
INTI College
is the first international
Associate College of



A N N U A L R E P O R T 2 0 0 2



INTI COLLEGE SUBANG JAYA



INTI INTERNATIONAL COLLEGE PENANG



INTI COLLEGE SARAWAK



INTI COLLEGE SABAH



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QUALITY the essence of INTI

INTI COLLEGE MALAYSIA
BANDAR BARU NILAI



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A N N U A L R E P O R T 2 0 0 2

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **TENTH ANNUAL GENERAL MEETING** of the Company will be held at **Ivory 11, Holiday Villa, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan at 10.00 a.m. on 20th May 2003** for the following purposes:-

- 1) To receive the **Audited Financial Statements** together with the Reports of the Directors and Auditors for the year ended **31st December 2002**. (RESOLUTION 1)
- 2) To approve the payment of **Directors' fees** for the year ended 31st December 2002. (RESOLUTION 2)
- 3) To approve the payment of a **Final Dividend of 10% less 28% income tax** for the year ended 31st December 2002. (RESOLUTION 3)
- 4) To re-elect the following Director retiring pursuant to **Article 94(1)** of the Company's Articles of Association and who, being eligible, offer himself for re-election:
 - a) **Low Sik Thong** (RESOLUTION 4)
- 5) To re-elect the following Directors retiring under Section 129 of the Companies Act, 1965 and who, seeks re-appointment under the provision of **Section 129 (6)** of the said Act to hold office until the next Annual General Meeting :
 - a) **Tan Sri Dato' Dr. Hj Abdul Majid bin Ismail** (RESOLUTION 5)
 - b) **Dato' Haji Dol bin Ramli** (RESOLUTION 6)
- 6) To re-appoint **KPMG** as Auditors of the Company and to authorise the Directors to fix their remuneration. (RESOLUTION 7)
- 7) **SPECIAL BUSINESS**

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

AUTHORITY FOR ALLOTMENT OF SHARES

"THAT subject always to the Companies Act 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Director may in their discretion deem fit provided that the aggregate number of shares issued in any one financial year of the Company pursuant to this resolution does not exceed 10% of the issued and paid up capital of the Company for the time being AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are also empowered to obtain the approval from the Kuala Lumpur Stock Exchange for the listing and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange." (RESOLUTION 8)

- 8) To transact any other ordinary business for which due notice shall have been given in accordance with the Companies Act, 1965.

NOTICE IS ALSO HEREBY GIVEN that the final dividend of 10% less 28% income tax for the year ended 31 December 2002, if approved, will be paid on 13th June 2003 to depositors registered in the Record of Depositors at the close of business on 6th June 2003.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 6th June 2003 in respect of ordinary transfers;

- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

YIP SOK PENG (MAICSA 0788513)
NINI PHUAH (MAICSA 7013197)
Joint Secretaries

Selangor Darul Ehsan
Date: 29th April 2003

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation either under its Common Seal or signed by its attorney or by an officer on behalf of the Corporation.
3. The Proxy Form duly completed, must be deposited at the Registrar Office of the Company, Bina Management (M) Sdn. Bhd., Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
4. Explanatory Statement on Special Business:

AUTHORITY FOR ALLOTMENT OF SHARES

The Ordinary Resolution 8 proposed under item 7, if passed will give powers to the Directors to issue shares up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election and re-appointment at the Tenth Annual General Meeting are as follows :-
 - a) Mr. Low Sik Thong - retiring pursuant to Article 94(1) of the Company's Articles of Association
 - b) Tan Sri Dato' Dr. Hj Abdul Majid bin Ismail - retiring pursuant to Section 129 of the Companies Act, 1965
 - c) Dato' Haji Dol bin Ramli - retiring pursuant to Section 129 of the Companies Act, 1965

Details of the above named Directors are set out in the Directors' Profile on pages 10 and 11 of the Annual Report.
2. Details of the Directors' attendance at Board of Directors' Meetings during the financial year ended 31st December 2002 are set out in the Corporate Governance Statement on page 13 of the Annual Report.
3. Details of the venue, date and time of the meeting of the Company :-

Type of meeting	Venue	Date	Time
Tenth Annual General Meeting	Ivory 11, Holiday Villa, 9 Jalan SS12/1, 47500 Subang Jaya, Selangor Darul Ehsan	20 th May 2003	10.00 a.m.

CALENDAR OF SIGNIFICANT EVENTS



▶ Corporate Visit by KLSE

The visit to INTI College Malaysia by a delegation from the Kuala Lumpur Stock Exchange (KLSE), headed by the Executive Chairman, Dato' Mohd Azlan Hashim on 13 June 2002. The delegation comprised the Board of Directors and Group Senior Management officials of KLSE.



▶ Seminar on e-Education

A seminar on "Challenges of Implementation on e-Education" for educators was organised by INTI Foundation on 22 June 2002 at the main campus of INTI College. It was officiated by the Deputy Director of Education, Negeri Sembilan, En. Othman Daud.



▶ Corporate Visit by Singapore Delegation

The visit to INTI College Malaysia by Mdm. Ho Ching, Executive Director of Temasek Holdings (Singapore) and Mr K. Kesavapany, Singapore High Commissioner to Malaysia on 11 July 2002.



▶ Courtesy Visit by the Ministry of Education, New Zealand

The visit to INTI College Malaysia by a delegation headed by Ms Elizabeth Eppel, Group Manager of the Ministry of Education, New Zealand on 18 September 2002 in conjunction with the 5th Malaysia-New Zealand Meeting on Education in Kuala Lumpur.

2002

► **High Achievers of INTI College**

In 2002, 90% of the 157 graduates from INTI College at the University of Bradford, University of Birmingham, University of Hertfordshire, University of Nottingham, University of Plymouth and University of Leeds in the United Kingdom received First Class and Second Class Honours. Out of this total, 40 graduates were conferred First Class Honours.



► **INTI Group of Colleges Upgrade to ISO 9001:2000**

INTI College Subang Jaya was awarded the prestigious ISO 9001:2000 certification for its Quality Management System by the Standard and Industrial Research Institute of Malaysia (SIRIM) in August 2002. INTI College Malaysia and INTI College Sarawak were also upgraded to ISO 9001 : 2000 in 2002.



► **Launch of PMIS & EIS by IITC**

The appointment of IITC Sdn Bhd by the Ministry of Education Malaysia on 24 September 2002 as the key solution provider for the deployment of the Polytechnics Management Information System (PMIS) and Executive Information System (EIS). This is part of the Institutional Development Component of the Education Sector Support Project funded by the World Bank.



► **Fund Raising Campaign for MNS**

The presentation of a mock cheque for RM80,000 to the Vice-President of Malaysia Nature Society (MNS), Datuk Hashim Abdul Wahab and the Fund Chairman, Datuk Dr Lim Kee Jin. The fund raising project was a joint effort between INTI College and MNS in conjunction with INTI College Day on 12 October 2002.



CALENDAR OF SIGNIFICANT EVENTS



2nd Inter-Campus Dialogue 2002

Representatives from branch campuses at the 2nd Inter-Campus Dialogue of INTI International Group of Colleges held on 12 October 2002 at the main campus in Bandar Baru Nilai.



New Institute for MLVK Courses

The signing of a Memorandum of Understanding between INTI College Sarawak and Methodist Piley Institute, Sibuan on 12 November 2002 to establish Piley-INTI Technical College to conduct the Majlis Latihan Vokasional Kebangsaan (MLVK) courses.



New Service at INTI College Sarawak

The official launching of the Student Results Enquiry System via SMS service by the Minister of Energy, Communications and Multimedia, YB Datuk Amar Leo Moggie on 18 November 2002 at INTI College Sarawak.



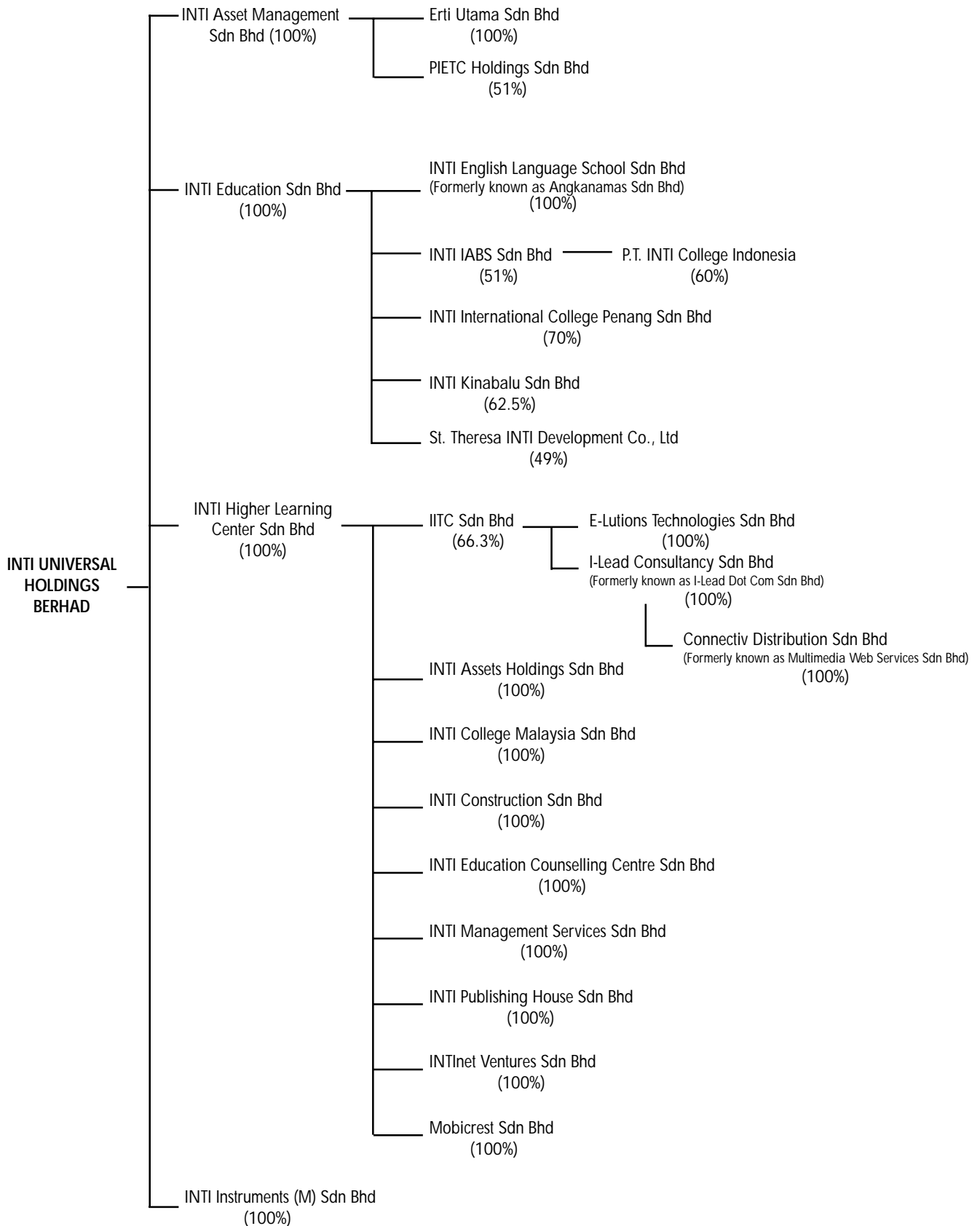
Overall Champion of MAPCO

INTI College was declared the overall champion for the second consecutive year in the Malaysian Association of Private Colleges (MAPCO) Sports Tournament in 2002.

