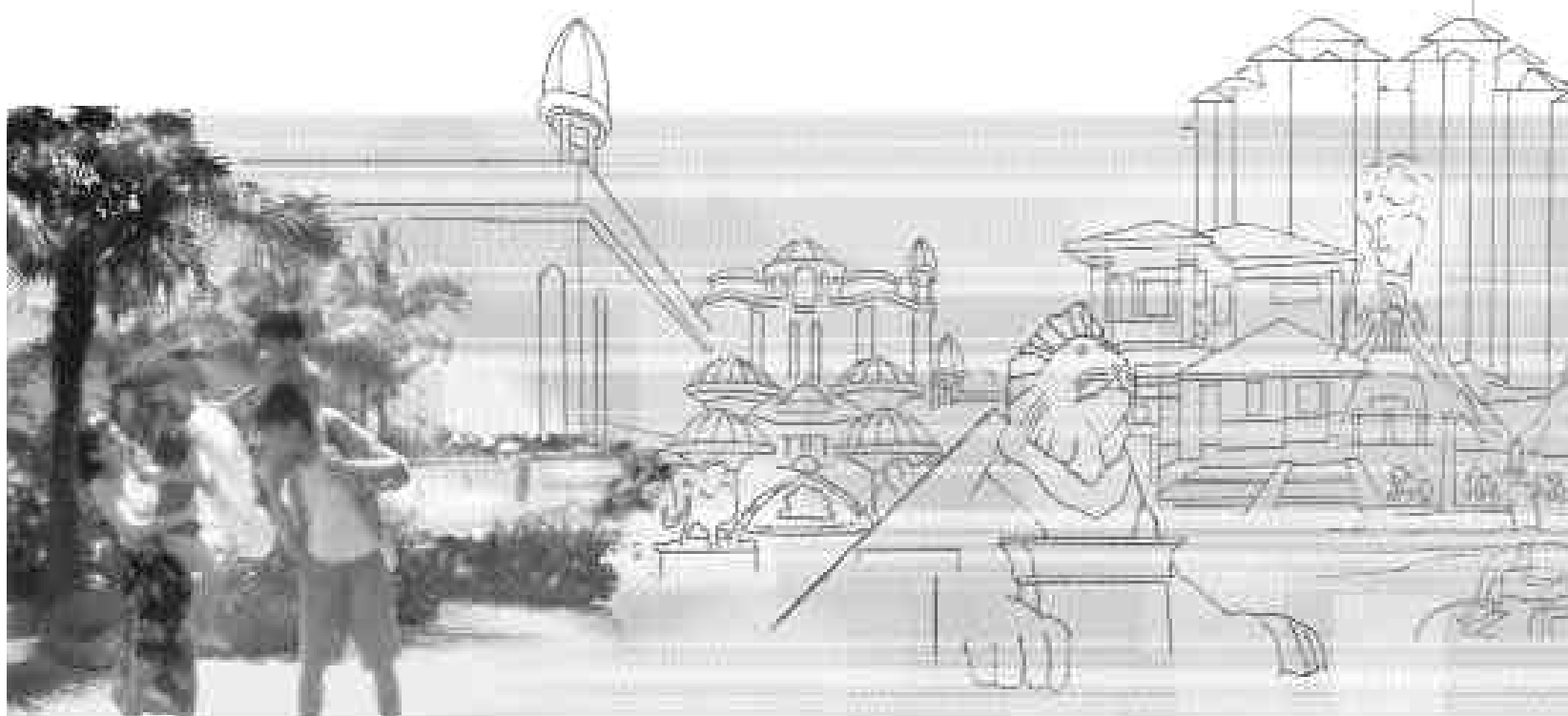


## Financial Statements



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## Directors' Report

### 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 31 December 2001.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are those of property development and investment, and investment holding.

The principal activities of the subsidiary and associated companies are:-

- (i) property development and investment;
- (ii) operation of hotels, theme park and related activities;
- (iii) rendering recreational club facilities;
- (iv) operation of travel, tour business and related activities; and
- (v) operation of a medical centre.

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

### FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation	34,860	12,726
Taxation	(16,306)	(4,534)
	<hr/>	<hr/>
Profit after taxation	18,554	8,192
Minority interests	(9,081)	-
	<hr/>	<hr/>
Profit for the year	9,473	8,192
Retained profit brought forward	25,688	183,109
	<hr/>	<hr/>
Profit available for appropriation	35,161	191,301
Less: Dividend	(7,128)	(7,128)
Transfer to capital redemption reserve	(835)	-
Transfer from exchange reserve	95	-
	<hr/>	<hr/>
Retained profit carried forward	27,293	184,173
	<hr/>	<hr/>

There were no material transfers to or from reserves or provisions during the year other than those 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 (cont'd)

### DIVIDEND

The Company has accrued a 6.6% cumulative dividend (net of tax) amounting to RM7,128,000 in respect of the current financial year for its 6.6% cumulative convertible preference shares.

During the financial year, the following dividends were paid :-

- (a) An amount of RM2,529,000 which was accrued in the previous financial year; and
- (b) An amount of RM4,599,000 in respect of the amount accrued during the current financial year.

### EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("Scheme") was approved by the shareholders at an Extraordinary General Meeting held on 10 December 1999.

The main features of the Scheme are:-

- (a) Eligible persons are employees of the Group (including full time Executive Directors) who have been confirmed in the employment of the Group for a continuous period of at least one year as at the offer date and falling within any categories of employees as set out in Clause 6 and who are eligible to participate in the Scheme pursuant to Clause 5 of the Bye-Laws. The selection for participation in the Scheme shall be at the absolute discretion of the Option Committee appointed by the Board of Directors.
- (b) The maximum number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the Scheme.
- (c) No option shall be granted for less than 1,000 ordinary shares or more than 500,000 ordinary shares to any individual eligible employee.
- (d) The option price shall be the average of the mean market quotation of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is higher.
- (e) The Scheme shall be in force for a period of five years from the offer date, subject to any extension as may be approved by the relevant authorities.
- (f) The options granted may be exercised at any time within a period of five years from the offer date of the options granted based on seniority, performance and length of service and the offer shall be valid for acceptance by an employee for a period of thirty days before the expiry of the options.

## Directors' Report (cont'd)

(g) The options granted may be exercised in the following manner:-

Number of options granted	Percentage of Total Options Exercisable				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100%	–	–	–	–
20,000 to less than 100,000	40%*	30%	30%#	–	–
100,000 and above	20%	20%	20%	20%	20%

\* 40% or 20,000 options, whichever is higher

# 30% or the remaining number of options unexercised

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years provided that no options shall be exercised beyond the date of expiry of the Scheme.

The movement in the options to take up unissued new ordinary shares of RM1.00 each during the financial year was as follows :-

	Number of ordinary shares under option
At 1 January 2001	15,908,000
Forfeiture on resignations during the financial year	(515,000)
	<hr/>
Exercised during the financial year	15,393,000
	–
	<hr/>
At 31 December 2001	<u>15,393,000</u>

As at the end of the financial year, the unissued shares under option were as follows :-

	Number of ordinary shares of RM1 each	Option price RM
First offer	14,993,000	1.74
Second offer	400,000	2.08
	<hr/>	
	<u>15,393,000</u>	

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

*Directors' Report (cont'd)***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' Seri (Dr) Cheah Fook Ling	
Dato' Razman M Hashim	
Tan Sri Dato' IR Talha Bin Haji Mohd Hashim	
Wong Choon Kee	
Ngian Siew Siong	
Ngeow Voon Year	
Low Siew Moi	
Teo Tong How	
Tan Siak Tee	(Appointed on 26.11.2001)
Lim Swe Guan	(Appointed on 6.3.2002)
Teo Cheng Hiang, Richard	(Resigned on 18.2.2002)

In accordance with Article 78 of the Company's Articles of Association, Tan Sri Dato' Seri (Dr) Cheah Fook Ling, Dato' Razman M Hashim and Ngian Siew Siong retire by rotation from the Board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Article 77(2) of the Company's Articles of Association, Tan Siak Tee and Lim Swe Guan retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

**DIRECTORS' INTEREST IN SHARES**

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 of the Company, as stated below :

	No. of Ordinary Shares of RM1 each			As at 31.12.01
	As at 1.1.01	Bought	Sold	
Tan Sri Dato' Seri (Dr) Cheah Fook Ling	* 124,943,709	13,494,303	–	138,438,012
	10,823,251	–	–	10,823,251
Tan Sri Dato' IR Talha Bin Haji Mohd Hashim	10,000	–	–	10,000
Dato' Razman M Hashim	30,000	–	–	30,000
Wong Choon Kee	–	11,000	–	11,000
Ngian Siew Siong	10,000	–	–	10,000

\* Denotes deemed interest

	Options over Ordinary Shares of RM1 each			As at 31.12.01
	As at 1.1.01	Granted During the year	Exercised	
Dato' Razman M Hashim	400,000	–	–	400,000
Ngian Siew Siong	350,000	–	–	350,000
Ngeow Voon Year	300,000	–	–	300,000

The options over shares are pursuant to the Company's Employees' Share Option Scheme.

By virtue of his interest in shares of the Company, Tan Sri Dato' Seri (Dr) Cheah Fook Ling is also deemed to have an interest in the shares of all other subsidiary companies of the Company to the extent that the Company has an interest.

## Directors' Report (cont'd)

### 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 Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (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 Company) by reason of a contract made by the Company or a related corporation with a 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 for Tan Sri Dato' Seri (Dr) Cheah Fook Ling and Dato' Razman M Hashim who may be deemed to derive a benefit by virtue of those transactions, products, parts and other properties or any interest in any properties; and/or for the provision of services including but not limited to management and consultancy services, and/or provision of construction contracts, leases and tenancy; and/or the provision of treasury functions, advances and conduct of normal trading and/or other businesses and construction contracts respectively between the Company and its related corporations and corporations in which Tan Sri Dato' Seri (Dr) Cheah Fook Ling and Dato' Razman M Hashim are deemed to have an interest.

### OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:
  - (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.
- (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 provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
  - (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 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) As 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 liability in respect of the Group or the Company which has arisen since the end of the financial year.

