5,417	24,723	1,790	2,413
	17,487	38,980	1,790	2,413
Less: Provision for doubtful debts	-	(39)	-	(39)
	17,487	38,941	1,790	2,374
Amounts due from subsidiary companies	-	-	361,773	335,271
	32,229	71,842	375,028	357,913

Amounts due from subsidiary companies are unsecured, bear interest at a rate of 0.15% (2000: 0.165%) per annum and have no fixed term of repayment.

Notes To The Financial Statements (Contd.)

30 June 2001

16. INVESTMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Deposits with a licensed financial institution	354	2,636	-	-
Deposits with licensed banks	8,219	31,894	8,219	28,193
Unquoted shares, at cost	3,691	-	-	-
Quoted securities in Malaysia, at cost	6,015	-	6,015	-
	18,279	34,530	14,234	28,193
Market value of quoted securities	6,015	-	6,015	-

Included in the deposits with licensed banks of the Group in the previous year were monies kept in separate accounts amounting to RM3,701,000. These monies were in respect of sinking funds set aside for the maintenance of condominiums.

17. CASH AND BANK BALANCES

Included in the cash and bank balances of the Company are monies kept in separate trust accounts in accordance with Regulation 12 of the Housing Developers (Housing Development Account) Regulations 1991 amounting to RM5,074,000 (2000: RM14,495,000).

18. CREDITORS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade creditors	25,548	21,606	637	635
Rebates due to property purchasers - current portion (Note 23 a)	6,018	10,193	6,018	10,193
Retentions	3,444	5,877	42	42
Hire purchase and lease creditors - current portion (Note 23 c)	280	228	248	222
Other creditors and provisions				
- provision for contingencies	8,051	23,965	8,051	23,965
- others	17,045	16,597	3,245	2,844
Amounts due to subsidiary companies	-	-	16,339	15,906
	60,386	78,466	34,580	53,807

Amounts due to subsidiary companies are unsecured, interest free and have no fixed term of repayment.

Notes To The Financial Statements (Contd.)

30 June 2001

19. BANK BORROWINGS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Bank overdrafts (secured)	7,698	1,425	7,698	1,202
Current portion of term loans (secured)	60,660	68,900	36,860	32,000
	68,358	70,325	44,558	33,202

The bank overdrafts are secured by a first legal charge over the freehold land held for development of the Company and bear interest at rates ranging from 1.25% to 1.75% (2000: 2% to 2.5%) above the banks' annual base lending rates.

20. SHARE CAPITAL

	Group/Company			
	2001 No. of shares '000	2000 No. of shares '000	2001 RM'000	2000 RM'000
Authorised:				
Ordinary shares of RM1 each	500,000	500,000	500,000	500,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 July	180,579	80,341	180,579	80,341
Issue of shares pursuant to:				
ESOS	684	3,725	684	3,725
Bonus issue	-	80,341	-	80,341
Private share placement	-	16,172	-	16,172
At 30 June	181,263	180,579	181,263	180,579

As at 30 June 2001, options under ESOS to subscribe for 5,416,000 (2000: 4,350,000) new ordinary shares of RM1 each in the Company remained unexercised.

Notes To The Financial Statements (Contd.)

30 June 2001

21. RESERVES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non distributable:				
Revaluation reserve	2,805	6,136	1,776	5,107
Share premium	17,198	17,198	17,198	17,198
Exchange reserve	(987)	(201)	-	-
Consolidation reserve	-	3,649	-	-
	19,016	26,782	18,974	22,305
Distributable:				
Retained profits	99,361	81,976	100,196	79,967
	118,377	108,758	119,170	102,272

Based on estimated tax credits and tax exempt account balance, the entire retained profits of the Company is available for distribution by way of dividends without the Company having to incur any additional tax liability.

22. LOAN STOCK (UNSECURED)

	Group/Company	
	2001 RM'000	2000 RM'000
6% 1999/2004 Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	89,000	89,000

The ICULS is constituted by a debenture dated 11 June 1999 between the Company and Country Heights Holdings Berhad. Interest on ICULS is payable semi annually in arrears and the conversion of ICULS to new ordinary shares is permissible upon the expiry of 12 months from the date of issue or when the development property acquired by the Company through the exchange of ICULS generates income, whichever is later.