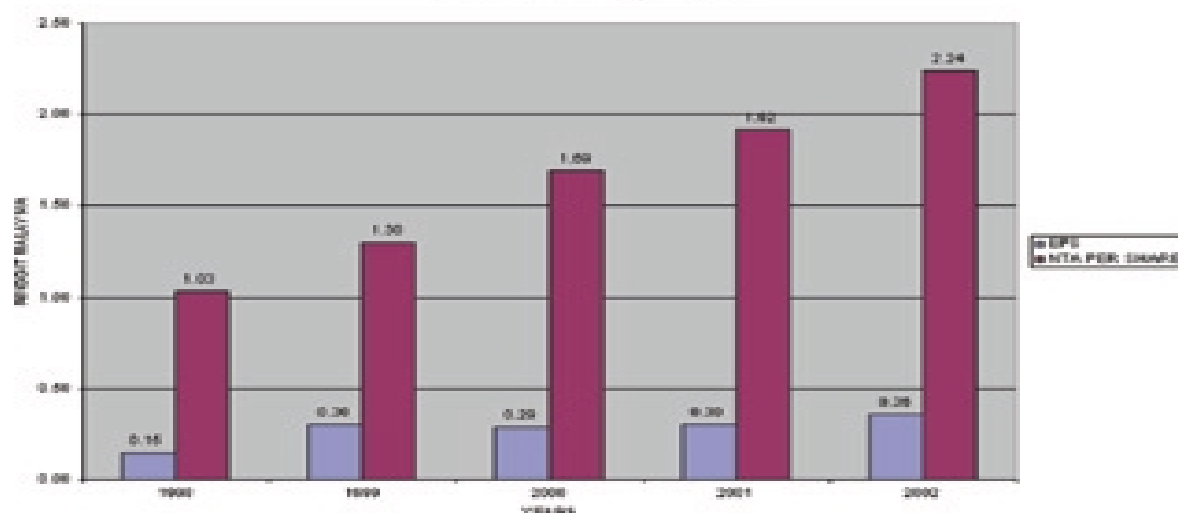
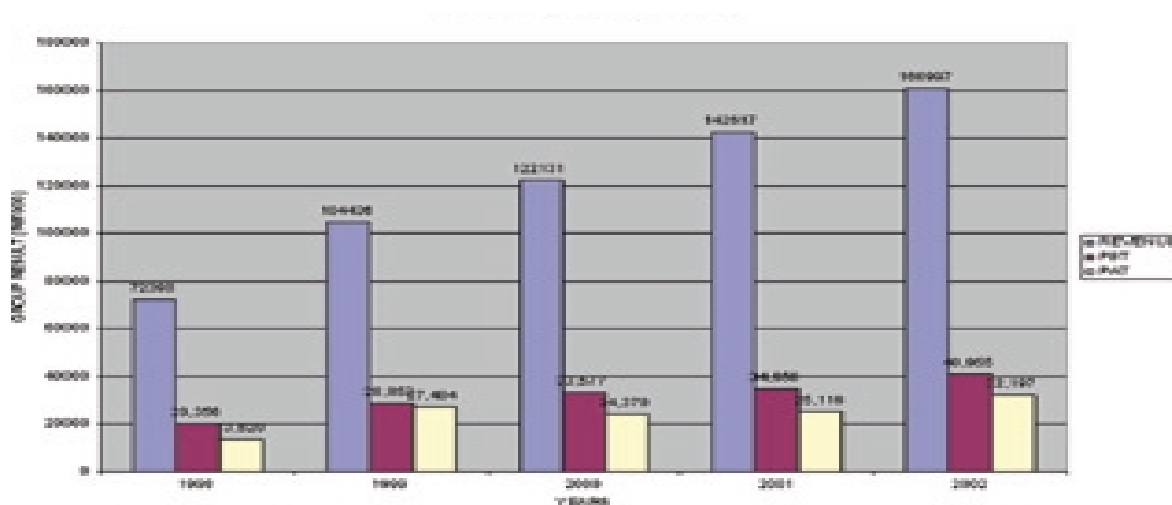
CORPORATE INFORMATION

INDEPENDENT NON-EXECUTIVE CHAIRMAN	Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail
MANAGING DIRECTOR	Tan Yew Sing
EXECUTIVE DIRECTOR	Dr. Lee Fah On @ Lee Fah Onn
INDEPENDENT NON-EXECUTIVE DIRECTORS	Chia Song Kun Dato' Haji Dol bin Ramli
NON-INDEPENDENT NON-EXECUTIVE DIRECTORS	Boh Boon Chiang Low Han Sin Low Sik Thong Teng Choon Kwang
SECRETARIES	Nini Phuah (MAICSA 7013197) Yip Sok Peng (MAICSA 0788513)
AUDIT COMMITTEE	Dato' Haji Dol bin Ramli (Chairman) Boh Boon Chiang Chia Song Kun
CORPORATE COMMITTEE	Tan Yew Sing (Chairman) Chia Song Kun Dr. Lee Fah On @ Lee Fah Onn Low Sik Thong Teng Choon Kwang
ESSOS COMMITTEE	Dato' Haji Dol bin Ramli (Chairman) Boh Boon Chiang Tan Yew Sing Teh Ing Beng
NOMINATION COMMITTEE	Chia Song Kun (Chairman) Dato' Haji Dol bin Ramli Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail
REMUNERATION COMMITTEE	Dato' Haji Dol bin Ramli (Chairman) Boh Boon Chiang Chia Song Kun
AUDITORS	KPMG Wisma KPMG, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.
PRINCIPAL BANKERS	RHB Bank Berhad Standard Chartered Bank Berhad Malayan Banking Berhad Public Bank Berhad Bank Utama (M) Berhad
REGISTERED & BUSINESS OFFICE	No.15 & 17, Jalan SS15/8A, 47500 Subang Jaya, Selangor Darul Ehsan. Tel: 03-5632 2673 / 5632 2676 Fax: 03-5631 7568
REGISTRAR	Bina Management (M) Sdn. Bhd. (50164-V) Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan. Tel: 03-7784 3922 Fax: 03-7784 1988
STOCK EXCHANGE LISTING	The Kuala Lumpur Stock Exchange Main Board
COUNTRY OF INCORPORATION & DOMICILE	Public company limited by shares and incorporated in Malaysia under the Companies Act, 1965, with its domicile in Malaysia.

GROUP CORPORATE STRUCTURE (as at 31 December 2002)



5-YEAR PERFORMANCE HIGHLIGHTS



	2002	2001	2000	1999	1998
(Group-RM'000)					
Revenue	160,997	142,617	122,131	104,436	72,398
Profit before tax (PBT)	40,955	34,650	33,577	28,852	20,356
Profit after tax (PAT)	32,197	25,116	24,370	27,484	13,620
Shareholders' funds	187,828	161,754	138,633	105,764	83,197
Earnings per share (sen)*	36.40	30.22	29.39	30.34	14.68
Net tangible asset per share (RM)**	2.24	1.92	1.69	1.30	1.03

* The basic earnings per share for the previous years have been restated to incorporate the effect of the bonus issue implemented during the year 2002.

** Net tangible asset (NTA) is calculated based on the shareholders' fund net of intangible assets, and on the number of ordinary shares outstanding at the year end. The NTA has also been restated to incorporate the effect of bonus issue implemented in the year 2002.

BOARD OF DIRECTORS



TAN SRI DATO' DR. HAJI ABDUL MAJID BIN ISMAIL (*Independent Non-Executive Chairman*)

MBBS (Malaya), FRCS (Edinburgh), MCh Orth (Liverpool), FRACS

Tan Sri Dato' Dr. Haji Abdul Majid Bin Ismail, aged 82, was appointed to the Board as the Chairman on 3rd April 1996. He is also a member of the Nomination Committee of the Company. He had on 22nd July 2002, resigned as a member of the Audit Committee. He is a qualified orthopedic surgeon and has had a distinguished career with the Government of Malaysia, primarily in the fields of medical and health. He had served in the Kuala Lumpur General Hospital as the Chief Consultant Orthopedic Surgeon from 1958 to 1969, prior to his appointment as the Director of Planning and Research, Ministry of Health. He served as a Director General of Health from 1971 until his official retirement in 1976. He is a member of the Malaysian Science Academy and is on the Boards of Brisdale Holdings Berhad and Europlus Berhad. He also holds directorships in several other private limited companies within the INTI Group.



TAN YEW SING (*Managing Director*)

BSc (Hons) Civil Eng. (Leeds), MBA (CITY, LONDON), MIEM, Hon.LLD, Hon.DBA

Mr. Tan Yew Sing, Malaysian, aged 48, was appointed to the Board on 3rd April 1996. He is also a member of the ESOS Committee and Chairman of the Corporate Committee of the Company. He had on 22nd July 2002, resigned as a member of the Audit Committee. He started his career in 1979 as a civil engineer with an engineering consultancy firm in United Kingdom until 1981. He was engaged as a project manager of Rurban Properties Sdn. Bhd. upon his return to Malaysia in 1982 until 1984. He later joined a property firm as partner until 1986. He co-founded INTI Higher Learning Centre Sdn. Bhd. in 1986 as a private college of higher education, prior to the Company's inception in 1996. He is also a trustee of Yayasan Amal INTI and holds directorships in several other private limited companies within the INTI Group.