## Directors' Report (cont'd)

- (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 or of the Company to meet its 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,



DATO' RAZMAN M HASHIM  
DIRECTOR



WONG CHOON KEE  
DIRECTOR

Petaling Jaya, Selangor Darul Ehsan  
16 April 2002

## Statement By Directors

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

We, DATO' RAZMAN M HASHIM and WONG CHOON KEE, being two of the Directors of SUNWAY CITY BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 50 to 96 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Group and of the Company as at 31 December 2001 and of the results of the business of the Group and of the Company for the year then ended; and
- (ii) the cash flows of the Group and of the Company for the year ended 31 December 2001.

On behalf of the Board,



DATO' RAZMAN M HASHIM  
DIRECTOR



WONG CHOON KEE  
DIRECTOR

Petaling Jaya, Selangor Darul Ehsan  
16 April 2002

## Statutory Declaration

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

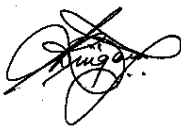
I, WANG YEONG KHANG, being the officer primarily responsible for the financial management of SUNWAY CITY BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 50 to 96 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed WANG YEONG KHANG  
at Petaling Jaya in the State of Selangor  
Darul Ehsan on 16 April 2002



WANG YEONG KHANG

Before me,



DAVID LINGAM A/L S. SOCKALINGAM  
COMMISSIONER FOR OATHS  
16 April 2002

## Report Of The Auditors To The Members Of Sunway City Berhad

We have audited the financial statements set out on pages 50 to 96. 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 from 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 31 December 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 and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its 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' reports of subsidiary companies for which we have not acted as auditors as indicated in Note 41 to the financial statements, being financial statements which are included in the consolidated financial statements.

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 purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies are not subject to any qualification and do not include any comment required to be made under Section 174(3) of the Companies Act 1965.



ERNST & YOUNG AF:0039  
Chartered Accountants



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

Kuala Lumpur, Malaysia  
16 April 2002

## Balance Sheets

AS AT 31 DECEMBER 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
PROPERTY, PLANT AND EQUIPMENT	4	945,296	967,039	48,589	50,273
INVESTMENT PROPERTIES	5	374,528	369,340	20,240	20,240
LAND HELD FOR DEVELOPMENT	6	347,950	313,232	-	-
INVESTMENTS IN SUBSIDIARY COMPANIES	7	-	-	424,503	433,953
AMOUNTS DUE FROM SUBSIDIARY COMPANIES	8	-	-	514,251	478,453
INVESTMENTS IN ASSOCIATED COMPANIES	9	11,779	11,594	16,405	16,405
GOODWILL ON CONSOLIDATION	10	9,725	9,245	-	-
DEFERRED TAX ASSETS	11	2,387	-	-	-
<b>CURRENT ASSETS</b>					
Properties under development	12	185,667	184,440	21,629	28,964
Inventories	13	22,883	16,233	3,485	4,382
Trade debtors	14	73,783	60,297	23,940	11,146
Other debtors, deposits and prepayments	15	25,617	23,210	11,541	8,122
Amounts due from associated companies	16	4,452	5,183	4,374	3,455
Fixed deposits with licensed banks		50,529	64,420	-	-
Cash and bank balances	17	83,545	52,654	8,408	6,434
		<b>446,476</b>	<b>406,437</b>	<b>73,377</b>	<b>62,503</b>
<b>CURRENT LIABILITIES</b>					
Trade creditors	18	75,787	69,745	23,860	17,992
Other creditors and accruals	19	237,574	203,233	28,770	26,772
Bank borrowings	20	103,220	67,485	9,813	11,732
Hire purchase and lease creditors	21	5,537	4,653	1,396	1,320
Dividend payable		2,529	2,529	2,529	2,529
Taxation		16,800	9,076	6,022	3,411
		<b>441,447</b>	<b>356,721</b>	<b>72,390</b>	<b>63,756</b>
NET CURRENT ASSETS/(LIABILITIES)		<b>5,029</b>	<b>49,716</b>	<b>987</b>	<b>(1,253)</b>
		<b>1,696,694</b>	<b>1,720,166</b>	<b>1,024,975</b>	<b>998,071</b>

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

## Balance Sheets

AS AT 31 DECEMBER 2001 (cont'd)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
FINANCED BY:					
SHARE CAPITAL	22	448,199	448,199	448,199	448,199
SHARE PREMIUM	23	110,363	110,363	110,363	110,363
RESERVES	24	54,694	48,567	184,173	183,109
		<hr/>			
SHAREHOLDERS' FUNDS		613,256	607,129	742,735	741,671
MINORITY INTERESTS	25	351,252	352,769	-	-
LONG TERM BANK BORROWINGS	26	549,454	588,316	188,400	186,400
LONG TERM LIABILITIES	27	118,133	92,097	31,897	33,872
ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARY COMPANIES	28	53,287	66,209	-	-
AMOUNTS DUE TO SUBSIDIARY COMPANIES	29	-	-	58,868	31,816
HIRE PURCHASE AND LEASE CREDITORS	21	8,901	11,235	669	1,906
DEFERRED TAXATION	30	2,411	2,411	2,406	2,406
		<hr/>			
		1,696,694	1,720,166	1,024,975	998,071
		<hr/>			

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

## Income Statements

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
REVENUE	31	587,969	480,304	84,250	64,448
COST OF SALES		(263,508)	(193,853)	(55,512)	(23,335)
GROSS PROFIT		324,461	286,451	28,738	41,113
OTHER OPERATING INCOME		22,543	32,290	19,609	41,689
DISTRIBUTION COSTS		(22,554)	(22,230)	(859)	(1,317)
ADMINISTRATION EXPENSES		(103,329)	(96,672)	(7,507)	(15,749)
OTHER OPERATING EXPENSES		(128,799)	(140,718)	(11,630)	(10,194)
PROFIT FROM OPERATIONS	32	92,322	59,121	28,351	55,542
FINANCE COSTS	33	(56,998)	(51,592)	(15,625)	(14,770)
SHARE OF (LOSS)/PROFIT FROM ASSOCIATED COMPANIES		(464)	366	-	-
PROFIT BEFORE TAXATION		34,860	7,895	12,726	40,772
TAXATION	34	(16,306)	(15,397)	(4,534)	(4,736)
PROFIT/(LOSS) AFTER TAXATION		18,554	(7,502)	8,192	36,036
MINORITY INTERESTS		(9,081)	11,442	-	-
PROFIT ATTRIBUTABLE TO MEMBERS OF THE COMPANY		9,473	3,940	8,192	36,036
EARNINGS/(LOSS) PER SHARE (SEN)	36	0.69	(0.64)		

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

## Statements Of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2001

### GROUP

	Note	Share capital RM'000	Share premium RM'000	Non-distributable		Distributable	Total RM'000
				Capital reserve RM'000	Exchange reserve RM'000	Revenue reserve RM'000	
At 1 January 2000		300,000	78,216	18,611	5,739	28,711	431,277
Issue of shares							
- 6.6% cumulative convertible preference shares		108,000	-	-	-	-	108,000
- ordinary shares		40,000	32,000	-	-	-	72,000
- ordinary shares under the Employees' Share Option Scheme		199	147	-	-	-	346
Currency translation differences	24	-	-	-	(2,341)	-	(2,341)
Transfer to/(from) reserves	24	-	-	870	-	(870)	-
Net gains and losses not recognised in the income statements		-	-	870	(2,341)	(870)	(2,341)
Profit for the year		-	-	-	-	3,940	3,940
Dividends paid and accrued	35	-	-	-	-	(6,093)	(6,093)
At 31 December 2000		448,199	110,363	19,481	3,398	25,688	607,129

### GROUP

	Note	Share capital RM'000	Share premium RM'000	Non-distributable			Distributable	Total RM'000
				Capital reserve RM'000	Exchange reserve RM'000	Reserve on consolidation RM'000	Revenue reserve RM'000	
At 1 January 2001		448,199	110,363	19,481	3,398	-	25,688	607,129
Arising from acquisition of additional interest in subsidiary company	24	-	-	-	-	386	-	386
Currency translation differences	24	-	-	-	3,396	-	-	3,396
Transfer to/(from) reserves	24	-	-	835	(95)	-	(740)	-
Net gains and losses not recognised in the income statements		-	-	835	3,301	-	(740)	3,396
Profit for the year		-	-	-	-	-	9,473	9,473
Dividends paid and accrued	35	-	-	-	-	-	(7,128)	(7,128)
At 31 December 2001		448,199	110,363	20,316	6,699	386	27,293	613,256

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

## Statements Of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONT'D)

### COMPANY

	Share capital RM'000	Share premium RM'000	<u>Distributable</u> Revenue reserve RM'000	Total RM'000
At 1 January 2000	300,000	78,216	153,166	531,382
Issue of shares				
- 6.6% cumulative convertible preference shares	108,000	-	-	108,000
- ordinary shares	40,000	32,000	-	72,000
- ordinary shares under the Employees' Share Option Scheme	199	147	-	346
Profit for the year	-	-	36,036	36,036
Dividends paid and accrued	-	-	(6,093)	(6,093)
At 31 December 2000	448,199	110,363	183,109	741,671
Profit for the year	-	-	8,192	8,192
Dividends paid and accrued	-	-	(7,128)	(7,128)
At 31 December 2001	448,199	110,363	184,173	742,735

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

## Cash Flow Statements

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers		567,446	465,225	56,688	36,850
Payments to suppliers and contractors		(262,538)	(176,961)	(41,411)	(18,932)
Payment of operating expenses		(163,859)	(177,992)	(13,657)	(10,011)
Cash generated from operations		141,049	110,272	1,620	7,907
Interest paid		(39,937)	(41,834)	(13,120)	(12,677)
Taxation paid		(10,968)	(7,207)	(433)	(908)
Net cash generated from/(used in) operating activities		90,144	61,231	(11,933)	(5,678)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant and equipment		272	1,355	49	223
Proceeds from disposal of development land/properties		–	–	–	14,588
Capital expenditure	(a)	(32,801)	(24,943)	(919)	(1,761)
Expenditure on land held for development		(3,910)	(11,105)	–	–
Addition in investment properties		(5,281)	(4,250)	–	–
Net cash outflow arising from disposal of a subsidiary company	(b)	(133)	–	–	–
Proceeds from partial disposal of equity interest in a subsidiary company		1,260	–	–	–
Acquisition of subsidiary companies	(c)	(202)	–	–	–
Acquisition of additional interest in subsidiary companies		(2,663)	(13,394)	–	–
Payment of expenses in connection with divestment of subsidiary company		–	(7,500)	–	(7,500)
Investment in subsidiary companies		–	–	(2,665)	(235,516)
Redemption of preference shares in a subsidiary company		–	–	12,116	12,622
Repayment (to)/by subsidiary companies		–	–	(36,736)	91,450
Advances from/(to) subsidiary companies		–	–	32,301	(9,684)
Interest received from subsidiary companies		–	–	16,768	15,226
Dividends received from subsidiary companies		–	–	4,517	7,993
Dividends received from associated companies		–	1,058	–	1,058
Repayment from/(advances to) associated companies		623	(2,043)	263	(1,822)
Net cash (used in)/generated from investing activities		(42,835)	(60,822)	25,694	(113,123)