Notes To The Financial Statements (Contd.)

30 June 2001

23. LONG TERM LIABILITIES

		Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Rebates due to property purchasers	(a)	1,455	7,351	1,455	7,351
Term loans - secured	(b)	67,725	62,360	-	4,860
Hire purchase and lease creditors	(c)	408	246	324	192
Loans from minority shareholders	(d)	390	9,571	-	-
Deferred taxation	(e)	218	-	124	-
		70,196	79,528	1,903	12,403

(a) Rebates due to property purchasers are payable over thirty six months from the date of completion of the development properties. The portion of the rebates due to property purchasers within twelve months is included in creditors under current liabilities.

(b) Term loans - secured

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Amounts outstanding	128,385	131,260	36,860	36,860
Amounts repayable within twelve months (current portion)	(60,660)	(68,900)	(36,860)	(32,000)
	67,725	62,360	-	4,860
The outstanding term loans are repayable as follows:				
Financial year ending:				
30 June 2001	-	68,900	-	32,000
30 June 2002	60,660	54,060	36,860	4,860
30 June 2003	37,700	8,300	-	-
30 June 2004	30,025	-	-	-
	128,385	131,260	36,860	36,860

Notes To The Financial Statements (Contd.)

30 June 2001

23. LONG TERM LIABILITIES (CONTD.)

(b) Term loans - secured (Contd.)

The term loans are secured by fixed charges over certain leasehold land and properties under development of the Group, and the assignment of proceeds from certain property under development of the Company. The loans bear interest at rates up to a maximum of 1.25% (2000: 2.5%) above the banks' annual base lending rates. The repayment terms vary from quarterly instalments to half yearly instalments over a period not exceeding five years.

(c) Hire purchase and lease creditors

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Amounts payable	688	474	572	414
Due within twelve months	(280)	(228)	(248)	(222)
Due after twelve months	408	246	324	192
The outstanding hire purchase and lease obligations are payable as follows:				
Financial year ending:				
30 June 2001	-	228	-	222
30 June 2002	280	82	247	69
30 June 2003	211	82	178	69
30 June 2004	124	67	98	54
30 June 2005	68	15	49	-
30 June 2006	5	-	-	-
	688	474	572	414

(d) Loans from minority shareholders

The loans are unsecured, bear interest at a rate of 17.5% (2000: 17.5%) per annum and have no fixed term of repayment.

Notes To The Financial Statements (Contd.)

30 June 2001

23. LONG TERM LIABILITIES (CONTD.)

(e) Deferred taxation

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Arising from capital allowances	378	-	284	-
Arising from other timing differences	(160)	-	(160)	-
	218	-	124	-

The Group has not accounted for the following tax effects of the timing differences and potential tax savings in certain subsidiary companies which would result in a debit to the deferred tax balance:

	Group	
	2001 RM'000	2000 RM'000
Unabsorbed capital allowances	1,040	1,286
Tax losses	186	115
Others	661	(116)
	1,887	1,285

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	13,794	21,097	5,211	15,247
Deposits with financial institutions	8,573	34,530	8,219	28,193
Bank overdrafts	(7,698)	(1,425)	(7,698)	(1,202)
	14,669	54,202	5,732	42,238

Notes To The Financial Statements (Contd.)

30 June 2001

25. CONTINGENT LIABILITIES - UNSECURED

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Guarantees given to banks and financial institutions in respect of credit facilities granted to purchasers of development properties	535	303	535	303
Guarantees granted to licensed banks for credit facilities granted to subsidiary companies	-	-	91,525	94,400
Suretyship granted by a subsidiary company to foreign bank with respect to obligations of a company in which a subsidiary has equity interest	-	37,480	-	-

26. CAPITAL COMMITMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Amounts authorised and contracted for	36,825	10,247	-	-
Amounts authorised but not contracted for	1,000	1,038	-	-

27. STAFF COSTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Salaries, wages and bonuses	10,598	10,797	5,462	5,316
Employees Provident Fund	1,277	1,179	658	621
Socso	99	86	34	30
	11,974	12,062	6,154	5,967
Number of staff employed at end of year	337	331	124	115

Notes To The Financial Statements (Contd.)