BOH BOON CHIANG (*Non-Independent Non-Executive Director*)

CA(M), FCCA, MBA

Mr. Boh Boon Chiang, aged 40, was appointed to the Board on 3rd July 2001. He is also a Member of the Audit, ESOS and Remuneration Committees of the Company. He has had 15 years of commercial experience in various sectors including taxation, construction and manufacturing prior to joining the Company as the Financial Controller in 1996 until 2002. He is currently the Deputy Group General Manager and a director of Education Ventures Sdn Bhd, a company involved in Early Childhood education.



CHIA SONG KUN (*Independent Non-Executive Director*)

BSc Hons (Mathematics) (Malaya), MBA (Malaya)

Mr. Chia Song Kun, Malaysian, aged 54, was appointed to the Board on 3rd April 1996. He is the Chairman of the Nomination Committee and a member of the Audit, Corporate and Remuneration Committees of the Company. He began his career as a tutor in University Malaya in 1973 and subsequently joined Mara Institute of Technology, Shah Alam, as a lecturer, for 11 years. He left the said institution in 1984 to set up his own company, QL Group of Companies. He is currently the managing director of QL Resources Berhad, a company listed on the Main Board of Kuala Lumpur Stock Exchange. He also holds directorships in several other private limited companies within the INTI Group.



DATO' HAJI DOL BIN RAMLI (*Independent Non-Executive Director*)

Ed (Hon) History (Malaya, Singapore)

Dato' Haji Dol Bin Ramli, aged 81, was appointed to the Board on 3rd April 1996. He is the Chairman of Audit and ESOS Committees and a member of the Nomination and Remuneration Committees of the Company. He has held various positions in the Ministry of Information and Broadcasting including the planning and development of Radio & Television Malaysia ("RTM"). He was also a founding member of the Asia-Pacific Broadcasting Union that was established in 1964, and is now its Honorary Counsellor. He was RTM's Director-General for 5 years before retiring in 1975 to become General Manager of BERNAMA ("Malaysia's National News Agency"). At BERNAMA, he obtained allocations under Malaysia's 5-Year Development Plan to build the Agency's headquarters in Jalan Tun Razak and its own office in every Malaysian state as well as in Bangkok and Manila. He then left BERNAMA to become the Group Director of Public Affairs and Advertising for UMW Holdings Berhad until 1989. He now manages his own family partnership and he also holds directorships in several other private limited companies within the INTI Group.

**DR. LEE FAH ON @ LEE FAH ONN (Executive Director)**

BSc (Hons) (Malaya), MS (Hawaii), PhD (Lehigh, USA)

Dr. Lee Fah On @ Lee Fah Onn, aged 62, was appointed to the Board on 3rd April 1996. He is a member of the Corporate Committee of the Company. He began his career in 1966 as a tutor at the University of Malaya. He joined the Mara Institute of Technology ("ITM") in 1967 and he was Head of the School of Applied Sciences from 1973 to 1979. He also served as Deputy Principal of the Sarawak branch in 1973 to 1974. He was promoted to Principal Lecturer in 1981. He left ITM in 1991 to join INTI College as Vice President for Administration. In 1999, he became the Senior Vice President. He currently holds directorships in several other private limited companies within the INTI Group.

**LOW HAN SIN (Non-Independent Non-Executive Director)**

B.Eng.(Hons) (Mech.Eng.) (Monash)

Mr. Low Han Sin, aged 48, was appointed to the Board on 3rd April 1996. He started his career in 1978 as a Design Engineer with Dorf Industries Pte Ltd in Australia. He returned to Malaysia in 1980 and was attached to DORF (Malaysia) Sdn. Bhd. as a Manufacturing Manager for 6 years. He is now the Managing Director of Watertec (Malaysia) Sdn. Bhd. which he founded in 1985 and holds directorships in several other companies within the INTI Group.

**LOW SIK THONG (Non-Independent Non-Executive Director)**

BA (Economics), Barrister-At-Law (Inner Temple)

Mr. Low Sik Thong, aged 66, was appointed to the Board on 3rd April 1996. He is also a member of the Corporate Committee of the Company. He was a member of the Executive Committee and Secretary of Legal Affairs of the Kuala Lumpur and Selangor Chinese of Commerce and Industry from 1977 to 1990. He was the Secretary General and Deputy President of the Selangor Chinese Assembly Hall from 1984 to 1990. He is also a director of Rinnai (M) Sdn. Bhd and several other private limited companies within the INTI Group.

**TENG CHOON KWANG (Non-Independent Non-Executive Director)**

BA (Hons) (Malaya)

Mr. Teng Choon Kwang, aged 52, was appointed to the Board on 3rd April 1996 and is also a member of the Corporate Committee of the Company. He started his teaching career in 1975 with the Malaysian's Ministry of Education and left 8 years later. He is currently the Managing Director and a substantial shareholder of IITC Sdn. Bhd., a subsidiary of the Company and holds directorships in several other private limited companies within the INTI Group. IITC Sdn Bhd transacts with the Group on a recurrent basis of which a shareholder's mandate had been obtained.

Note: All Directors are Malaysian. There are no family relationship between the major shareholders and/or Directors of the Company except for Mr Tan Yew Sing and Mdm Teh Siew Lan (a major shareholder of the Company) who are husband and wife, and Mr Low Sik Thong and Mr Low Han Sin who are uncle and nephew, respectively. None of the Directors have any conflict of interest with the Company (save as disclosed above) and neither have any of them ever been convicted of any offence.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of INTI Universal Holdings Berhad fully subscribes and supports the Malaysian Code on Corporate Governance and the relevant provisions in the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE Listing Requirements"). The Board is committed to ensure that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance long term shareholder value and financial viability of the Company.

COMPLIANCE

The Board is pleased to disclose to shareholders the manner in which it has applied the principles set out in the Code and its compliance with best practices.

DIRECTORS

Board of Directors

The Board currently has nine members comprising the Chairman, who is an Independent Non-Executive Director, two Executive Directors, two additional Independent Non-Executive Directors and four Non Independent Non-Executive Directors. This Board membership meets the requirement of one third being independent and adequately reflects the interest of minority shareholders in the Company. The profiles of the Directors are available on pages 10 and 11 of this Annual Report.

The Board share a common objective of providing quality higher education and all members participate actively in the deliberation on key issues involving the Group, such that no one individual has unfettered powers of decision. They bring to the Board a diverse wealth of experience and skills as well as knowledge in law, public affairs, sciences, general management, accounting and finance. There has also been a clear division of responsibility between the Independent Chairman, Tan Sri Dato' Dr. Haji Abdul Majid Bin Ismail and the Managing Director, Mr Tan Yew Sing to ensure that there is a balance of power and authority. The Chairman is primarily responsible for the working of the Board, its membership and participation of the Board Members at Board Meetings. The Managing Director is responsible for the daily management of the Group's business operations and implementation of policies and strategies to be adopted by the Group.

All three independent directors are independent of management and are free from any business or other relationship which could materially interfere with the exercise of their independent judgement and the Company does not consider it necessary to appoint either one as senior independent Director.

Board Meetings

Board Meetings are held at least once every quarterly with additional meetings held whenever necessary. At the meetings, the Board considers the Group's overall strategy, business performance, capital investments, risk management, internal controls, quarterly financial performance of the Group and reviews other matters of importance. The Board is free to discuss the issues involved in an open and unrestrictive manner and to call upon management staff for explanations and clarifications whenever required. A schedule of matters for year 2003 has been adopted and reserved for Board's decision.

The Board met for a total of thirteen (13) times during the financial year ended 31st December 2002. All Directors have met the requirement of the KLSE Listing Requirements in relation to their attendance at Board Meetings.

Details of Directors' attendance at Board Meetings held in the financial year ended 31st December 2002 are as follows:-

Name of Director	No. of Meetings attended	%
Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail	11/13	85%
Tan Yew Sing	13/13	100%
Boh Boon Chiang	12/13	92%
Chia Song Kun	13/13	100%
Dato' Haji Dol bin Ramli	11/13	85%
Dr. Lee Fah On @ Lee Fah Onn	11/13	85%
Low Han Sin	11/13	85%
Low Sik Thong	12/13	92%
Teng Choon Kwang	12/13	92%

Board Committees

The Board had established the following committees to review the task delegated to the Committee for recommendation to the board for approval.

i. Corporate Committee

The Corporate Committee was established on 22nd July 1996, *inter alia*, to deliberate on issues relating to any proposed capital investments, business ventures or other matters related to the Company's core business (ie. the provision of higher education), for recommendation to the Board for approval.

The committee comprises of Executive Directors and Non-Executive Directors, namely Mr Tan Yew Sing (Chairman), Dr Lee Fah On @ Lee Fah Onn, Mr Chia Song Kun, Mr Low Sik Thong and Mr Teng Choon Kwang.

ii. Audit Committee

The terms of reference and the composition of the Audit Committee are set out on pages 20 and 21 in the Audit Committee Report.

iii. Remuneration Committee

The Remuneration Committee was established on 26 June 2001. The Committee, *inter alia*, reviews and recommends to the Board the remuneration payable to Directors.

The committee comprises wholly of non-executive Directors, namely Dato' Haji Dol bin Ramli (Chairman), Mr Chia Song Kun and Mr Boh Boon Chiang.

The Committee met three (3) times during the financial year ended 31st December 2002.

iv. Nomination Committee

The Nomination Committee was established on 23 November 2001, *inter alia*, to recommend candidates to fill seats on the Board and its committees, ensures that the number of Directors fairly reflects the investment in the Company by shareholders, reviews the required mix of skills and experience of the Board and assesses the effectiveness of the committees of the Board and the Board as a whole.

The committee comprises entirely of independent non-executive Directors namely, Mr Chia Song Kun (Chairman), Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail and Dato' Haji Dol bin Ramli.