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

## Cash Flow Statements

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONT'D)

	Note	Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of:					
- ordinary shares		-	72,346	-	72,346
- preference shares		-	108,000	-	108,000
Drawdown of term loans		20,336	57,210	-	-
Repayment of term loans		(20,262)	(321,202)	-	-
Repayment of revolving credits		(3,000)	(4,000)	(3,000)	(4,000)
Drawdown/(repayment) of trade bills		9,841	(7,200)	-	-
(Repayment to)/advances from minority shareholders of subsidiary companies		(5,173)	9,564	-	-
Repayment to long term creditors		(3,342)	(64,631)	(3,342)	(51,056)
Equity contribution by minority shareholders of subsidiary companies		-	189,800	-	-
Redemption of preference shares held by minority shareholders in a subsidiary company		(11,184)	(11,651)	-	-
Payments to hire purchase and lease creditors		(3,686)	(4,255)	(1,398)	(1,296)
Dividend paid		(7,128)	(3,564)	(7,128)	(3,564)
Net cash (used in)/generated from financing activities		(23,598)	20,417	(14,868)	120,430
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		23,711	20,826	(1,107)	1,629
EFFECTS OF EXCHANGE RATE CHANGES					
		(255)	177	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		96,109	75,106	1,702	73
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	(d)	119,565	96,109	595	1,702

(a)		Group		Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
<b>Capital Expenditure</b>					
Acquired by way of:-					
-	Cash	32,801	24,943	919	1,761
-	Hire purchase and lease	2,236	4,524	237	906
-	Accruals/transferred in	-	11,962	-	2,216
		35,037	41,429	1,156	4,883

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

## Cash Flow Statements

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONT'D)

(b) Analysis of the effects of disposal of a subsidiary company

	Group 2001 RM'000
Property, plant and equipment	53
Trade debtors	113
Other debtors, deposits and prepayments	241
Cash and bank balances	262
Trade creditors	(198)
Other creditors and accruals	(386)
Minority interest	(34)
Reclassification to associated company	(17)
Net assets disposed	<u>34</u>
Less : Cash and cash equivalents of subsidiary company disposed	(262)
Gain on disposal of subsidiary company	95
Net cash outflow on disposal of subsidiary company	<u>(133)</u>

(c) Analysis of the effects of acquisition of subsidiary companies

	Group 2001 RM'000
Development expenditure	105
Goodwill	97
Cost of acquisition	<u>202</u>
Less : Cash and cash equivalents of subsidiary companies acquired	-
Net cash outflow on acquisition of subsidiary companies	<u>202</u>

There are no comparative figures in respect of the above analysis as the acquisitions in the prior year had no material effect on the financial position of the Group.

(d) Cash and cash equivalents

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cash and bank balances	83,545	52,654	8,408	6,434
Fixed deposits with licensed banks	50,529	64,420	-	-
Bank overdrafts	(14,509)	(20,965)	(7,813)	(4,732)
Cash and cash equivalents	<u>119,565</u>	<u>96,109</u>	<u>595</u>	<u>1,702</u>

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

## Notes To The Financial Statements

31 DECEMBER 2001

### 1. BASIS OF ACCOUNTING

The financial statements of the Group and of the Company are prepared under the historical cost convention modified to include the valuation of certain assets as indicated in Note 3(j) and Note 13 to the financial statements and comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB").

### 2. GENERAL

The registered office is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business is located at Level 3, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of property development and investment, and investment holding.

The principal activities of the subsidiary and associated companies are:-

- (i) property development and investment;
- (ii) operation of hotels, theme park and related activities;
- (iii) rendering recreational club facilities;
- (iv) operation of travel, tour business and related activities; and
- (v) operation of a medical centre.

The Company is a public company incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The financial statements are expressed in Ringgit Malaysia.

The number of employees as at 31 December 2001 for the Group is 3,040 (2000 : 2,846) and for the Company is 175 (2000 : 169).

### 3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies adopted by the Group and the Company are consistent with those adopted in the previous years except for the early adoption of MASB 25 - Income Taxes.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies, using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' assets and liabilities are determined and these values are reflected in the consolidated financial statements. Intra group transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The difference between the consideration paid for shares in a subsidiary company and the fair value of attributable net assets acquired is reflected as goodwill or reserve on consolidation, as appropriate.

Goodwill on consolidation is amortised over a period of twenty (20) years. However, the goodwill will be written down if the Directors are of the opinion that there is a permanent diminution in value.

A subsidiary company is a company in which the Company controls the composition of its Board of Directors and more than half of its voting powers or holds more than half of its issued ordinary share capital.

The financial statements of subsidiary companies are prepared for the same reporting period as the Company. In the preparation of the consolidated financial statements, the financial statements of the subsidiary companies are adjusted for the effects of any material dissimilar accounting policies.

#### (b) Associated Companies

An associated company is an investee company that is not a subsidiary company and in which the Group has a long term equity interest of between 20% to 50% and where the Group is in a position to exercise significant influence over the financial and commercial policies of the investee through Board representation.

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 of the companies concerned.

The Group's share of results and reserves of associated companies acquired or disposed of is included in the consolidated financial statements from the date of acquisition and up to the date of disposal.

#### (c) Investments

Investments in subsidiary companies, associated companies and other long term investments are stated at cost. These investments are written down only when the Directors are of the opinion that there is a permanent diminution in value.

Trading investments are stated at the lower of cost or market value.

Transfers, if any, between long term and trading investments are made at the lower of carrying value and market value.

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

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Freehold land and capital work-in-progress are not depreciated. Leasehold land and buildings are amortised evenly over the lease periods ranging from 66 to 99 years.

Other property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. The principal annual rates used are as follows:-

	%
Buildings	2
Renovations	10
Plant and machinery	5 - 20
Motor vehicles	10 - 20
Equipment, furniture and fittings	5 - 20

Additional depreciation is provided on assets which are impaired to reduce the asset values to their recoverable amounts.

Gain and loss on disposal of property, plant and equipment are determined by reference to the difference between the sale proceeds and their carrying amount and are taken into account in determining the profit from operations.

#### (e) Hotel Properties

Hotel properties which comprise freehold and leasehold land, buildings and integral plant and machinery are stated at cost. It is the Group's practice to maintain these properties at a high standard and condition such that the residual values are at least equal to book values and consequently, depreciation would be insignificant. Accordingly, no depreciation is provided on freehold hotel properties or those hotel properties with unexpired lease tenure of 50 years or more. The related maintenance expenditure is dealt with in the income statement.

The carrying values are written down when the Directors are of the opinion that there is a permanent decline in value. The permanent decline in value is recognised in the income statement.

#### (f) Investment Properties

The Group regards investment properties as land and buildings that are held for their investment potential and rental income.

Investment properties of the Group are stated at cost unless there is a permanent diminution in value, in which case the carrying amount of the investment properties will be reduced to recognise such a decline. The permanent decline in value is recognised in the income statement.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (g) Land Held for Development

Land held for development consists of land held for future development and where no significant development has been undertaken.

Land held for development is stated at cost which includes land cost, incidental costs of acquisition, development expenditure and interest costs to put the land in a condition ready for development.

Such assets are transferred to development properties when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

#### (h) Development Properties

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle is classified as development properties.

Development properties are stated at cost, and where appropriate, include attributable profit less progress payments received and receivable. Cost includes land cost, development expenditure and interest costs relating to the development and an allocation of common project expenses.

#### (i) Interest Capitalisation

Interest incurred on borrowings related to property, plant and equipment, development properties, land held for development and investment properties are capitalised during the period activities to plan, develop and construct the assets are undertaken. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

#### (j) Inventories

Trading inventories are stated at the lower of cost and net realisable value after adequate provision for damaged, obsolete and slow moving items. Cost is determined on the weighted average method.

Inventories of completed properties are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest costs incurred during the development period.

#### (k) Trade Debtors

Trade debtors are recognised and carried at original invoiced amount less an allowance for any irrecoverable amount. An estimation for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

#### (l) Leases and Hire Purchase

Assets acquired under finance lease and hire purchase contracts are capitalised as property, plant and equipment and depreciated accordingly.

Outstanding obligations due under the finance lease and hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. 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 dealt with through the income statement.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (m) Deferred Taxation

Deferred taxation is provided on 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.

Deferred tax benefits are recognised as an asset when it is probable that taxable profits will be available against which the deferred tax benefits can be utilised.

#### (n) Revenue Recognition

##### (i) Development Properties

Revenue from sale of development properties is recognised based on the percentage of completion method, where outcome of the development projects can be reliably estimated. Any foreseeable loss on a development project is provided for in full.

Revenue from sale of property inventories is recognised when significant risks and rewards have passed to the purchasers.

##### (ii) Rental Income

Rental income is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

##### (iii) Investment Income

Dividend income from investments in subsidiary and associated companies is recognised when the right to receive the dividend payment is established.

Interest income from short term deposits and advances are recognised on the accrual basis, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

##### (iv) Sale of Products, Services and Rights of Enjoyment

Revenue from sale of products is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales tax and discounts, where applicable.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are sold.

##### (v) Club Subscription Fees

Club subscription fees are recognised on the accrual basis.

Revenue from the sale of club memberships is recognised upon signing of the sale and purchase agreement.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (o) Foreign Currencies

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the time of each transaction or, where settlement had not taken place at 31 December, at rates of exchange ruling at that date or at contracted rates, as applicable. Exchange differences arising on long term inter-company advances that, in substance, form part of an enterprise's net investment in a foreign subsidiary are taken directly to exchange reserve. All other exchange differences arising are dealt with through the income statement.