30 June 2001

28. SEGMENT INFORMATION

Group	Profit/(loss)		Total assets employed RM'000
	Revenue RM'000	before taxation RM'000	
By industry segments:			
2001			
Property development	87,769	28,762	501,956
Property management	6,060	232	14,419
Interior designing and consultancy	4,086	(427)	1,333
Others	4,459	845	82,589
	102,374	29,412	600,297
2000			
Property development	141,885	35,435	542,295
Property management	4,780	768	11,272
Interior designing and consultancy	6,047	374	2,720
Others	945	6,611	68,211
	153,657	43,188	624,498
By geographical location:			
2001			
Malaysia	97,512	26,247	586,318
Australia	896	(1,282)	340
South Africa	3,966	4,685	-
Others	-	(238)	13,639
	102,374	29,412	600,297
2000			
Malaysia	146,366	38,036	591,058
Australia	58	(858)	674
South Africa	7,233	6,061	26,757
Others	-	(51)	6,009
	153,657	43,188	624,498

Notes To The Financial Statements (Contd.)

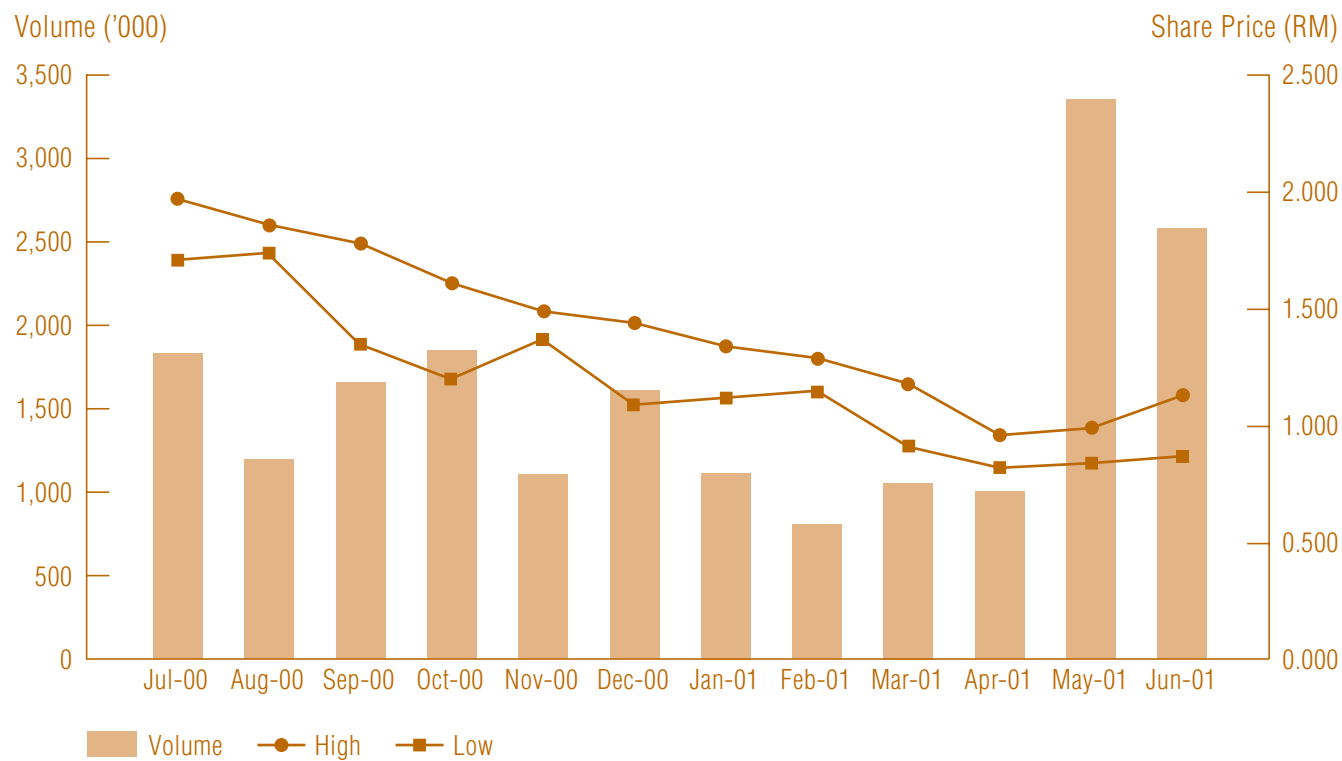
30 June 2001

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Company	
	2001 RM'000	2000 RM'000
Contract works performed by subsidiary company	29,231	43,782
Interest receivable from subsidiary companies	580	1,991
Transfer of freehold land to holding company arising from revocation of sale and purchase agreement	-	24,547
Rent payable to subsidiary company	566	403
Dividend receivable from subsidiary company	-	160
Depreciation chargeable to subsidiary company for usage of fixed assets	-	122

The Directors are of the opinion that the above transactions were in the normal course of business and at terms mutually agreed between the companies.

Share Price Information



2000/2001	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
High (RM)	1.980	1.870	1.790	1.620	1.500	1.450	1.350	1.300	1.190	0.970	1.000	1.140
Low (RM)	1.720	1.750	1.360	1.210	1.380	1.100	1.130	1.160	0.920	0.830	0.850	0.880
Volume ('000)	1,832	1,194	1,658	1,847	1,104	1,610	1,115	805	1,055	1,004	3,351	2,580

Investors' Information

as at 7 September 2001

Class of share : Ordinary share of RM1.00 each

Voting rights : One vote per ordinary share

ORDINARY SHARE DISTRIBUTION SCHEDULE AS AT 7 SEPTEMBER 2001

Holdings	No. of Holders	Total Holdings	%
Less than 1,000	11	1,802	0.00
1,000 to 10,000	11,006	34,576,896	19.07
10,001 to 100,000	1,068	28,775,924	15.87
100,001 to less than 5% of issued shares	89	87,938,378	48.51
5% and above of issued shares	1	30,000,000	16.55