The Committee met three (3) times during the financial year ended 31 December 2002.

v. ESOS Committee

The ESOS Committee was established on 30 May 2002 and is responsible for implementing and administering the Company's Employee Share Option Scheme, in accordance to the ESOS Bye-Laws of the Company and other relevant rules and regulations governing ESOS.

The committee comprises of a mixture of non-Executive and Executive Directors, namely Dato' Haji Dol bin Ramli (Chairman), Mr Boh Boon Chiang, Mr Tan Yew Sing and a member of the Management, namely Mr Teh Ing Beng.

The Committee met four times during the financial year ended 31st December 2002.

Supply of Information

Prior to each Board Meeting, all Board members are provided with relevant reports and information to enable them to discharge their duties and to facilitate informed decision-making. The reports provide information on performances of major campuses, other major operational, financial and corporate issues. The Managing Director will lead the presentation of reports and where necessary management staff will be invited to the meeting to provide comprehensive explanations on pertinent issues.

To fulfil the responsibilities set out above, all Directors have access to the advice and services of the Company Secretaries appointed by the Board as well as to independent professional advice, including internal auditors. The Company Secretaries also acts as the Secretary for all the Board Committees.

Appointments to the Board

The Nomination Committee is responsible for making recommendation for any appointments to the Board. Any new nomination received is put to the Board for assessment and endorsement.

Director's Training

All directors of the Company have attended the Mandatory Accreditation Programme (MAP) organised by the Research Institute of Investment Analysts Malaysia in accordance with the KLSE Listing Requirements and will attend similar training programmes from time to time particularly on relevant new laws and regulations and changing commercial risk, which is relevant for the discharge of their duties.

Re-election

In accordance with the Company's Articles of Association, all Directors (including the Managing Director) who are appointed by the Board are subject to re-election by shareholders at least once in each three years, in line with Paragraph 7.28 of the KLSE Listing Requirements.

In addition, Directors over the age of seventy (70) years retire at every annual general meeting and submit themselves for re-appointment and if appointed pursuant to section 129 of the Companies Act, 1965 ("CA 65"), hold office until the next annual general meeting.

DIRECTORS' REMUNERATION

The objectives of the Company's policy on Directors' remuneration is to attract and retain the Directors of the caliber required to lead the Group successfully. In the case of the Executive Directors, the component parts of the remuneration are linked to performance. Performance is measured against profits generated by the Group.

In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibility undertaken by the particular Non-Executive Director concerned.

Disclosure

The aggregate remuneration of Directors for the financial year ended 31st December 2002 are as follows:

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	201,152	1,657,158	1,858,310
Non-executive Directors	470,956	386,858	857,814

The number of Directors whose remuneration fall into the following bands are as follows:-

Range of Remuneration (RM)	Number of Directors	
	Executive	Non-executive
50,000 and below	–	2
50,001 - 100,000	–	4
100,001- 400,000	–	–
400,001 - 450,000	–	1
450,001 - 600,000	–	–
600,001 - 650,000	1	–
650,001 - 1,200,000	–	–
1,200,001 - 1,250,000	1	–

SHAREHOLDERS

At each Annual General Meeting ("AGM"), the Board presents the progress and performance of the business of the Company and encourages shareholders to participate in a question-and-answer session. The Board of Directors is available to respond to shareholder's questions during the meeting. It is also a practice for the Directors to hold press conference with journalists after the AGM.

ACCOUNTABILITY AND AUDIT

Audit Committee

The financial reporting and internal control system of the Group is overseen by the Audit Committee, which comprises of three members, two of whom are independent non-executive Directors. The Committee is headed by an independent non-executive Chairman. The composition and primary responsibilities of the Audit Committee are set out in the Audit Committee Report.

The Audit Committee met four (4) times during the financial year ended 31st December 2002. The Committee also meets with the external auditors whenever it deems necessary to discuss on matters relating to the financial statements and their audit findings.

The internal auditors reports directly to the Audit Committee. It provides the Committee and management with an independent assessment of the adequacy of internal controls in the Company. Its recommendations had been duly acted upon by Management. The primary responsibilities of the Internal Auditors are set out in the Internal Audit Function.

Financial Reporting

In presenting the annual financial statements and quarterly announcements, the Directors aim to present a balanced and clear assessment of the Company's and Group's financial position and prospects. The Statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on page 33 of this Annual Report.

The Audit Committee assists the Board by scrutinizing the information to be disclosed before adoption, to ensure accuracy and adequacy.

Internal Controls

The Statement on Internal Control is set out on pages 18 and 19 of this Annual Report which provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Relationship with Auditors

The role of the Audit Committee in relation to the external auditors is stated on page 20.

The external auditors meet the Audit Committee, at least once every half-yearly, to review the results of the financial audit. The external Auditors would highlight to the Audit Committee on matters requiring their attention including the Group's accounting policies and audit findings.

DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Directors are legally required to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Directors are satisfied that the financial statements of the Group for the financial year ended 31 December 2002 have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and the Company.

OTHER INFORMATION

Non-audit Fees

Non-audit fees totalling RM185,340 were paid to the external auditors during the financial year, for the provision of advisory services in the area of corporate tax advisory and planning; financial statements and due diligence review; enterprise risk management; and company secretarial matters.

Material Contracts

During the year, there were no material contracts on the Company and its subsidiaries involving Directors' and major shareholders' interest.

Revaluation of Landed Properties

The Group revalues their landed properties comprising of freehold land, long term leasehold land, infrastructure and buildings every 5 years or at such shorter period whenever the fair value of the revalued assets are expected to differ materially from their carrying value. (see also note 1(d) to financial statements on page 45).

STATEMENT ON INTERNAL CONTROL

Statement On Internal Control

Introduction

Paragraph 15.27 (b) of the Kuala Lumpur Stock Exchange (KLSE) Listing Requirements requires the Board of Directors of public listed companies to include in its annual report a "statement about the state of internal control of the listed issuer as a group". The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and state of internal control of the Group during the year.

Board's Responsibility

The Board acknowledges its responsibility for the Group's system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, risk management and financial, operational and compliance controls.

During the year, the Board embarked on establishing procedures to implement in full the recommendations of the "Guidance for Directors of Public Listed Companies - Statement on Internal Control" for the Group. These procedures, which are subject to regular reviews, are intended to provide an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

Risk Management

The Board regards risk management as an integral part of business operations and with the assistance of external advisers, undertook to review the existing risk management processes in place with the aim of formalising the risk management framework across the Group.

Senior managers and staff of the main campus attended a series of briefings and workshops on risk management, which were facilitated by external consultants. The briefing and workshops were held to raise the level of knowledge of risk management amongst the managers and to enhance their understanding of risks, which potentially affect the achievement of business objectives. Following this, a summary of significant risks identified, the impact, the likelihood of the risks occurring and existing controls was presented to the Board in November 2002.

The main aim for the Group is to promote and practice a strong risk management culture through identification, measurement, control and on going monitoring to facilitate the enhancement of shareholders' value and the protection of the Group's assets.

OTHER KEY COMPONENTS OF INTERNAL CONTROL SYSTEM

The other key components of the Group's internal control systems are described below:

- The Board meets at least quarterly and has a formal agenda on matters for discussion. Important matters are highlighted and comprehensive explanations on pertinent issues are provided. In arriving at any decision, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Group's activities and operations on a regular basis.
- The Group has in place a management organisational structure with formally defined lines of responsibility and authorities. Capital and non-capital expenditures and acquisition and disposal of investment interest are subject to appropriate approval processes.

- Ethical behaviour is set out in the Codes of Conduct as stated in the Employee Handbook. Staff are required to strictly adhere to the Codes in performing their duties. In addition, there are established recruitment standards, annual performance appraisal system and on-going training.
- INTI College Malaysia, INTI College Subang Jaya and INTI College Sarawak have obtained MS ISO 9001:2000 Certification. Internal Quality Auditors of the Group perform quality audits on education systems and procedures of these campuses to review their conformance to the ISO Standards. SIRIM's surveillance audits were also performed during the year and satisfactory reports have been obtained.
- INTI College links with foreign partner universities for degree programmes. As such our academic systems and procedures are subject to periodic validation once every four years, by these partner universities, to provide reasonable assurance that the Colleges' academic resources and facilities meet the partner universities' standards. Through these visits, the partner universities are satisfied and have extended the franchise licence.
- INTI College performs periodic internal validations on its branch campuses. During the financial year, internal validation was performed on two of its seven branch campuses. The objectives of the periodic internal validations are to improve the quality of programmes and to enhance student's experience across INTI Group of colleges.
- Internal audits are undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The internal audit adopts a risk based audit approach, and is independent of the activities audited and reports directly to the Audit Committee. Actions are agreed in response to its recommendations. A report of the Board Audit Committee is provided on pages 20 to 23.

Board's Conclusion

The management continues to take measures to strengthen the control environment. No material losses were incurred during the financial year due to weaknesses in internal control.

AUDIT COMMITTEE REPORT

The Board of Directors of INTI Universal Holdings Berhad is pleased to present the report of the Audit Committee for the year ended 31 December 2002.

The Audit Committee was established by a resolution of the Board on 12 April 1996. During the financial year, there was a change in the composition of the Committee. Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail and Mr. Tan Yew Sing have resigned from the Audit Committee.

The Committee comprises of the following:

- Chairman : Dato' Haji Dol bin Ramli (Independent Non-Executive Director)
- Members : Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail (Independent Non-Executive Director)
(resigned on 22 July 2002)
Tan Yew Sing (Managing Director) (resigned on 22 July 2002)
Chia Song Kun (Independent Non-Executive Director)
Boh Boon Chiang (Non-Independent Non-Executive Director)

The Audit Committee is governed by the following:

1. COMPOSITION AND APPOINTMENT

The Board appoints the Audit Committee members and the chairman from amongst its members and shall consist not less than three (3) members, the majority of whom must be Independent Non-Executive Directors. At least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants or one of the associations of accountants specified in part II of the 1st Schedule of the Accountants Act 1967.

The Chairman of the committee shall be an independent non-executive director and no alternate director is appointed as a member of the Audit Committee.