Assets, liabilities and trading results of foreign subsidiary companies are translated to Ringgit Malaysia at the approximate rates of exchange ruling at the balance sheet date, except for share capital, reserves and goodwill in group companies which are included at historical rates. All exchange differences on translation are taken directly to an exchange reserve account.

The closing rates used in the translation of foreign currency amounts as at balance sheet date are as follows :

	2001 RM	2000 RM
United States Dollar 1.00	3.825	3.8250
Australian Dollar 1.00	1.9650	2.1230
Hong Kong Dollar 1.00	0.5000	0.5000
Singapore Dollar 1.00	2.0710	2.1920

#### (p) Preliminary and Pre-Operating Expenses

Preliminary and pre-operating expenses are charged to the income statement in the year in which they are incurred.

#### (q) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, against which the bank overdraft balances, if any, are deducted.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 4. PROPERTY, PLANT AND EQUIPMENT

#### GROUP

#### NET BOOK VALUE

	Hotel properties RM'000	Freshhold land RM'000	Leasehold land and buildings RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Capital work-in progress RM'000	Total 2001 RM'000	Total 2000 RM'000
At 1 January 2001	324,064	16,957	180,828	108	285,404	2,279	129,280	28,119	967,039	1,002,507
Exchange adjustments	3,333	(1,082)	(2,552)	—	(2,853)	(63)	1,309	(170)	(2,078)	(17,052)
Additions	82	—	18,308	924	2,310	283	6,858	6,272	35,037	41,429
Disposals/write-offs	(6)	—	—	—	(507)	(64)	(45)	(702)	(1,324)	(4,687)
Depreciation	—	—	(3,814)	(17)	(25,183)	(790)	(23,673)	—	(53,477)	(54,711)
Reclassifications/adjustments	2,149	(2,415)	66	11	393	234	150	(489)	99	(447)
At 31 December 2001	329,622	13,460	192,836	1,026	259,564	1,879	113,879	33,030	945,296	967,039
<b>2001</b>										
Cost	329,622	13,460	207,331	1,140	386,756	6,948	218,984	33,030	1,197,271	—
Accumulated depreciation	—	—	(14,495)	(114)	(127,192)	(5,069)	(105,105)	—	(251,975)	—
Net book value	329,622	13,460	192,836	1,026	259,564	1,879	113,879	33,030	945,296	—
<b>2000</b>										
Cost	324,064	16,957	191,791	214	389,551	7,614	210,783	28,119	—	1,169,093
Accumulated depreciation	—	—	(10,963)	(106)	(104,147)	(5,335)	(81,503)	—	—	(202,054)
Net book value	324,064	16,957	180,828	108	285,404	2,279	129,280	28,119	—	967,039

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### COMPANY

	Leasehold Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Total 2001 RM'000	Total 2000 RM'000
<b>NET BOOK VALUE</b>						
At 1 January 2001	2,151	46,368	996	758	50,273	52,677
Additions	—	531	—	625	1,156	4,883
Disposals/write-offs	—	—	—	(5)	(5)	(3,689)
Depreciation	(51)	(2,525)	(252)	(7)	(2,835)	(3,598)
At 31 December 2001	2,100	44,374	744	1,371	48,589	50,273
<b>2001</b>						
Cost	2,798	52,479	2,739	6,430	64,446	—
Accumulated depreciation	(698)	(8,105)	(1,995)	(5,059)	(15,857)	—
Net book value	2,100	44,374	744	1,371	48,589	—
<b>2000</b>						
Cost	2,798	51,948	2,792	5,836	—	63,374
Accumulated depreciation	(647)	(5,580)	(1,796)	(5,078)	—	(13,101)
Net book value	2,151	46,368	996	758	—	50,273

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 4. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Certain hotel properties, plant and equipment with net book value totalling RM698,089,000 (2000 : RM735,218,000) have been pledged to financial institutions as security for term loans and credit facilities granted to the subsidiary companies.

The Directors are of the view that the fair values of the hotel properties held at the balance sheet date are not significantly different from the carrying amounts shown in the financial statements.

Assets with net book values of RM15,245,000 (2000 : RM18,183,000) and RM831,000 (2000 : RM939,000) of the Group and of the Company respectively were acquired under hire purchase and lease arrangements. Details of which are as follows:-

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Motor vehicles	1,076	1,207	629	812
Equipment, furniture and fittings	14,169	16,976	202	127
	<b>15,245</b>	<b>18,183</b>	<b>831</b>	<b>939</b>

### 5. INVESTMENT PROPERTIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:-				
Long term leasehold land and buildings	374,528	369,340	20,240	20,240

The investment properties of the Group and of the Company costing RM81,200,000 (2000 : RM81,200,000) and RM14,960,000 (2000 : RM14,960,000) respectively are pledged to banks as collateral for term loan and revolving credit facilities granted to the Company and certain subsidiary companies.

The Directors are of the view that the fair values of the properties held at the balance sheet date are not significantly different from the carrying amounts shown in the financial statements.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 6. LAND HELD FOR DEVELOPMENT

	Group	
	2001 RM'000	2000 RM'000
At cost:-		
Freehold land	124,374	117,867
Long term leasehold land	144,466	131,238
Development expenditure	79,110	64,127
	<hr/>	<hr/>
	347,950	313,232
	<hr/>	<hr/>

Included in development expenditure is interest capitalised for the year amounting to RM Nil (2000 :RM2,434,000).

A parcel of freehold land of a subsidiary company costing RM10,219,000 (2000 :RM10,219,000) is pledged to a bank for revolving credit facility granted to the Company.

Long term leasehold land of certain subsidiary companies costing RM79,169,000 (2000 :RM79,459,000) are pledged to banks for revolving credit and term loan facilities granted to the Company and subsidiary companies.

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares,at cost	431,643	441,093
Less : Provision for diminution in value	(7,140)	(7,140)
	<hr/>	<hr/>
	424,503	433,953
	<hr/>	<hr/>

Details of the subsidiary companies are set out in Note 41 to the financial statements.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONTD.)

The effects of the acquisition and disposal of the following subsidiary companies on the results of the Group for the year ended 31 December 2001 and the Group's financial position at the financial year end are summarised as follows :-

	Revenue RM'000	Loss after taxation and minority interest RM'000	Share of assets less (liabilities) of subsidiaries acquired/ disposed RM'000	Goodwill RM'000
<b>Acquisitions</b>				
Pena Enterprise Sdn. Bhd.	–	(510)	(260)	95
Emerald Tycoon Sdn. Bhd.	–	(1)	(1)	2
Sunway Rahman Putra Sdn. Bhd.	–	(5)	(5)	–
Sunway D'Mont Kiara Sdn. Bhd.	–	(2)	(2)	–
	–	(518)	(268)	97
<b>Disposal</b>				
OSC First Holidays Co. Ltd.	–	–	85	–

The following companies were transferred within the Group during the financial year and has no effect on the Group's results :-

- (a) Sunway Monterez Sdn.Bhd
- (b) Sun Event Management Sdn. Bhd.
- (c) Sunway Townhouse Sdn.Bhd. (Formerly known as Ace Engineering Services Sdn.Bhd.)

The incorporation and acquisition of other subsidiary companies during the financial year as listed below do not have any material effect on the financial position and results of the Group :-

- (a) Digital Splendour Sdn. Bhd.
- (b) Esteem Crest Sdn.Bhd.
- (c) Lambang Mujur Sdn.Bhd.
- (d) Lavender Acres Sdn. Bhd.
- (e) Lestari Ganda Sdn. Bhd.
- (f) Logic Square Sdn.Bhd.
- (g) Perpetual Summer Sdn.Bhd.
- (h) Platinum Success Sdn. Bhd.
- (i) Splendid Crest Sdn. Bhd.
- (j) Zenith Gateway Sdn. Bhd.

The disposal of the following subsidiary company during the financial year does not have any material effect on the financial position and results of the Group :-

- (a) Lastone Investments Ltd.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 8. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

The amounts due from subsidiary companies are stated net of provision for doubtful debts of RM49,509,000 (2000 : RM49,194,000).

The amounts due from subsidiary companies are unsecured, bear interest at rates ranging from 1.00% to 6.11% (2000 : 1.00% to 8.80%) per annum and have no fixed terms of repayment.

### 9. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unquoted shares, at cost	22,687	22,428	18,905	18,905
Share of post-acquisition reserves	(1,813)	(1,739)	-	-
	<u>20,874</u>	<u>20,689</u>	<u>18,905</u>	<u>18,905</u>
Less : Provision for diminution in value	-	-	(2,500)	(2,500)
	<u>20,874</u>	<u>20,689</u>	<u>16,405</u>	<u>16,405</u>
Elimination of unrealised profits on				
- Sale of land to associated company	(7,455)	(7,455)	-	-
- Services rendered by the Company	(1,640)	(1,640)	-	-
	<u>11,779</u>	<u>11,594</u>	<u>16,405</u>	<u>16,405</u>

Details of the associated companies are set out in Notes 41 to the financial statements.

The Group's interests in the associated companies are analysed as follows:-

	Group	
	2001 RM'000	2000 RM'000
Share of net tangible assets	<u>20,874</u>	<u>20,689</u>

### 10. GOODWILL ON CONSOLIDATION

	Group	
	2001 RM'000	2000 RM'000
At beginning of year	9,245	-
Arising from acquisition of subsidiary companies	97	-
Arising from changes in equity interest in a subsidiary company	1,083	9,732
Less : Amortisation/write-off	(700)	(487)
At end of year	<u>9,725</u>	<u>9,245</u>

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 11. DEFERRED TAX ASSETS

	Group	
	2001 RM'000	2000 RM'000
At beginning of year	-	-
Transfer from income statement (Note 34)	2,387	-
At end of year	<u>2,387</u>	<u>-</u>

The deferred tax assets arose as a result of the application of tax effect accounting on timing differences arising in respect of recognition of progress billings.

### 12. PROPERTIES UNDER DEVELOPMENT

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:				
Freehold land	78,859	85,071	-	-
Long term leasehold land	132,934	86,020	72	31
Development expenditure	539,937	450,898	92,776	112,728
	<u>751,730</u>	<u>621,989</u>	<u>92,848</u>	<u>112,759</u>
Attributable profits	179,205	122,872	14,855	31,437
	<u>930,935</u>	<u>744,861</u>	<u>107,703</u>	<u>144,196</u>
Transfer to inventories	(9,390)	(3,182)	-	(3,182)
Progress billings	(735,878)	(557,239)	(86,074)	(112,050)
	<u>185,667</u>	<u>184,440</u>	<u>21,629</u>	<u>28,964</u>

Included in development expenditure of the Group is interest capitalised amounting to RM696,000 (2000 : RM Nil).