Total	12,175	181,293,000	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 7 SEPTEMBER 2001

Name of Shareholders	Shareholdings	%
1. Mayban Securities Nominees (Tempatan) Sdn. Bhd. <i>Premier Returns Sdn. Bhd.</i>	30,000,000	16.55
2. Citicorp Capital Sdn. Bhd. (First Account)	8,086,000	4.46
3. Citicorp Capital Sdn. Bhd. (Second Account)	8,086,000	4.46
4. RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Koon Thye</i>	7,600,000	4.19
5. RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Hamid bin Masdar</i>	7,600,000	4.19
6. Kensington Group Management Limited	6,776,000	3.74
7. Employees Provident Fund Board	5,925,000	3.27
8. Loke Kim Wan	4,770,000	2.63
9. Lee Kim Heong	4,175,000	2.30
10. RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Kim Heong</i>	3,025,000	1.67

Investors' Information (contd.)

as at 7 September 2001

Name of Shareholders	Shareholdings	%
11. Lee Teck Seng	2,232,000	1.23
12. Koo Hong @ Ku Hong Hai	2,000,000	1.10
13. Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Waterfront Capital Markets Sdn. Bhd.</i>	2,000,000	1.10
14. Ho Long Sun	1,944,000	1.07
15. Arab-Malaysian Credit Berhad <i>Pledged Securities Account for Goh Thiam Sin</i>	1,568,000	0.86
16. AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Soon Seng @ Lee San Choon</i>	1,500,000	0.83
17. Amsec Nominees (Tempatan) Sdn. Bhd. <i>Arab-Malaysian Bank Berhad for Iktiara Sdn. Bhd.</i>	1,200,000	0.66
18. Ng Bee Lan	934,000	0.51
19. JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ong Lee Veng @ Ong Chuan Heng</i>	918,000	0.51
20. Teh Lip Jin	891,000	0.49
21. Arab-Malaysian Nominees (Tempatan) Sdn. Bhd. <i>Arab-Malaysian Trustee Bhd. for HLB Penny Stock Fund</i>	778,000	0.43
22. Tan Swee Eng	750,000	0.41
23. Bumiputra-Commerce Trustee Berhad <i>ASM First Public Fund</i>	649,000	0.36
24. Amanah Raya Berhad <i>Dana Al-Aiman</i>	648,000	0.36
25. HDM Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Kim Tiong @ Lee Kim Yew</i>	612,000	0.33
26. PPB Assets Management Berhad <i>Pertubuhan Peladang Negeri Selangor</i>	530,000	0.29
27. Hong Leong Finance Berhad <i>Pledged Securities Account for Wong Yee Siam @ Wong Kee Tat</i>	500,000	0.27
28. Mayban Securities Nominees (Asing) Sdn. Bhd. <i>UOB-Kay Hian Pte Ltd for Sim Puay Soong</i>	500,000	0.27
29. Quarry Lane Sdn. Bhd.	500,000	0.27
30. Mansor bin Md Jaafar	490,000	0.27
Total	107,187,000	59.08