2. TERMS OF REFERENCE

The terms of reference of the committee are as follows:-

(1) To review and report the following to the Board of Directors of the Company:-

(a) with the external auditor:-

- (i) the audit plan;
- (ii) the evaluation of the system of internal controls;
- (iii) the audit report;

(b) the assistance given by the employees of the listed issuer to the external auditor;

- (c) the internal audit function:-
 - (i) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (ii) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (iii) review any appraisal or assessment of the performance of its members; and
 - (iv) approve any appointment or termination of senior staff members of the internal audit function.
 - (d) the major findings of internal investigations and response from management.
 - (e) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:-
 - (i) major changes in accounting policies and practices;
 - (ii) significant and unusual events;
 - (iii) significant adjustments arising from the audit;
 - (iv) problems and reservations arising from audit and any matters highlighted by auditors for discussion;
 - (v) the going concern assumption; and
 - (vi) compliance with accounting standards and other legal requirements;
 - (f) any related party transaction and conflict of interest situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (g) any letter of resignation from the external auditors of the listed issuer;
 - (h) whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment; and
 - (i) the external auditors management report and response from management.
- (2) To recommend, the nomination of a person or persons as external auditors and the audit fee.
 - (3) To invite any Director or employee of the Company to its meeting, whenever deemed necessary.
 - (4) To consider other topics, as defined by the Board.

3. MEETINGS

NUMBER OF MEETINGS

The committee had four (4) meetings during the financial year whereby both the external and internal auditors were invited.

The quorum for a meeting of the committee shall be three (3) members present of whom a majority are independent directors.

Details of the Audit Committee meetings held during the financial year ended 31 December 2002 and attendance of each committee member are as follows:-

Directors	Number of Meetings Attended
Dato' Haji Dol bin Ramli ("the Chairman")	04/04
Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail*	02/02
Tan Yew Sing *	02/02
Chia Song Kun	04/04
Boh Boon Chiang	04/04

* Resigned from the Committee w.e.f. 22 July 2002.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 31 December 2002 were as follows:

- i) Reviewed the quarterly and year end financial statements of the Group prior to the approval by the Board, focusing particularly on:
 - a) Significant and unusual events;
 - b) Significant adjustments arising from the audit;
 - c) Going concern assumption; and
 - d) Compliance with accounting standards, Listing Requirements of the Kuala Lumpur Stock Exchange and other relevant legal requirements.
- ii) Reviewed the external and internal auditors' scope of work and audit plans for the year for the Group;
- iii) Reviewed the audit reports for the group prepared by internal and external auditors and considered major findings by the auditor's and management's responses thereto;
- iv) Ensured that corrective actions recommended on audit issues raised by the external and internal auditors have been implemented by the Management;

- v) Reviewed and approved the internal audit charter for the Group; and
- vi) Reviewed the related party transactions entered into by the Group.

4. INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department (IAD) whose principal responsibility is to undertake regular and systematic reviews of the system of controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group. The IAD reports directly to the Audit committee and is independent of the activities they audit. In addition, IAD also conducts investigations and special reviews at the request of management.

The major findings and concerns of the audit reports were discussed at the Audit Committee meetings. Arising from these reports, appropriate corrective action was taken and subsequently reported to the committee.

CHAIRMAN'S STATEMENT



Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail
Chairman

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE INTI UNIVERSAL GROUP OF COMPANIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002.

Financial Performance

The year under review saw the INTI Universal Group of Companies post commendable results in terms of group turnover and profitability. Group revenue for the year 2002 was RM 160.9 million, an increase of 12.9% as compared to previous year's results of RM 142.6 million. The Group's pre-tax profit recorded an increase of 18.2%, from RM 34.6 million in 2001 to RM 40.9 million in 2002. The increase for year 2001 was 3.3%. This jump was attributed mainly to the overall healthy performance of the education group and the Information Technology division. Net profit for the year was RM 30.6 million. This translated to earnings per share of 36.40 sen based on the 84,000,008 ordinary shares in issue during the year.

Dividend

The Board of Directors is pleased to recommend a final dividend of 10% less income tax of 28%, amounting to RM 6,048,000 for the year ended 31 December 2002, to be approved by the shareholders at the forthcoming annual general meeting.

Corporate Developments

Year 2002 was indeed an eventful one for the Group, during which the INTI Group of Colleges remains the key contributor to earnings. This significant growth is mainly due to the increase in student numbers and the marked improvement in the financial performance of INTI International College Penang and INTI College Sarawak. In addition, the encouraging response to the vocational courses under the Majlis Latihan Vokesional Kebangsaan (MLVK) offered by INTI College Sarawak became a contributing factor to the overall revenue.

The Group also identified the importance of developing its eCampus master plan in order to provide a vibrant and technological advanced learning environment at all of its colleges as well as to web-enable all its academic and administrative processes. With this in place, our employees and students will be able to enjoy the full benefits of quality and value-added services.

It was also a year during which the Group augmented its presence by working on many collaborations and extensions of programmes with international institutions and establishments. The Group has always emphasized the delivery of quality education and management, and this resulted in the successful upgrading of INTI College Malaysia, INTI College Subang Jaya and INTI College Sarawak to ISO 9001:2000 in year 2002. During the fiscal year, a series of advertising campaign giving new positioning for INTI College was also launched to enhance the competitive advantage of the Group.

I am most encouraged by the outstanding performance of IITC Sdn Bhd, the Group's IT arm which recorded its highest financial track record of profitability by registering a profit before tax of RM 2.43 million for 2002. In its effort to become the leading solution provider for the education market, the Company has invested substantially in product development to place IITC in good standing position in the IT industry. Following the successful implementation for the Polytechnic Sultan Salahuddin Abdul Aziz project in 1999, IITC secured several significant projects including one with the Education Ministry within the fiscal year.

Risk Management

The Board recognizes risk management as an integral part of business operations in achieving our business

objectives. The main aim for the Group is to promote and practice a strong risk management culture through identification, measurement, control and ongoing monitoring to facilitate the enhancement of shareholders' value and the protection of the Group's assets. Toward this end, we have engaged the assistance of external advisers to review the existing risk management processes in place with the aim of formalizing the risk management framework across the Group.

Employees' Share Option Scheme (ESOS)

As reported last year, the Group proposed the granting of share options to eligible employees including the executive directors of the Company and its subsidiaries in appreciation of their contributions to the Group's achievements. Pursuant to this proposal, the Group has obtained the shareholders' approval for the ESOS on 15 May 2002 to be based on a 5-year scheme running from 17 June 2002 and expiring on 16 June 2007. Currently, the scheme has not been implemented yet. The maximum number of new ordinary shares to be offered under the ESOS shall be not more than 10% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS.

The Year Ahead

It became clear that private education has become a growing industry, added with the emphasis on k-economy that in turn raises the demand for private education. We are certainly encouraged by the effort of the government to create a knowledge society by bringing more conducive policies for the development of private higher education and establishing the framework to facilitate the growth.

In line with the Education Ministry's aim to ensure that private institutions abide by the standards of quality outlined by the Ministry, there has been emphasis in increasing manpower in science and technology, improving the quality and accessibility of education and promoting Malaysia as a regional center of educational excellence.

We believe the Group is prepared to take on these challenges in closer co-operation with the Ministry in achieving the aspirations. Together with the progress made in various strategic initiatives to reinforce our

presence as a leading provider of quality higher education, this will enable the Group to achieve greater growth in the new financial year.

Appreciation

On behalf of the Board, I wish to express our appreciation to our valued shareholders, students and their parents, clients, authorities and business associates for their continued support and confidence in the Group.

We would also like to thank all staff of the INTI Universal Group for their dedication, hard work and commitment.

Tan Sri Dato' Dr Haji Abdul Majid bin Ismail

Date: 22nd April 2003

MESSAGE FROM THE MANAGING DIRECTOR



Tan Yew Sing
Managing Director

I am pleased to report that year 2002 had witnessed the INTI Universal Group of Companies registering commendable performance and achievements in the core activities of education and IT.

The private higher education in Malaysia has over the recent years developed and matured into a robust sector capable of offering viable alternatives to local public universities. With the advent of globalisation, education has become an important commodity in Malaysia. There is a rising need for higher institutions to produce independent graduates who are prepared to be internationally competitive in order to enhance their marketability.

As such, the Group will continue to carve a niche in the private education industry in offering more quality courses, marketable programmes and good educational services to attract a steady number of intakes each year. The fact that INTI College has a significant number of local and international students totalling 14,000 proves that we are a force to be reckoned with.

The upgrading of INTI College's Quality Standards to ISO 9001:2000 by the Standards and Industrial Research Institute of Malaysia (SIRIM) in 2002 for having achieved ISO standards in academic programme operations and teaching delivery reflects the Group's ongoing commitment to high-quality tertiary education.

The Group's academic programmes, particularly the popularity of the 3+0 programmes remain to be a

significant source of revenue. With the increase in the number of students opting for these degree courses, INTI College has introduced more options to cater to their growing needs.

The College has expanded its range of academic programmes to include the South Australian Matriculation (SAM) and the Cambridge A-Level studies at INTI College Malaysia, both of which are internationally recognised pre-university programmes. There were also extended initiatives such as the 2+1 Business programme in Commerce and Administration with Victoria University of Wellington, New Zealand; the 2 + 2 and 2 + 2¹/₂ Engineering programmes with James Cook University, Australia; the 2 + 2 and 2¹/₂ + 1¹/₂ programmes in Engineering, Business and Economics and Computer Science; the 3 + 1 programme in Mechanical Engineering with Michigan Technological University, USA and the credit-transfer arrangement with the University of North Texas, USA.

In our bid to keep abreast with the robust advancement in technology, the Group will continue to progress towards the development of its IT-focused and internationalised eCampuses through three key web initiatives comprising the e-Learning, Total Campus Management System and INTI Smart Card System. The year under review saw many aspects of this vision largely in place. INTI College is also the first private college to implement TM Net's total broadband solutions for all its campuses and hostels nationwide. The Group sees the implementation of the eCampus initiatives as a vital master plan to thrust INTI into the forefront of education whereby INTI's education reach will be broadened, locally and globally.

Given the Government's effort to create a knowledge workforce in the k-economy environment, the Group will strengthen its position in the provision of corporate training programmes. The collaboration with Aceglobal Holdings Sdn Bhd was established to facilitate international training and leadership programmes for students and professionals. A notable achievement is the successful offering of the Majlis Latihan Vokasional Kebangsaan (MLVK) courses in Sarawak. The Group, through INTI College Sarawak, has established Pilley-INTI Technical College with Methodist Pilley Institute, Sibul to conduct the MLVK courses.