Certain parcels of the freehold land of a subsidiary company costing RM18,839,000 (2000 : RM Nil) are pledged to a bank for credit facilities granted to the subsidiary company.

Long term leasehold land of the Group and the Company costing RM26,553,000 (2000 : RM 26,553,000) and RM4,758,000 (2000 : RM4,758,000) respectively are pledged to banks for revolving credit and term loan facilities granted to the Company and subsidiary companies.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 13. INVENTORIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:-				
Developed properties	14,051	7,007	3,485	4,377
Trading inventories	5,056	3,663	-	-
Food and beverages	1,546	1,512	-	-
Consumables	1,906	1,131	-	5
	<u>22,559</u>	<u>13,313</u>	<u>3,485</u>	<u>4,382</u>
At net realisable value:-				
Trading inventories	-	2,570	-	-
Consumables	324	350	-	-
	<u>22,883</u>	<u>16,233</u>	<u>3,485</u>	<u>4,382</u>

### 14. TRADE DEBTORS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Amounts receivable	82,053	70,000	25,790	13,833
Less : Provision for doubtful debts	(8,270)	(9,703)	(1,850)	(2,687)
	<u>73,783</u>	<u>60,297</u>	<u>23,940</u>	<u>11,146</u>

Included in trade debtors of the Group and of the Company are amounts due from member companies of Sunway Holdings Incorporated Berhad ("SunInc") Group and PRK Builders Sdn. Bhd. ("PRK") of RM7,578,000 (2000 : RM5,004,000) and RM5,398,000 (2000 : RM3,842,000) respectively which are unsecured and have no fixed terms of repayment. These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest and common directorship in SunInc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 15. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Other debtors	19,883	24,576	8,948	9,445
Deposits	5,470	5,168	3,222	2,233
Prepayments	3,526	2,667	350	267
Taxation recoverable	4,016	1,895	4,016	1,490
	<u>32,895</u>	<u>34,306</u>	<u>16,536</u>	<u>13,435</u>
Less : Provision for doubtful debts	(7,278)	(11,096)	(4,995)	(5,313)
	<u>25,617</u>	<u>23,210</u>	<u>11,541</u>	<u>8,122</u>

### 16. AMOUNTS DUE FROM ASSOCIATED COMPANIES

The amounts due from the associated companies of the Group are stated net of provision for doubtful debts of RM1,848,000 (2000 : RM1,190,000).

The amounts due from associated companies are unsecured, non-interest bearing and have no fixed terms of repayment.

### 17. CASH AND BANK BALANCES

Included in cash and bank balances of the Group and of the Company are balances amounting to RM54,160,000 (2000 : RM34,987,000) and RM8,164,000 (2000 : RM6,129,000) respectively held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

### 18. TRADE CREDITORS

Included in trade creditors of the Group and of the Company are amounts due to member companies of Sunway Holdings Incorporated Berhad ("SunInc") Group and PRK Builders Sdn. Bhd. ("PRK") of RM33,266,000 (2000 : RM32,496,000) and RM7,814,000 (2000 : RM6,395,000) respectively, of which RM18,995,000 (2000 : RM12,420,000) and RM1,267,000 (2000 : RM1,595,000) of the Group and of the Company bear interest at 8% (2000 : 7%) per annum and they are all unsecured and have no fixed terms of repayment.

These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest and common directorship in SunInc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 19. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Other creditors	59,226	35,857	7,022	6,022
Amount due to contractors and consultants	125,587	107,119	18,789	17,502
Accruals	40,890	48,757	1,354	1,617
Refundable deposits	11,871	11,500	1,605	1,631
	<b>237,574</b>	<b>203,233</b>	<b>28,770</b>	<b>26,772</b>

Included in the amount due to contractors and consultants of the Group and the Company are amounts due to member companies of Sunway Holdings Incorporated Berhad ("SunInc") Group and PRK Builders Sdn. Bhd. ("PRK") of RM104,354,000 (2000 : RM73,262,000) and RM9,579,000 (2000 : RM6,529,000) respectively, of which RM80,682,000 (2000 :RM52,765,000) and RM302,000 (2000 :RM2,297,000) of the Group and of the Company bear interest at 8% (2000 :7%) per annum. These amounts are unsecured and have no fixed terms of repayment.

These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest and common directorship in SunInc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company.

### 20. BANK BORROWINGS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Bank overdrafts				
- secured	12,469	8,567	7,813	4,732
- unsecured	2,040	12,398	-	-
Trade bills - secured	34,798	26,962	-	-
Current portion of :-				
- term loans (Note 26)	51,913	12,558	-	-
- revolving credit (Note 26)	2,000	7,000	2,000	7,000
	<b>103,220</b>	<b>67,485</b>	<b>9,813</b>	<b>11,732</b>

The bank borrowings of the Group and the Company are secured by mortgages on land and assets as well as fixed and floating charges on assets of certain subsidiary companies of RM914,069,000 (2000 : RM932,649,000) and RM19,718,000 (2000 : RM19,718,000) respectively as disclosed in Notes 4, 5, 6 and 12 to the financial statements.

The bank overdrafts bear interest at rates ranging from 7.90% to 8.80% (2000 :7.65% to 8.80%) per annum.

The revolving credit bears interest at rates ranging from 4.40% to 8.55% (2000 : 4.50% to 8.55%) per annum.

The trade bills bear interest at rates ranging from 4.82% to 6.38% (2000 : 4.81% to 5.78%) per annum.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 21. HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Gross amounts payable within :				
1 year after the balance sheet date	7,457	6,343	2,035	1,949
More than 1 year but not later than 2 years	6,222	6,247	936	1,947
More than 2 years but not later than 5 years	5,600	9,160	6	855
	19,279	21,750	2,977	4,751
Less : Unexpired interest	(4,841)	(5,862)	(912)	(1,525)
	14,438	15,888	2,065	3,226
Less : Portion in current liabilities	(5,537)	(4,653)	(1,396)	(1,320)
	8,901	11,235	669	1,906

Approximately RM17,996,000 (2000 :RM21,235,000) and RM2,731,000 (2000 :RM4,512,000) of the gross amounts payable to hire purchase and lease creditors of the Group and of the Company are owing to a subsidiary company of Sunway Holdings Incorporated Berhad, Sunway Credit & Leasing Sdn. Bhd. ("SCLSB"). SCLSB is deemed to be related to the Company by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest and common directorship in both Sunway Holdings Incorporated Berhad and the Company.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 22. SHARE CAPITAL

	Group/Company		Group/Company	
	2001	2000	2001	2000
	No. of shares	No. of shares	RM'000	RM'000
Authorised:				
Ordinary shares of RM1.00 each				
At beginning of the year	800,000	1,000,000	800,000	1,000,000
Altered during the year	-	(200,000)	-	(200,000)
At end of the year	800,000	800,000	800,000	800,000
6.6% cumulative convertible preference shares of RM1.00 each				
At beginning of the year	200,000	-	200,000	-
Altered during the year	-	200,000	-	200,000
At end of the year	200,000	200,000	200,000	200,000
	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
Issued and fully paid:				
Ordinary shares of RM1.00 each				
At beginning of the year	340,199	300,000	340,199	300,000
Issued during the year	-	40,000	-	40,000
Issued under the Employees' Share Option Scheme	-	199	-	199
At end of the year	340,199	340,199	340,199	340,199
6.6% cumulative convertible preference shares of RM1.00 each				
At beginning of the year	108,000	-	108,000	-
Issued during the year	-	108,000	-	108,000
At end of the year	108,000	108,000	108,000	108,000
	<b>448,199</b>	<b>448,199</b>	<b>448,199</b>	<b>448,199</b>

The 6.6% cumulative convertible preference shares confer on the holders the right to cumulative preferential dividends of 6.6% (net of tax) which rank in priority to ordinary shares. The shares are convertible into ordinary shares three (3) years after the issue date of 24 February 2000 at a conversion price of RM1.80 per share and shall rank pari-passu in all respects with other ordinary shares in issue on the conversion date.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 23. SHARE PREMIUM

	Group/Company	
	2001 RM'000	2000 RM'000
At beginning of year	110,363	78,216
Arising from issuance of ordinary shares	-	32,000
Arising from issuance of ordinary shares under the Employees' Share Option Scheme	-	147
At end of the year	110,363	110,363

### 24. RESERVES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Non distributable reserves:				
(i) Capital reserve				
At beginning of year	19,481	18,611	-	-
Transfer from revenue reserve on redemption of preference shares in a subsidiary company	835	870	-	-
At end of year	20,316	19,481	-	-
(ii) Exchange reserve				
At beginning of year	3,398	5,739	-	-
Translation of foreign subsidiary companies' financial statements	7,996	2,848	-	-
Arising from the disposal of interest in a subsidiary company	(95)	-	-	-
Translation of long term advances to foreign subsidiary companies	(4,600)	(5,189)	-	-
At end of year	6,699	3,398	-	-

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 24. RESERVES (cont'd)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
(iii) Reserve on consolidation				
At beginning of year	-	-	-	-
Arising on acquisition of additional interest in a subsidiary company	386	-	-	-
At end of year	386	-	-	-
Total non-distributable reserves	27,401	22,879	-	-
Distributable reserve :				
Retained profit	27,293	25,688	184,173	183,109
<b>TOTAL RESERVES</b>	<b>54,694</b>	<b>48,567</b>	<b>184,173</b>	<b>183,109</b>

Capital reserve represents share premium arising from shares issued by a subsidiary company to minority shareholders and the creation of capital redemption reserve by certain subsidiary companies.

Based on estimated tax credits available and the prevailing tax rate applicable to dividends as at 31 December 2001, the entire revenue reserve of the Company is available for distribution by way of dividends without the Company having to incur additional tax liability.