Investors' Information (contd.)

as at 7 September 2001

SUBSTANTIAL SHAREHOLDERS AS AT 7 SEPTEMBER 2001 (PER THE COMPANY'S REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Shareholders	No. of ordinary shares of RM1.00 each				No. of Irredeemable Convertible Unsecured Loan Stock (ICULS) (unlisted) of RM1.00 each
	Direct	%	Indirect	%	
Premier Returns Sdn. Bhd.	30,000,000	16.55	-	-	-
Citicorp Capital Sdn. Bhd.	16,172,000	8.92	-	-	-
Yam Kong Choy	212,000	0.10	30,000,000 *	16.55	-
Yeoh Poh Suan	181,000	0.09	30,000,000 *	16.55	-
Country Heights Holdings Berhad	-	-	-	-	39,000,000
Tan Sri Lee Kim Tiong @ Lee Kim Yew	673,000	0.37	-	-	50,000,000

* Deemed interested by virtue of his/her substantial shareholding in Premier Returns Sdn. Bhd.
(Section 6A(4) of the Companies Act 1965)

DIRECTORS' SHAREHOLDINGS AS AT 7 SEPTEMBER 2001

Name of Directors	No. of ordinary shares of RM1.00 each		
	Direct	Indirect	%
1. YBhg. Tan Sri Dato' Lee Soon Seng @ Lee San Choon	1,500,000	-	0.83
2. Yam Kong Choy	212,000	30,000,000 *	16.65
3. Jeswant Natarajan	-	-	-
4. YB Dato' Salamon bin Selamat	53,000	-	0.03
5. YBhg. Dato' Ir Hj Abu Bakar bin Hj Mohd Amin	-	-	-
6. Tee Keng Hoon	-	-	-
7. Sneah Kar Loon	-	-	-
8. Yeoh Poh Suan	181,000	30,000,000 *	16.64

* Deemed interested by virtue of his/her substantial shareholding in Premier Returns Sdn. Bhd.
(Section 6A(4) of the Companies Act 1965)

List of Properties

held by the Group as at 30 June 2001

Location	Description	Existing Use	Tenure	Land Area (Acre)	Built-Up/Net Lettable Area (Sq. Ft)	Approximate Age of Buildings (Years)	Net Book Value as at 30.6.2001 (RM'000)
Wilayah Persekutuan							
PT 16714 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	5.10	-	-	7,974
PT 16717 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	8.30	-	-	9,350
PT 16719 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	7.35	-	-	7,131
PT 16721, Lot 56953 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	5.31	-	-	4,558
PT 16715 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	4.60	-	-	1,343
Lot 21743-21744 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	11.40	-	-	9,191
Lot 1890 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	3.13	-	-	7,332
Lot 1891 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	3.34	-	-	8,739
Lot 2973 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	3.00	-	-	2,462
Lot 2978-2979 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	2.62	-	-	1,112

List of Properties (contd.)

held by the Group as at 30 June 2001

Location	Description	Existing Use	Tenure	Land Area (Acre)	Built-Up/Net Lettable Area (Sq. Ft)	Approximate Age of Buildings (Years)	Net Book Value as at 30.6.2001 (RM'000)
Lot 1881-1882 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	6.00	-	-	8,223
Lot 1887 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	3.06	-	-	3,500
Lot 2912-2914 Mukim Batu Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	4.28	-	-	1,436
Plaza Mont'Kiara 2, Jalan 1/70C, Mont'Kiara, 50480 Kuala Lumpur	Building	Retail Centre Office Carpark	Freehold Freehold Freehold	N/A N/A N/A	107,086 64,982 550,808	2 2 2	24,615 10,335 22,114
Lot 1128 Mukim Kuala Lumpur Daerah Kuala Lumpur	Land Held for Development	Vacant Land	Freehold	2.59	-	-	1,903
Selangor							
PT 24374 Mukim Kajang Daerah Ulu Langat	Land Held for Development	Vacant Land	99 years Lease Expiring On 22.12.2090	33.65	-	-	101,049
PT 24375 Mukim Kajang Daerah Ulu Langat	Land Held for Development	Vacant Land	99 years Lease Expiring On 22.12.2090	24.30	-	-	79,185