During the fiscal year, INTI Management Services Sdn

Bhd (IMS), the Group's corporate training arm and provider of post-graduate education launched a range of advanced programmes and management training for the Malaysian market which include the Post-Graduate Programme with the University of Hull, UK and the Advanced Diploma Programme in Management and International Business with the Adelaide Institute of TAFE (AIT), Australia. We expect IMS to further enhance its partnership with China's Tsinghua University to provide training and networking opportunities for professionals and businessmen on investment in China. Such efforts will be strongly pursued to meet the market demand by offering more professional trainings and courses.

On the global front, the Group remains well regarded for its long-standing success. INTI College was recently awarded with the Certificate of Appreciation by the United States Department of Commerce in honor of its outstanding export achievement in education. I am proud to note that INTI is the first higher learning institution in the country to be recognised for its multinational cooperation via academic collaboration. The award reflects the many successful years of partnerships which the Group enjoys with more than 250 colleges and universities in USA and Canada. This is part of the reason American universities awarded more than USD \$360,000 worth of scholarships to INTI students in 2002.

The Group's subsidiary, IITC Sdn Bhd, also recorded an impressive performance for the fiscal year with its highest financial achievement in the history of IITC. The Company underwent a significant evolution to become the dominant solution provider for the education market through the development of its Total Campus Management System (TCMS) and strategic collaboration with global partners such as Microsoft, HP and Extreme Networks. Following the successful appointment of IITC as the key solution provider by the Ministry of Education in 2002 for the deployment of Polytechnic Management Information System (PMIS) and Executive Information System (EIS), IITC was awarded the prestigious "Sales Excellence Award for Year 2002" by Microsoft Malaysia and is the largest reseller for Extreme Network in South East Asia.

Along with the continued development of our private education sector, however, there is rising competition to promote one's own brand of education programmes. The Group sees the importance of gearing up for the challenges ahead and will constantly look for innovative

ways to stay above the rest and remain competitive. It is always complacency, if nothing else, that will cause us to stop progressing. I am confident that the Group will expand into more exciting development for the coming year in meeting the challenges of higher education and professional training in the new millennium.

Tan Yew Sing

Date: 22nd April 2003

DIRECTORS' REPORT (for the year ended 31 December 2002)

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2002.

Principal activities

The principal activity of the Company consists of investment holding, whilst the principal activities of the subsidiaries are as stated in Note 27 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

Results

	Group RM	Company RM
Net profit for the year	30,572,660 =====	7,953,668 =====

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid a final dividend of 10% less tax totalling RM4,536,000 in respect of the year ended 31 December 2001 on 28 June 2002.

The final dividend recommended by the Directors in respect of the year ended 31 December 2002 is 10% less tax totalling RM6,048,000.

Directors of the Company

Directors who served since the date of the last report are:

Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail
 Tan Yew Sing
 Chia Song Kun
 Dato' Haji Dol bin Ramli
 Lee Fah On @ Lee Fah Onn
 Low Han Sin
 Low Sik Thong
 Teng Choon Kwang
 Boh Boon Chiang

Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail and Dato' Haji Dol bin Ramli retire under Section 129 of the Companies Act, 1965 and seek re-appointment under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting.

The holdings and deemed holdings in the ordinary shares of the Company and of its related companies (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

Name	Number of ordinary shares of RM1.00 each			
	At 1.1.2002	Bought/ Bonus issue	Sold	At 31.12.2002
Shareholdings in which Directors have direct interests				
Interest of Mr. Tan Yew Sing in:				
Inti Supreme Holdings Sdn. Bhd.	16,326	-	-	16,326
Inti Universal Holdings Berhad	684,000	228,000	(600,000)	312,000
Interest of Mr. Chia Song Kun in:				
Inti Supreme Holdings Sdn. Bhd.	3,438	-	-	3,438
Interest of Dato' Haji Dol bin Ramli in:				
Inti Supreme Holdings Sdn. Bhd.	190	-	-	190
Inti Universal Holdings Berhad	48,000	16,000	-	64,000
Interest of Dr. Lee Fah On @ Lee Fah Onn in:				
Inti Supreme Holdings Sdn. Bhd.	4,750	-	-	4,750
Inti Universal Holdings Berhad	15,000	5,000	-	20,000
Interest of Mr. Teng Choon Kwang in:				
Inti Supreme Holdings Sdn. Bhd.	1,571	-	-	1,571
IITC Sdn. Bhd.	450,000	-	-	450,000
Shareholdings in which Directors have deemed interests				
Interest of Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail in:				
Inti Supreme Holdings Sdn. Bhd.	3,970	-	-	3,970
Interest of Mr. Tan Yew Sing in:				
Inti Supreme Holdings Sdn. Bhd.	31,161	-	-	31,161
Inti Universal Holdings Berhad	34,975,000	11,653,335	(661,000)	45,967,335
IITC Sdn. Bhd.	1,325,000	-	-	1,325,000
Inti IABS Sdn. Bhd.	1,020,000	-	-	1,020,000
Inti Kinabalu Sdn. Bhd.	1,250,000	-	-	1,250,000
Inti International College Penang Sdn. Bhd.	2,100,000	-	-	2,100,000
PIETC Holdings Sdn. Bhd.	306,000	-	-	306,000
P.T. Inti College Indonesia	9,420*	-	-	9,420*

Name	Number of ordinary shares of RM1.00 each			
	At 1.1.2002	Bought/ Bonus issue	Sold	At 31.12.2002
Shareholdings in which Directors have deemed interests				
Interest of Dr. Lee Fah On @ Lee Fah Onn in:				
Inti Supreme Holdings Sdn. Bhd.	434	-	-	434
Inti Universal Holdings Berhad	72,000	28,000	-	100,000
Interest of Mr. Low Han Sin in:				
Inti Supreme Holdings Sdn. Bhd.	18,720	-	-	18,720
Inti Universal Holdings Berhad	33,774,000	11,260,667	-	45,034,667
IITC Sdn. Bhd.	1,325,000	-	-	1,325,000
Inti IABS Sdn. Bhd.	1,020,000	-	-	1,020,000
Inti Kinabalu Sdn. Bhd.	1,250,000	-	-	1,250,000
Inti International College Penang Sdn. Bhd.	2,100,000	-	-	2,100,000
PIETC Holdings Sdn. Bhd.	306,000	-	-	306,000
P.T. Inti College Indonesia	9,420*	-	-	9,420*
Interest of Mr. Low Sik Thong in:				
Inti Supreme Holdings Sdn. Bhd.	18,720	-	-	18,720
Inti Universal Holdings Berhad	33,786,000	11,262,000	-	45,048,000
IITC Sdn. Bhd.	1,325,000	-	-	1,325,000
Inti IABS Sdn. Bhd.	1,020,000	-	-	1,020,000
Inti Kinabalu Sdn. Bhd.	1,250,000	-	-	1,250,000
Inti International College Penang Sdn. Bhd.	2,100,000	-	-	2,100,000
PIETC Holdings Sdn. Bhd.	306,000	-	-	306,000
P.T. Inti College Indonesia	9,420*	-	-	9,420*
Interest of Mr. Teng Choon Kwang in:				
Inti Supreme Holdings Sdn. Bhd.	1,702	-	-	1,702
Connective Distribution Sdn. Bhd. (formerly known as Multimedia Web Services Sdn. Bhd.)	2	-	-	2
E-Lutions Technologies Sdn. Bhd.	2	-	-	2
I-Lead Consultancy Sdn. Bhd. (formerly known as I-Lead Dot Com Sdn. Bhd.)	2	-	-	2
Interest of Mr. Chia Song Kun in:				
Inti Universal Holdings Berhad	-	1,522,667	-	1,522,667

* Nominal value of IDR96,000 or USD10 per share.

By virtue of their interests in the shares of the Company, Mr. Tan Yew Sing, Mr. Low Han Sin and Mr. Low Sik Thong are also deemed to have an interest in the shares of all subsidiaries of the Company to the extent that the Company has an interest.

The other Director holding office at 31 December 2002 did not have any interest in the ordinary shares of the Company and of its related companies during the year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related company with the 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 other than those disclosed in Note 25 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares

During the financial year, the Company issued 21,000,002 ordinary shares of RM1 each by way of bonus issue through the capitalisation from the share premium account and retained profits amounting to RM8,179,512 and RM12,820,490 respectively.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors of the Company are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) 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, or

- iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2002 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

.....
Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail

.....
Tan Yew Sing

Kuala Lumpur,
 Date: 22nd April 2003

STATEMENT BY DIRECTORS (pursuant to Section 169(15) of the Companies Act, 1965)

In the opinion of the Directors, the financial statements set out on pages 36 to 68, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2002 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....
Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail

.....
Tan Yew Sing

Kuala Lumpur,
Date: 22nd April 2003

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

I, **Tan Yew Sing**, the Director primarily responsible for the financial management of Inti Universal Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 36 to 68, 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 at Kuala Lumpur on 22nd April 2003.