### 25. MINORITY INTERESTS

Included in minority interests are the following preference shares issued to minority shareholders of certain subsidiary companies :-

- 5% cumulative redeemable preference shares "A" issued to minority shareholders of Sunway Damansara Sdn. Bhd. amounting to RM45,845,000 (2000 : RM45,845,000). These shares confer on the holders the right to cumulative preferential dividends of 5% which rank in priority to ordinary dividends.
- Redeemable preference shares issued to minority shareholders of Sunway Pyramid Sdn. Bhd. amounting to RM3,981,559 (2000 : RM4,800,000). These shares shall confer on the holders the right on a winding up or other return of capital (other than on the redemption of preference shares) to receive, in priority to the holders of any other class of shares in the capital of the Company repayment in full of the nominal amount of that preference shares. These shares are redeemable at their initial issue price at any time after the issue date of 24 February 2000.
- 5% redeemable convertible preference shares issued to minority shareholders of Sunway Tunas Sdn. Bhd. amounting to RM15,000,000 (2000 : RM15,000,000) which confer on its holders a cumulative preference dividend of 5% per annum which ranks in priority over ordinary dividends. These shares are redeemable at par or convertible into ordinary shares on the basis of one convertible preference share of RM1 each for one ordinary share of RM1 each at any time after 16 May 1999.
- 5% non-cumulative redeemable preference shares issued to minority shareholders of Sunway Lagoon Sdn. Bhd. amounting to RM588,000 (2000 : RM588,000). These shares confer on its holders a fixed non-cumulative preferential dividends of 5% per annum which rank in priority over ordinary dividends. These shares are redeemable at premium at any time.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 26. LONG TERM BANK BORROWINGS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Term loans - secured (Note a)				
- Type 1	7,000	11,000	-	-
- Type 2	80,000	83,750	-	-
- Type 3	207,750	210,000	-	-
- Type 4	23,094	27,494	-	-
- Type 5	41,599	33,923	-	-
- Type 6	8,710	-	-	-
Term loans - unsecured (Note a)				
- Type 7	19,650	21,230	-	-
- Type 8	25,164	27,077	-	-
	<b>412,967</b>	<b>414,474</b>	<b>-</b>	<b>-</b>
Revolving credit - secured (Note b)	186,400	186,400	186,400	186,400
Revolving credit - unsecured	4,000	7,000	4,000	7,000
	<b>603,367</b>	<b>607,874</b>	<b>190,400</b>	<b>193,400</b>
Less : Term loans repayable within 12 months (Note 20)	(51,913)	(12,558)	-	-
Less : Revolving credit repayable within 12 months (Note 20)	(2,000)	(7,000)	(2,000)	(7,000)
Amounts repayable after 12 months	<b>549,454</b>	<b>588,316</b>	<b>188,400</b>	<b>186,400</b>

(a) Details of the term loans outstanding are as follows:-

	Group	
	2001 RM'000	2000 RM'000
Amounts repayable within:-		
1 year after balance sheet date	51,913	12,558
More than 1 year but not later than 2 years	72,863	122,348
More than 2 years but not later than 5 years	104,641	71,152
More than 5 years	183,550	208,416
	<b>412,967</b>	<b>414,474</b>

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 26. LONG TERM BANK BORROWINGS (CONTD.)

- (a) The term loans and revolving credits of the Group and of the Company are secured by legal charges on land and hotel properties as well as fixed and floating charges on assets of certain subsidiary companies amounting to RM823,334,000 (2000 : RM832,215,000) and RM19,718,000 (2000 : RM19,718,000) respectively.

Details of the terms of repayment are as follows:-

Loan	Subsidiary Company	Repayment Term	Commencing Date
			Type 1
	Sunway Hotel (Penang) Sdn. Bhd.	7 years	December 1996
Type 2	Sunway Lagoon Sdn. Bhd.	5 years	September 1999
Type 3	Sunway Resort Hotel Sdn. Bhd.	10 years	June 2001
Type 4	Sunway Hotel (Seberang Jaya) Sdn. Bhd.	7 years	January 2001
Type 5	Sunway Medical Centre Sdn. Bhd.	8 years	January 2002
Type 6	Sunway Semenyih Sdn. Bhd.	By way of redemption	March 2001
Type 7	Estonia Enterprises Ltd.	4 years	March 1999
Type 8	Sunway Hotel Phnom Penh, Ltd.	5 years	March 2001

The above borrowings bear interest at rates ranging from 3.60% to 9.30% (2000 : 4.65% to 9.95%) per annum.

- (b) Secured revolving credits which are due to be repaid within the next twelve months but are expected to be rolled over are treated as long term liabilities. Subsequent to the financial year end, certain of those revolving credits which matured between the year end and the date of this report were renewed.

### 27. LONG TERM LIABILITIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Amounts payable to contractors	72,000	80,000	29,000	31,000
Other long term liabilities	33,500	—	—	—
Refundable deposits	12,633	12,097	2,897	2,872
	<b>118,133</b>	<b>92,097</b>	<b>31,897</b>	<b>33,872</b>

The amounts payable to contractors are included as long term liabilities as the contractors have agreed not to demand repayment within the next 12 months.

The amounts payable to contractors of the Group and of the Company of RM72,000,000 (2000 : RM80,000,000) and RM29,000,000 (2000 : RM31,000,000) respectively are amounts due to member companies of Sunway Holdings Incorporated Berhad ("SunInc") Group. These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's mutual interest and common directorship in SunInc and the Company. The balances are unsecured, bear interest at 8% (2000 : 7%) per annum and have no fixed terms of repayment.

Other long term liabilities of the Group represent the purchase consideration of certain parcels of long term leasehold land of certain subsidiary companies which are not due for payment within the next twelve months. The acquisition of a piece of long term leasehold land of RM15 million is financed by a long term credit facility granted to a subsidiary company subsequent to the financial year end, thus have been classified as long term liabilities.

The refundable deposits are in respect of deposits received by a subsidiary company and the Company for tenancy contracts for a tenure of three years.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 28. ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARY COMPANIES

The advances by minority shareholders of subsidiary companies are unsecured, interest free (2000 : advances of RM10,519,800 bear interest at 2% per annum) and have no fixed terms of repayment.

### 29. AMOUNTS DUE TO SUBSIDIARY COMPANIES

The amounts due to subsidiary companies are unsecured, bear interest at rates ranging from 1.00% to 6.11% (2000 : 1.00% to 8.80%) per annum and have no fixed terms of repayment.

### 30. DEFERRED TAXATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At beginning of year	2,411	3,221	2,406	3,216
Transfer to income statement (Note 34)	-	(810)	-	(810)
At end of year	<u>2,411</u>	<u>2,411</u>	<u>2,406</u>	<u>2,406</u>

The Group and the Company have provided for deferred taxation in respect of both current and cumulative timing differences.

### 31. REVENUE

#### Group

Revenue comprises a proportion of contracted sales revenue determined by reference to the percentage of completion of the development properties, rental income from letting of properties, and the invoiced value of services rendered and goods supplied.

#### Company

Revenue comprises a proportion of contracted sales revenue determined by reference to the percentage of completion of the development properties, sale of land and properties, rental income from letting of properties and gross dividend income from investments.

#### SEGMENT INFORMATION - GROUP

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Revenue is attributed to geographic areas based on the location of the assets producing the revenue.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 31. REVENUE (cont'd)

#### Analysis by activity

	Revenue		Profit/(Loss) Before Taxation and Minority Interest		Total Assets Employed	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property development	272,160	191,285	55,342	34,051	667,205	620,138
Property investment	75,440	67,127	36,742	38,157	570,930	558,051
Leisure	109,770	111,556	(24,373)	(29,728)	327,805	349,694
Hospitality	93,880	93,284	(27,820)	(26,281)	493,466	473,638
Health care	36,719	17,052	(5,031)	(8,304)	78,735	75,366
	<b>587,969</b>	<b>480,304</b>	<b>34,860</b>	<b>7,895</b>	<b>2,138,141</b>	<b>2,076,887</b>

#### Analysis by geographical location

	Revenue		Profit/(Loss) Before Taxation and Minority Interest		Total Assets Employed	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Malaysia	518,306	401,638	52,239	31,047	1,992,085	1,919,759
Asia (excluding Malaysia)	10,711	16,899	(317)	(1,573)	45,535	46,264
Australia	58,952	61,767	(17,062)	(21,579)	100,521	110,864
	<b>587,969</b>	<b>480,304</b>	<b>34,860</b>	<b>7,895</b>	<b>2,138,141</b>	<b>2,076,887</b>

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 32. PROFIT FROM OPERATIONS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
This is arrived at after charging/ (crediting) :-				
Directors' emoluments payable to executive Directors of				
- holding company	1,508	1,300	1,508	1,300
- subsidiary companies who are not Directors of the holding company	714	678	-	-
Directors' fees payable to non-executive Directors				
- Current year	82	60	64	60
- Under provision in prior year	48	-	48	-
Auditors' remuneration - audit				
- Current year	467	461	68	60
- (Over)/underprovision in prior year	(16)	(16)	1	6
Auditors' remuneration - non-audit	28	81	-	76
Depreciation of property, plant and equipment	53,477	54,711	2,835	3,598
Loss on disposal of property, plant and equipment	2	15	-	-
Amortisation/write-off of goodwill	700	487	-	-
Rent of:				
- Land and buildings	3,180	2,217	1,106	917
- Equipment, plant and machinery	1,431	285	135	-
- Others	570	359	121	237
Management fee	520	703	277	476
Development expenditure written off	136	643	-	-
Property, plant and equipment written off	1,213	82	-	-

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 32. PROFIT FROM OPERATIONS (cont'd)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Inventories written off	54	-	-	-
Staff costs	104,272	98,785	8,748	7,441
Provision for bad and doubtful debts	1,455	4,530	445	3,384
Bad debts written off	141	27	-	4
Provision for doubtful debts in respect of amounts due from associated companies	658	1,165	-	-
Provision for doubtful debts in respect of amounts due from subsidiary companies	-	-	18	-
Loss arising from dilution of interest in a subsidiary company	-	3,504	-	-
Realised exchange loss	7	-	-	-
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And after crediting:-				
Realised exchange gain	-	30	-	-
Interest income				
- from subsidiary companies	-	-	16,768	16,808
- others	4,023	3,010	216	222
Rental income	78,929	68,369	4,674	4,268
Gross dividends from				
- subsidiary companies	-	-	12,701	9,071
- associated company	-	-	1,640	1,470
Gain on sale of land/development properties to subsidiary companies	-	-	-	10,498
Gain on dilution of interest in subsidiary companies	1,873	-	-	-
Gain on disposal of property, plant and equipment	163	-	44	211
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### 33. FINANCE COSTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest expense:				
- advances from minority shareholders of subsidiary company	(24)	900	-	-
- hire purchase and lease arrangements	1,858	1,661	636	603
- intercompany	-	-	837	497
- related party (Note 38)	17,085	8,858	2,506	2,093
- revolving credit	11,363	11,326	11,363	11,326
- term loans	26,008	28,277	-	-
- bank overdrafts	708	570	283	251
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	56,998	51,592	15,625	14,770
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## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 34. TAXATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Malaysian taxation based on results for the year :-				
- Current	19,643	16,207	4,534	5,546
- Deferred tax				
- assets (Note 11)	(2,387)	-	-	-
- liabilities (Note 30)	-	(810)	-	(810)
	17,256	15,397	4,534	4,736
Overprovision in prior years	(950)	-	-	-
	<b>16,306</b>	<b>15,397</b>	<b>4,534</b>	<b>4,736</b>

The taxation is provided in respect of the Company and certain profitable subsidiary companies.