List of Properties (contd.)

held by the Group as at 30 June 2001

Location	Description	Existing Use	Tenure	Land Area (Acre)	Built-Up/Net Lettable Area (Sq. Ft)	Approximate Age of Buildings (Years)	Net Book Value as at 30.6.2001 (RM'000)
PT 8121 Taman Sri Bahagia Mukim Cheras Daerah Ulu Langat	Building	Clubhouse	Freehold	1.26	28,358	12	-
PT 16730 Mukim Petaling Daerah Petaling	Land Held for Development	Vacant Land	99 years Lease Expiring On 20.03.2091	12.82	-	-	11,610
PT 17671 PT 17337 PT 17336 PT 17547 PT 17387 PT 17776 PT 22649 Mukim Cheras, Daerah Ulu Langat	Land Held for Development	Vacant Land	Freehold	7.18	-	-	2,821
Negeri Sembilan PT 20970-20973, 20975-20989, 20991-20998, 21000-21003, 21005, 21008 Mukim Ampangan, Daerah Seremban	Land Held for Development	Vacant Land	Freehold	423.47	-	-	121,621
Johor PTD 10944, 10946-10947 Mukim Mersing, Daerah Endau Mersing	Land Held for Development	Vacant Land	Freehold	431.08	-	-	28,953



Proxy Form

I/We NRIC/Passport No:
(full name in block letters)

of
(address)

being a Member/Members of Sunrise Berhad (Co. No. 7685-V), hereby appoint
(full name in block letters)

NRIC/Passport No: of
(address)

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty Second Annual General Meeting of the Company to be held at Nusantara 2 Ballroom, Level 2, Sheraton Imperial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on **30 October 2001 at 10.00 a.m.** or at any adjournment thereof, as indicated below:-

No.	Resolutions	For	Against
1.	Adopt the Audited Accounts for the year ended 30 June 2001 together with the Reports of the Directors and Auditors thereon.		
2.	Declare a First and Final Dividend of 4 sen per share comprising of 2 sen less 28% income tax and 2 sen per share tax exempt for the year ended 30 June 2001.		
3.	Approve the payment of Directors' fees for the year ended 30 June 2001.		
4.	Re-elect YB Dato' Salamon bin Selamat as a Director.		
5.	Re-elect Mr. Jeswant Natarajan as a Director.		
6.	Re-elect Mr. Sneah Kar Loon as a Director.		
7.	Re-appoint Messrs. Ernst & Young, the retiring Auditors and to authorise the Directors to fix the Auditors' Remuneration.		
8.	Authorise the Directors under Section 132(D) of the Companies Act 1965 to allot and issue shares.		
9.	Proposed adoption of a new Memorandum & Articles of Association of the Company.		

Please indicate with an "X" in the spaces above how you wish your vote to be cast. If no specific direction as to voting is given, your proxy will vote or abstain at his/her discretion.

Dated this day of 2001

Number of shares held	
------------------------------	--

.....
Signature(s)/Common Seal of Shareholder(s)

Notes :

1. A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
2. The instrument appointing a proxy or proxies shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, the instrument appointing a proxy or proxies must be executed either under its common seal or under the hand of an officer or attorney duly authorised and shall be deposited with the Registered Office of the Company at Penthouse, Wisma Sunrise, Plaza Mont'Kiara, No. 2 Jalan 1/70C, Mont'Kiara, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

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Affix
Stamp

The Company Secretaries
SUNRISE BERHAD

Penthouse, Wisma Sunrise
Plaza Mont'Kiara
No. 2 Jalan 1/70C, Mont'Kiara
50480 Kuala Lumpur
Malaysia

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