.....
Tan Yew Sing

Before me:

SS Chandran
NOM W-243
COMMISSIONER FOR OATHS
Kuala Lumpur

REPORT OF THE AUDITORS (to the members of INTI Universal Holdings Berhad)

We have audited the financial statements set out on pages 36 to 68. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the 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 all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of 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 our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are 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 state of affairs of the Group and of the Company at 31 December 2002 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiary in respect of which we have not acted as auditors is identified in Note 27 to the financial statements and we have considered its financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries 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 audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

Lim Hun Soon @ David Lim

Partner
Approval Number: 1514/05/04(J)

Kuala Lumpur,
Date: 22nd April 2003

GROUP BALANCE SHEET (at 31 December 2002)

	Note	2002 RM	2001 RM
Property, plant and equipment	2	234,236,434	222,314,584
Investment in jointly controlled entity	4	4,270,680	–
Development costs	5	1,695,242	276,910
		<u>240,202,356</u>	<u>222,591,494</u>
Current assets			
Inventories	6	1,291,749	1,175,458
Trade and other receivables	7	16,097,030	18,949,843
Tax recoverable		10,732,129	5,233,339
Cash and cash equivalents	8	48,037,826	32,872,176
		<u>76,158,734</u>	<u>58,230,816</u>
Current liabilities			
Trade and other payables	9	65,063,818	56,084,229
Borrowings	10	11,200,019	19,104,304
Taxation		79,113	1,155,134
		<u>76,342,950</u>	<u>76,343,667</u>
Net current liabilities		(184,216)	(18,112,851)
		<u>240,018,140</u>	<u>204,478,643</u>
		=====	=====
Financed by:-			
Capital and reserves			
Share capital	11	84,000,008	63,000,006
Reserves	12	103,827,712	98,753,964
		<u>187,827,720</u>	<u>161,753,970</u>
Shareholders' funds			
Minority shareholders' interests	13	13,191,084	11,721,502
Long term and deferred liabilities			
Borrowings	10	24,220,111	19,117,698
Deferred taxation		14,779,225	11,885,473
		<u>38,999,336</u>	<u>31,003,171</u>
		<u>240,018,140</u>	<u>204,478,643</u>
		=====	=====

The financial statements were approved and authorised for issue by the Board of Directors on 22nd April 2003

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

GROUP INCOME STATEMENT

(for the year ended 31 December 2002)

	Note	2002 RM	2001 RM
Revenue	14	160,997,041	142,617,058
Other operating income		9,265,673	5,328,872
Changes in inventories		116,291	(42,607)
Staff costs		(63,639,274)	(59,723,269)
Depreciation and amortisation		(15,272,636)	(14,020,390)
Other operating expenses		(46,457,303)	(36,467,503)
		<hr/>	<hr/>
Operating profit	15	45,009,792	37,692,161
Interest expense		(3,343,797)	(3,712,213)
Interest income		740,963	669,977
Share of loss of jointly controlled entity		(1,451,544)	-
		<hr/>	<hr/>
Profit before taxation		40,955,414	34,649,925
Tax expense	17	(8,758,228)	(9,533,613)
		<hr/>	<hr/>
Profit after taxation		32,197,186	25,116,312
Minority interests		(1,624,526)	271,384
		<hr/>	<hr/>
Net profit for the year		30,572,660	25,387,696
		=====	=====
Earnings per ordinary share (sen)	18	36.40	30.22
		=====	=====
Net dividend per ordinary share (sen)	19	7.2	7.2
		=====	=====

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY (for the year ended 31 December 2002)

	NON-DISTRIBUTABLE				DISTRIBUTABLE			
	Share capital RM	Reserve arising on consolidation RM	Share premium RM	Capital reserve RM	Translation reserve RM	Retained profits RM	Total RM	
At 1 January 2001	63,000,006	8,979,099	8,179,512	3,094,998	-	55,379,450	138,633,065	
Net gain not recognised in the income statement								
- Currency translation differences	-	-	-	-	1,209	-	1,209	
Net profit for the year	-	-	-	-	-	25,387,696	25,387,696	
Dividend - 2000 final	-	-	-	-	-	(2,268,000)	(2,268,000)	
At 31 December 2001 and 1 January 2002	63,000,006	8,979,099	8,179,512	3,094,998	1,209	78,499,146	161,753,970	
Net gains not recognised in the income statement								
- Currency translation differences	-	-	-	-	37,090	-	37,090	
Net profit for the year	-	-	-	-	-	30,572,660	30,572,660	
Bonus issue	21,000,002	-	(8,179,512)	-	-	(12,820,490)	-	
Dividend - 2001 final	-	-	-	-	-	(4,536,000)	(4,536,000)	
At 31 December 2002	84,000,008	8,979,099	-	3,094,998	38,299	91,715,316	187,827,720	
	=====	=====	=====	=====	=====	=====	=====	
	Note 11					Note 12.1		

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

GROUP CASH FLOW STATEMENT (for the year ended 31 December 2002)

	2002 RM	2001 RM
Cash flows from operating activities		
Profit before taxation	40,955,414	34,649,925
Adjustments for:		
Amortisation of development costs	331,776	131,054
Depreciation	14,940,860	13,889,336
Interest expense	3,343,797	3,712,213
Interest income	(740,963)	(669,977)
Property, plant and equipment written off	14,950	-
Gain on disposals of property, plant and equipment	(12,793)	(28,644)
Share of loss in jointly controlled entity	1,451,544	-
Operating profit before working capital changes	<u>60,284,585</u>	<u>51,683,907</u>
Changes in working capital:		
Inventories	(116,291)	42,607
Trade and other receivables	2,852,813	(4,009,725)
Trade and other payables	8,979,589	15,760,392
Cash generated from operations	<u>72,000,696</u>	<u>63,477,181</u>
Taxation paid	(12,439,287)	(8,179,131)
Net cash generated from operating activities	<u>59,561,409</u>	<u>55,298,050</u>
Cash flows from investing activities		
Development costs paid	(1,632,246)	-
Investment in jointly controlled entity	(5,722,224)	-
Decrease / (Increase) in pledged deposits placed with licensed banks	1,137,000	(2,052,000)
Interest received	740,963	669,977
Proceeds from disposals of property, plant and equipment	55,744	113,050
Purchase of property, plant and equipment (i)	(24,515,378)	(32,442,263)
Net cash used in investing activities	<u>(29,936,141)</u>	<u>(33,711,236)</u>

	2002 RM	2001 RM
Cash flows from financing activities		
Dividend paid to shareholders of the Company	(4,536,000)	(2,268,000)
Dividend paid to minority shareholders	(154,944)	(75,000)
Interest paid	(3,343,797)	(3,712,213)
Revolving credit	-	5,000,000
Trust receipts	(1,481,359)	1,481,359
Proceeds from term loan	2,569,865	-
Repayment of hire purchase liabilities	(2,919,657)	(4,580,397)
Repayment of term loans	(1,541,644)	(7,366,276)
Subscription of shares by minority shareholders	-	200,630
	<u>(11,407,536)</u>	<u>(11,319,897)</u>
	-----	-----
Net cash used in financing activities	(11,407,536)	(11,319,897)
	-----	-----
Net increase in cash and cash equivalents	18,217,732	10,266,917
Effects of exchange rate changes on cash and cash equivalents	2,616	1,209
Cash and cash equivalents at beginning of year	26,453,585	16,185,459
	<u>44,673,933</u>	<u>26,453,585</u>
	=====	=====
Cash and cash equivalents at end of year	(ii) 44,673,933	26,453,585
	=====	=====

(i) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM27,003,999 (2001 - RM33,730,449), of which RM2,488,621 (2001 - RM1,288,186) was acquired by means of hire purchases.

ii) Cash and cash equivalents

Cash and cash equivalents included in the Group cash flow statement comprise the following balance sheet amounts:

	2002 RM	2001 RM
Cash and bank balance	27,248,630	18,610,246
Fixed deposits with licensed banks (excluding deposits pledged)	17,989,196	10,324,930
Bank overdrafts	(563,893)	(2,481,591)
	<u>44,673,933</u>	<u>26,453,585</u>
	=====	=====

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

COMPANY BALANCE SHEET (at 31 December 2002)

	Note	2002 RM	2001 RM
Investment in subsidiaries	3	78,177,930	78,177,930
Current assets			
Trade and other receivables	7	35,133,065	28,063,916
Tax recoverable		36,621	20,981
Cash and cash equivalents	8	43,489	3,631,998
		35,213,175	31,716,895
Current liabilities			
Trade and other payables	9	306,692	228,080
		34,906,483	31,488,815
		113,084,413	109,666,745
Financed by:-			
Capital and reserves			
Share capital	11	84,000,008	63,000,006
Reserves	12	29,084,405	46,666,739
Shareholders' funds		113,084,413	109,666,745

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

COMPANY INCOME STATEMENT (for the year ended 31 December 2002)

	Note	2002 RM	2001 RM
Revenue	14	11,715,000	7,100,000
Staff costs		(162,580)	(119,100)
Other operating expenses		(340,094)	(170,159)
Operating profit	15	<u>11,212,326</u>	<u>6,810,741</u>
Interest income		30,542	114,900
Profit before taxation		<u>11,242,868</u>	<u>6,925,641</u>
Tax expense	17	(3,289,200)	(2,009,491)
Net profit for the year		<u>7,953,668</u>	<u>4,916,150</u>
		=====	=====
Net dividend per ordinary share (sen)	19	7.2	7.2
		=====	=====

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY (for the year ended 31 December 2002)

	NON-DISTRIBUTABLE			DISTRIBUTABLE		Total RM
	Share capital RM	Share premium RM	Investment revaluation reserve RM	Retained profits RM		
At 1 January 2001	63,000,006	8,179,512	22,515,443	13,323,634		107,018,595
Net profit for the year	-	-	-	4,916,150		4,916,150
Dividend - 2000 final	-	-	-	(2,268,000)		(2,268,000)
At 31 December 2001 and 1 January 2002	63,000,006	8,179,512	22,515,443	15,971,784		109,666,745
Net profit for the year	-	-	-	7,953,668		7,953,668
Bonus issue	21,000,002	(8,179,512)	-	(12,820,490)		-
Dividend - 2001 final	-	-	-	(4,536,000)		(4,536,000)
At 31 December 2002	84,000,008	-	22,515,443	6,568,962		113,084,413
	=====	=====	=====	=====	=====	=====
	Note 11		Note 12.2	Note 12.3		

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

COMPANY CASH FLOW STATEMENT (for the year ended 31 December 2002)

	2002 RM	2001 RM
Cash flows from operating activities		
Profit before taxation	11,242,868	6,925,641
Adjustments for:		
Dividend income	(11,715,000)	(7,100,000)
Interest income	(30,542)	(114,900)
	<u>(502,674)</u>	<u>(289,259)</u>
Operating loss before working capital changes		
Changes in working capital:		
Trade and other receivables	(3,234,349)	(1,598,585)
Trade and other payables	78,612	(48,761)
	<u>(3,658,411)</u>	<u>(1,936,605)</u>
Cash used in operations		
Taxation paid	(24,640)	(52,347)
Dividend received	4,600,000	5,112,000
	<u>916,949</u>	<u>3,123,048</u>
Net cash generated from operating activities	<u>916,949</u>	<u>3,123,048</u>
Cash flows from investing activities		
Investment in a subsidiary	-	(2)
Additional investment in a subsidiary	-	(999,998)
Interest received	30,542	114,900
	<u>30,542</u>	<u>(885,100)</u>
Net cash generated from/(used in) investing activities	<u>30,542</u>	<u>(885,100)</u>
Cash flows from financing activity		
Dividend paid to shareholders	(4,536,000)	(2,268,000)
	<u>(4,536,000)</u>	<u>(2,268,000)</u>
Net cash used in financing activity	<u>(4,536,000)</u>	<u>(2,268,000)</u>
Net decrease in cash and cash equivalents	<u>(3,588,509)</u>	<u>(30,052)</u>
Cash and cash equivalents at beginning of year	3,631,998	3,662,050
Cash and cash equivalents at end of year	<u>43,489</u>	<u>3,631,998</u>
	=====	=====
Cash and cash equivalents comprise		
Fixed deposits with licensed banks	-	3,579,555
Cash and bank balances	43,489	52,443
	<u>43,489</u>	<u>3,631,998</u>
	=====	=====

The notes set out on pages 45 to 68 form an integral part of, and, should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of MASB 23, Impairment of Assets which is applied prospectively. The restatement of comparative figures and prior year adjustment are therefore not presented.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

Reserve arising on consolidation is not amortised.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Joint venture

A joint venture is a contractual agreement whereby the group and other parties have joint control over an economic activity.