The effective tax rate for Group's profit is higher than the statutory tax rate due to certain expenses being disallowed for tax purposes and non-availability of group tax relief on losses incurred by certain subsidiary companies.

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

The estimated unabsorbed tax losses, unutilised capital and investment tax allowances which have not been dealt with in the financial statements are as follows:-

	Group	
	2001 RM'000	2000 RM'000
Tax losses	86,054	74,061
Capital allowances	200,879	253,637
Investment tax allowances	474,079	506,504
	<b>761,012</b>	<b>834,202</b>

### 35. DIVIDEND

This represents 6.6% dividend (net of tax of 28%) in respect of the Company's 6.6% cumulative convertible preference shares amounting to RM7,128,000 in respect of the current year.

An amount of RM4,599,000 in respect of the above has been paid during the financial year.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 36. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share for the Group is based on profit/(loss) after taxation and minority interests of RM9,473,000 (2000 : RM3,940,000) less preference shares dividend of RM7,128,000 (2000 : RM6,092,975) on weighted average of 340,199,000 (2000 : 334,262,489) ordinary shares in issue during the year.

No diluted earnings per share is disclosed due to the anti-dilutive effect of share options and the 6.6% cumulative convertible preference shares.

### 37. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Company	
	2001 RM'000	2000 RM'000
Interest receivable from subsidiary companies	16,768	16,808
Rent receivable from subsidiary companies	1,150	1,150
Interest payable to subsidiary companies	837	497
Rent payable to an associated company	1,106	917
Sale of land/development properties to subsidiary companies	-	14,588

### 38. RELATED PARTY TRANSACTIONS

During the year, the Group transacted with certain related parties. The transactions are principally payable to/(receivable from) the related parties in respect of:-

Name of Companies	Nature of Transactions	Group	
		2001 RM'000	2000 RM'000
(a) Sunway Holdings Incorporated Berhad Group ("Suninc Group")	Construction costs	78,518	43,683
	Interest expense	17,085	8,858
	Management fees	385	424
	Insurance premium	2,637	3,256
	Lease rental	3,082	8,226
	Rental of premises	1,131	1,060
	Purchase of building materials	710	10
	Hiring of machinery	14	40
	Rental income	(1,058)	(914)
	Hotel and related services	(1,024)	(230)
	Recreational services	(92)	(83)
	Ticketing and tour sales	(577)	(495)
Medical services	(584)	(536)	
(b) PRK Builders Sdn. Bhd. ("PRK")	Construction costs	59,179	31,338
	Rental income	(242)	(280)
	Hotel and related services	(833)	(6)
	Recreational services	(9)	-
	Ticketing and tour sales	(8)	(5)
	Medical services	(40)	(20)

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 38. RELATED PARTY TRANSACTIONS (cont'd)

Name of Companies	Nature of Transactions	Group	
		2001 RM'000	2000 RM'000
(c) Buildtrend B.S.G. (M) Sdn.Bhd. Group ("Buildtrend Group")	Construction costs	437	8
	Medical services	-	(1)
(d) Koperasi Tunas Muda Sungai Ara Berhad Group ("KTM Group")	Construction costs	8,583	410
	Hotel and related services	(4)	-
(e) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	867	74
	Hotel and related services	(35)	(5)
	Recreational services	-	(1)
	Ticketing and tour sales	(165)	(147)
	Medical services	(36)	(34)
(f) Perbadanan Kemajuan Negeri Selangor Group ("PKNS Group")	Purchase of building materials	411	-
(g) Sungei Way Enterprise (1988) Sdn.Bhd. ("SWESB")	Hiring of machinery	36	172
	Rental income	(300)	(310)
	Hotel and related services	-	(2)
	Recreational services	(1)	(1)
	Ticketing and tour sales	(10)	(3)
	Medical services	(12)	(13)
(h) Adasia (M) Sdn.Bhd. ("Adasia")	Advertising fees	2,105	1,919
	Medical services	(3)	(6)
(i) CCM Chemicals Sdn. Bhd. ("CCM")	Purchase of chemicals and related products	561	593
(j) Infra-Melia Sdn.Bhd. ("IMS B")	Rental income	(129)	(105)
	Recreational services	(40)	(20)
	Medical services	(2)	-
(k) Sunway College Sdn. Bhd. Group ("SCSB Group")	Rental income	(10,312)	(10,355)
	Recreational services	(18)	(21)
	Hotel and related services	(212)	(113)
	Ticketing and tour sales	(534)	(345)
	Medical services	(217)	(125)
(l) Asian Strategy & Leadership Incorporated Sdn.Bhd. ("ASLI")	Hotel and related services	(133)	-
	Ticketing and tour sales	(12)	(14)
	Medical services	(8)	(14)
(m) Sunway Hydraulic Industries Sdn. Bhd. ("SHISB")	Hotel and related services	(1)	-
	Ticketing and tour sales	(8)	(8)
	Medical services	(3)	(12)

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 38. RELATED PARTY TRANSACTIONS (CONTD.)

The above parties are deemed related to the Group as follows :-

- (a) Suninc Group is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's, Dato' Chew Chee Kin's and Dato' Haji Othman bin Mohd Taib's common directorship and interests in SunInc Group and the Company. Dato' Chew Chee Kin and Dato' Haji Othman bin Mohd Taib resigned as directors of the Company on 18 April 2001.
- (b) PRK is deemed related to the Group by virtue of Dato' Razman M Hashim's common directorship and interest in PRK and the Company. Dato' Razman M Hashim resigned as director and ceased as shareholder of PRK on 24 May 2001 and 28 April 2001 respectively.
- (c) Buildtrend Group is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's and Dato' Razman M Hashim's deemed interests in Buildtrend Group and the Company. Dato' Razman M Hashim ceased to have deemed interest in Buildtrend Group on 7 May 2001.
- (d) KTM Group is deemed related to the Group via its major shareholding in Sunway Tunas Sdn.Bhd., a 70% owned subsidiary of the Company.
- (e) STSB Group is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's deemed interest in STSB Group.
- (f) PKNS Group is deemed related to the Group via its major shareholding in the Company and Sunway Damansara Sdn.Bhd, a 60% owned subsidiary of the Company.
- (g) SWESB is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's deemed interest in SWESB.
- (h) Adasia is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's deemed interest in Adasia.
- (i) CCM is deemed related to the Group by virtue of Dato' Lim Say Chong's and Oh Kim Sun's deemed interests in CCM and direct interests in Sunway Lagoon Sdn. Bhd., a 51% owned subsidiary of the Company.
- (j) IMSB is deemed related to the Group by virtue of Puan Sri Datin Seri Susan Cheah Seok Cheng's and Sarena Cheah Yean Tih's directorships and major shareholdings in IMSB. Puan Sri Datin Seri Susan Cheah Seok Cheng and Sarena Cheah Yean Tih are the spouse and child of Tan Sri Dato' Seri (Dr) Cheah Fook Ling respectively.
- (k) SCSB Group is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's and Dato' Razman M Hashim's common directorship and deemed interests in SCSB Group via Sunway College Trust and the Company.
- (l) ASLI is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's direct and deemed interests in ASLI.
- (m) SHISB is deemed related to the Group by virtue of Tan Sri Dato' Seri (Dr) Cheah Fook Ling's deemed interest in SHISB as well as Dato' Razman M Hashim's common directorship and interest in SHISB and the Company.

All other significant inter-company transactions have been disclosed under Notes 32, 33 and 37 and cash flow statement of the Company. These transactions were undertaken at mutually agreed terms between the companies in the normal course of business and the terms and conditions are not materially different from that obtainable in transactions with unrelated parties.

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 39. CONTINGENT LIABILITIES

	Company	
	2001 RM'000	2000 RM'000
Guarantees given to licensed financial institutions for banking facilities granted to subsidiary companies	389,330	383,674

All the above contingent liabilities are unsecured.

### 40. CAPITAL COMMITMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Capital expenditure				
- approved and contracted for	119,738	5,310	-	98
- approved but not contracted for	12,586	5,228	-	-
	132,324	10,538	-	98

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001 %	2000 %
(a) Subsidiaries of Sunway City Berhad				
Bintutara Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Sunway Kinrara Sdn. Bhd.	Malaysia	Property development	100	75
Sunway Hotel (Penang) Sdn. Bhd.	Malaysia	Hotel business	100	100
Syarikat Shoib Properties Sdn. Bhd.	Malaysia	Property development	100	100
Grandeal Trading Co. Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	51	51
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development and investment holding	75	75
Sunway Pyramid Sdn. Bhd.	Malaysia	Shopping mall operator	52	52

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(a) Subsidiaries of Sunway City Berhad (cont'd)				
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotel business	58	58
Sunway Lagoon Club Berhad	Malaysia	Rendering recreational club facilities	83.6	83.6
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour agent	87	87
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	65	65
Sunway Damansara Sdn. Bhd.	Malaysia	Property development and investment holding	60	60
* Allson International Holdings Limited	British Virgin Islands	Hotel management	70	70
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Dormant	100	70
Pembinaan Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	100	70
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70
Lastone Investments Ltd.	British Virgin Islands	Investment holding	-	100
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76
Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	70	70
TAH Properties Sdn. Bhd.	Malaysia	Dormant	70	70
Sunway Medical Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Area Star Sdn. Bhd.	Malaysia	Dormant	100	100
Falcrest Sdn. Bhd.	Malaysia	Dormant	70	70

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(a) Subsidiaries of Sunway City Berhad (cont'd)				
# Sunway City (S'pore) Pte. Ltd.	Singapore	Promotion and marketing services	100	100
Sunway Townhouse Sdn. Bhd. (Formerly known as Ace Engineering Services Sdn. Bhd.)	Malaysia	Property development	–	100
Sunway Resort Hotel Land Sdn.Bhd.	Malaysia	Dormant	100	100
Stellar Destiny Sdn. Bhd.	Malaysia	Property investment	100	100
Strategic Domain Sdn.Bhd.	Malaysia	Dormant	100	100
Sunway Montereiz Sdn. Bhd.	Malaysia	Property development	–	100
Sun Event Management Sdn. Bhd.	Malaysia	Dormant	100	–
Emerald Tycoon Sdn. Bhd.	Malaysia	Property development and investment	100	–
(b) Subsidiaries of Sunway City (Penang) Sdn. Bhd.				
Fame Parade Sdn.Bhd.	Malaysia	Dormant	100	100
Era Primision Sdn. Bhd.	Malaysia	Dormant	100	100
Commercial Parade Sdn.Bhd.	Malaysia	Dormant	100	100
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotel business	100	100
Lancar Gemilang Sdn. Bhd.	Malaysia	Dormant	100	100
Prime Delight Sdn.Bhd.	Malaysia	Dormant	100	100
Sejati Pesona Sdn.Bhd.	Malaysia	Dormant	100	100
Associated Circle Sdn.Bhd.	Malaysia	Dormant	100	100
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(c) Subsidiary of Sunway Travel Sdn. Bhd.				
# OSC First Holidays Co. Ltd.	Socialist Republic of Vietnam	Travel and tour agent	–	54
(d) Subsidiaries of Allson International Holdings Limited				
* Allson International Hotels & Resorts (H.K.) Limited	Hong Kong	Hotel management	99.9	99.9
* Allson International Hotels & Resorts (B.V.I.) Limited	British Virgin Islands	Hotel management	100	100
* Allson International Management Limited	British Virgin Islands	Hotel management	100	100
(e) Subsidiary of Konsep Objektif (M) Sdn.Bhd.				
# Sunway Hotel Phnom Penh, Ltd.	Cambodia	Hotel business	75	75
(f) Subsidiaries of Sunway Lagoon Sdn. Bhd.				
Sunway Arena Entertainment Sdn. Bhd.	Malaysia	Dormant	55	55
Eastern Glory Enterprises Ltd.	British Virgin Islands	Investment holding	60	60
Sunway Monorail Sdn. Bhd.	Malaysia	Monorail operator	100	100
Commercial Highlight Sdn. Bhd.	Malaysia	Dormant	55	55
Sun Event Management Sdn. Bhd.	Malaysia	Dormant	–	100
Sunway Townhouse Sdn. Bhd. (Formerly known as Ace Engineering Services Sdn. Bhd.)	Malaysia	Property development	100	–
Digital Splendour Sdn. Bhd.	Malaysia	Dormant	100	–
Esteem Crest Sdn. Bhd.	Malaysia	Dormant	100	–
Lambang Mujur Sdn.Bhd.	Malaysia	Dormant	100	–

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(f) Subsidiaries of Sunway Lagoon Sdn.Bhd. (cont'd)				
Lavender Acres Sdn. Bhd.	Malaysia	Dormant	100	–
Lestari Ganda Sdn. Bhd.	Malaysia	Dormant	100	–
Logic Square Sdn.Bhd.	Malaysia	Dormant	100	–
Perpetual Summer Sdn.Bhd.	Malaysia	Dormant	100	–
Platinum Success Sdn. Bhd.	Malaysia	Dormant	100	–
Splendid Crest Sdn. Bhd.	Malaysia	Dormant	100	–
Zenith Gateway Sdn. Bhd.	Malaysia	Dormant	100	–
(g) Subsidiaries of Sunway City (Ipoh) Sdn.Bhd.				
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Realty (Penang) Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Lagoon Water Park Sdn.Bhd.	Malaysia	Dormant	100	100
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	100	100
Semangat Kancil (M) Sdn.Bhd.	Malaysia	Dormant	100	100
Ganda Antik Sdn. Bhd.	Malaysia	Dormant	100	100
Bandar Sunway (Melaka) Sdn. Bhd.	Malaysia	Dormant	100	100
Permata Aktiviti (M) Sdn.Bhd.	Malaysia	Dormant	100	100
Lagoon Café Sdn. Bhd.	Malaysia	Dormant	100	100
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	100	100

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(h) Subsidiaries of Sunway Damansara Sdn. Bhd.				
Imbasan Intisari Sdn.Bhd.	Malaysia	Dormant	100	100
Tidal Elegance Sdn. Bhd.	Malaysia	Dormant	100	100
Park Symphony Sdn. Bhd.	Malaysia	Dormant	100	100
Pan Unicreation Sdn.Bhd.	Malaysia	Dormant	100	100
Winning Excellence Sdn. Bhd.	Malaysia	Dormant	100	100
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	100	100
Contemporary Deal Sdn.Bhd.	Malaysia	Dormant	100	100
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	100	100
Petikan Tropika Sdn. Bhd.	Malaysia	Dormant	100	100
Cahaya Jejaka Sdn. Bhd.	Malaysia	Dormant	100	100
Seruan Istilah Sdn. Bhd.	Malaysia	Dormant	100	100
Sumber Dorongan Sdn.Bhd.	Malaysia	Dormant	100	100
Anggaran Sajju Sdn.Bhd.	Malaysia	Dormant	100	100
Bisikan Seni Sdn.Bhd.	Malaysia	Dormant	100	100
Emerald Freight Sdn.Bhd.	Malaysia	Dormant	100	100
Sunway Monterez Sdn. Bhd.	Malaysia	Property development	99.9	–
(i) Subsidiary of Sunway Pyramid Sdn. Bhd.				
Sunway Parking Management Sdn. Bhd.	Malaysia	Car park operator	100	100
(j) Subsidiaries of Sunway Medical Holdings Sdn. Bhd.				
Sunway Medical Centre Sdn.Bhd.	Malaysia	Operator of a medical centre	58.0	60.9
Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100	100

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(k) Subsidiaries of Eastern Glory Enterprises Limited				
Estonia Enterprises Limited	British Virgin Islands	Investment holding	100	100
* Hartford Lane Pty. Limited	Australia	Trustee	100	100
(l) Subsidiaries of Estonia Enterprises Limited				
* International Theme Park Pty. Ltd.	Australia	Theme park operator	100	100
* Sunway Australia Unit Trust	Australia	Unit trust	100	100
(m) Subsidiary of International Theme Park Pty. Ltd.				
* Sydney Theme Park Pty. Ltd.	Australia	Theme park licence holder	100	100
(n) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.				
Sunway City Cambodia Limited	Cambodia	Dormant	80	80
(o) Subsidiary of Syarikat Shoib Properties Sdn. Bhd.				
Pena Enterprise Sdn. Bhd.	Malaysia	Property development	100	–
(p) Subsidiaries of Emerald Tycoon Sdn. Bhd.				
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Dormant	100	–
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Dormant	70	–

# Subsidiary companies not audited by Ernst & Young

\* Subsidiary companies audited by another member firm of Ernst & Young Global

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 41. SUBSIDIARY AND ASSOCIATED COMPANIES (CONTD.)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2001	2000
(q) Associated companies of Sunway City Berhad				
# Menara Sunway Sdn. Bhd.	Malaysia	Management and letting of property	49	49
Sistem Penyuraian Trafik Kotaraya Sdn.Bhd.	Malaysia	Dormant	50	50
Aktif-Sunway Sdn. Bhd.	Malaysia	Retailer	20	20
(r) Associated companies of Sunway Lagoon Sdn. Bhd.				
Sunway Sayang Restaurant Sdn. Bhd.	Malaysia	Dormant	50	50
Shochiku Sunway Lagoon Sdn. Bhd.	Malaysia	Dormant	50	50
# Pyramid Bowl Sdn. Bhd.	Malaysia	Bowling alley operator	40	40
(s) Associated company of Pembinaan Objektif (M) Sdn. Bhd.				
# Sunway City Harare (Private) Ltd.	Zimbabwe	Property development	49	49
(t) Associated company of Sunway Travel Sdn. Bhd.				
# OSC First Holidays Co. Ltd.	Socialist Republic of Vietnam	Tour and tour agent	20	–
(u) Associated company of Sunway Damansara Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Dormant	30	–
# Associated companies not audited by Ernst & Young.				

## Notes To The Financial Statements

31 DECEMBER 2001 (cont'd)

### 42. COMPARATIVE FIGURES

The following comparative figures of the Group's financial statements and notes thereto have been restated to conform with current year's presentation :-

	As previously reported RM'000	As restated RM'000	
<b>Balance Sheet</b>			
Other creditors and accruals	215,330	203,233	Note (a)
Long term liabilities	83,255	9,225	Note (b)
Advances by minority shareholders of subsidiary companies	62,954	66,209	Note (b)
	361,539	361,539	
<b>Cash Flow Statement</b>			
Effects of exchange rate changes	-	177	Note (c)
<b>Notes to the Balance Sheet</b>			
Inventories			
- At cost	16,233	13,313	Note (d)
- At net realisable value	-	2,920	Note (d)
	16,233	16,233	
Other creditors and accruals			
- Refundable deposits (current portion)	23,597	11,500	Note (a)
- Refundable deposits (long term portion)	-	12,097	Note (a)
	23,597	23,597	

The above comparative figures were restated :-

- (a) To reflect the appropriate classification between long and short term deposits received in respect of tenancy contracts for a tenure of three years;
- (b) To reflect the appropriate classification between balances;
- (c) To show the effects of exchange rate changes on cash and cash equivalents of foreign subsidiary companies;
- (d) To show separately the amount stated at net realisable values.

The presentation of property, plant and equipment as disclosed in Note 4 to the financial statements has been changed to comply with the requirements of MASB 15 - Property, Plant and Equipment.

Certain comparative figures in the consolidated cash flow statement have been restated to reflect the appropriate classification by activities.