In respect of its interest in jointly controlled entities, the Group uses the equity method to account for its interest.

Unrealised profits or losses arising from transactions between the group and its joint ventures are recognised only to the extent of that portion of the gain or loss which is attributable to the interests of the other venturers. Unrealised losses are recognised in full when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Premium on investment of jointly controlled entity is not amortised.

(d) Property, plant and equipment

(i) Owned assets

Property, plant and equipment except for freehold land and construction-in-progress are stated at cost/valuation less accumulated depreciation.

Freehold land and construction-in-progress are stated at cost.

The Group revalues its landed properties comprising freehold land, long term leasehold land, infrastructure and buildings every 5 years or at such shorter period whenever the fair value of the revalued assets are expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value (refer note 1(l)).

(ii) Hire purchase

Property, plant and equipment acquired under hire purchase arrangements are capitalised at their purchase cost and depreciated on the same basis as owned assets. The total amount payable under hire purchase agreements is included as hire purchase liabilities.

(e) Depreciation

No depreciation is provided on freehold land and construction-in-progress. Long term leasehold land is amortised in equal instalments over the period of the respective leases which range from 51 years to 60 years while infrastructure and buildings are depreciated on a straight line basis over the shorter of 50 years or the lease period. Other property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets over the term of their estimated useful lives at the following principal annual rates:

Motor vehicles	20%
Office and operating equipment	10% - 33 1/3%
Furniture and fittings	10% - 20%
Office renovation and electrical installation	10% - 20%
Library books	20%

(f) Investments

Investment in subsidiaries are stated at cost/Directors' valuation, less impairment loss, where applicable.

Investment in jointly controlled entity is stated at cost, less impairment loss, where applicable.

The Company revalues its investment in subsidiaries every five years or such shorter period as may be considered to be appropriate.

Surpluses arising from revaluation are dealt with in the investment revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase from the same investment. In all other cases, a decrease in the carrying amount is charged to the income statement.

On the sale of a revalued investment, the portion of revaluation surplus pertaining to that investment will be realised and transferred to revenue reserves.

The investment in subsidiaries are revalued based on the net tangible assets value of the investments. The last valuation was carried out on 31 December 1998.

(g) Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products or processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the remuneration of staff directly involved in the development activities and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is amortised and recognised as an expense on a systematic basis over 5 years so as to reflect the pattern in which the related economic benefits are recognised.

(h) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(i) Liabilities

Borrowings and trade and other payables are stated at cost.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value with first-in-first-out being the main basis for cost.

Cost includes the original purchase price plus incidentals in bringing these inventories to their present location and condition.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Impairment

The carrying amount of the Group's assets, other than inventories (refer note 1(j)), and financial assets (other than investments in subsidiaries and joint ventures), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(m) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for all material timing differences except where no liability is expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(n) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

	<i>2002</i>	<i>2001</i>
<i>CNY1</i>	<i>RM0.50</i>	<i>RM0.50</i>
<i>USD1</i>	<i>RM3.83</i>	<i>RM3.83</i>
<i>THB1</i>	<i>RM0.088</i>	<i>RM0.101</i>
<i>IDR100</i>	<i>RM0.0425</i>	<i>RM0.0365</i>
<i>AUD1</i>	<i>RM2.149</i>	<i>RM1.906</i>
<i>GBP1</i>	<i>RM6.092</i>	<i>RM5.435</i>

(o) Income recognition

Revenue from course fees and rental of hostels are recognised over the period of the course and tenancy respectively.

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(p) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

(ii) Finance cost

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of hire purchase payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

2. Property, plant and equipment

Group	Freehold land RM	Long term leasehold land RM	Infrastructure and buildings RM	Motor vehicles RM	Office and operating equipment RM	Furniture and fittings RM	Office renovation and electrical installation RM	Library books RM	Construction-in-progress RM	Total RM
Cost/Valuation										
At 1 January 2002	54,414,959	1,240,000	135,151,739	4,277,853	43,060,572	14,828,552	5,096,170	8,271,812	1,542,866	267,884,523
Additions	-	2,096,043	77,760	195,495	6,842,746	2,789,030	888,770	1,376,378	12,737,777	27,003,999
Transfer	-	-	14,108,194	-	-	-	-	-	(14,108,194)	-
Disposals	-	-	-	(124,000)	(40,420)	(13,880)	-	(1,583)	-	(179,883)
Written off	-	-	-	-	(250,518)	-	-	-	-	(250,518)
Exchange differences	-	-	-	-	14,416	24,048	-	1,984	-	40,448
At 31 December 2002	54,414,959	3,336,043	149,337,693	4,349,348	49,626,796	17,627,750	5,984,940	9,648,591	172,449	294,498,569
Representing items at:-										
Cost	9,078,159	2,156,043	55,440,493	4,349,348	49,626,796	17,627,750	5,984,940	9,648,591	172,449	154,084,569
Directors' valuation-1998	45,336,800	1,180,000	93,897,200	-	-	-	-	-	-	140,414,000
At 31 December 2002	54,414,959	3,336,043	149,337,693	4,349,348	49,626,796	17,627,750	5,984,940	9,648,591	172,449	294,498,569
Accumulated depreciation										
At 1 January 2002	-	227,053	7,297,942	2,060,794	23,727,660	6,740,070	1,510,582	4,005,838	-	45,569,939
Charge for the year	-	186,605	2,658,773	686,020	7,347,185	1,806,600	586,443	1,787,096	-	15,058,722
Disposals	-	-	-	(124,000)	(6,538)	(6,394)	-	-	-	(136,932)
Written off	-	-	-	-	(235,568)	-	-	-	-	(235,568)
Exchange differences	-	-	-	-	538	5,382	-	54	-	5,974
At 31 December 2002	-	413,658	9,956,715	2,622,814	30,833,277	8,545,658	2,097,025	5,792,988	-	60,262,135
Net book value										
At 31 December 2002	54,414,959	2,922,385	139,380,978	1,726,534	18,793,519	9,082,092	3,887,915	3,855,603	172,449	234,236,434
At 31 December 2001	54,414,959	1,012,947	127,853,797	2,217,059	19,332,912	8,088,482	3,585,588	4,265,974	1,542,866	222,314,584
Depreciation charge for year ended 31 December 2001	-	120,960	2,677,571	674,696	7,038,132	1,514,687	442,174	1,421,116	-	13,889,336

Depreciation charged for the year is allocated as follows:

	2002 RM	2001 RM
Income statement	14,940,860	13,889,336
Development costs	117,862	-
	-----	-----
	15,058,722	13,889,336
	=====	=====

The titles of certain freehold land and buildings of subsidiaries are in the process of being issued to these subsidiaries.

Revaluation

Land, infrastructure and buildings are stated at Directors' valuation based on professional valuations on the open market basis conducted in 1998.

Had the land, infrastructure and buildings been carried at historical cost less accumulated depreciation, the carrying amount that would have been included in the financial statements at the end of the year would be as follows:

	2002 RM	2001 RM
Freehold land	22,727,340	22,727,340
Long term leasehold land	1,117,907	1,144,046
Infrastructure and buildings	129,178,519	117,101,524
	-----	-----
	153,023,766	140,972,910
	=====	=====

Security

Certain property, plant and equipment of certain subsidiaries with net book value of RM180,633,392 (2001 - RM179,987,920) are pledged to licensed banks as security for credit facilities granted to the Group (Note 10).

Assets under hire purchase

Included in the Group's property, plant and equipment at net book value are the following assets purchased under hire purchase arrangements:

	2002 RM	2001 RM
Motor vehicles	1,056,142	1,464,136
Office and operating equipment	5,160,453	4,680,714
Furniture and fittings	1,619,325	2,046,715
	-----	-----
	7,835,920	8,191,565
	=====	=====

3. Investment in subsidiaries

	Company	
	2002 RM	2001 RM
Unquoted shares		
- At cost	1,099,996	1,099,996
- At Directors' valuation	77,077,934	77,077,934
	-----	-----
	78,177,930	78,177,930
	=====	=====

Details of the subsidiaries are shown in Note 27.

4. Investment in jointly controlled entity

	Group	
	2002 RM	2001 RM
Unquoted shares, at cost	5,722,224	-
Share of post acquisition reserves	(1,451,544)	-
	-----	-----
	4,270,680	-
	=====	=====

The Group's interest in the assets, liabilities, income and expenses of the jointly controlled entity are as follows:

	Group	
	2002 RM	2001 RM
Long term assets	8,670,317	-
Current assets	650,452	-
Long term liabilities	(4,226,099)	-
Current liabilities	(2,042,553)	-
	-----	-----
Share of net assets of jointly controlled entity	3,052,117	-
Premium arising from investment	1,218,563	-
	-----	-----
	4,270,680	-
	=====	=====
Income	465,044	-
Expenses	(1,916,588)	-
	-----	-----
	(1,451,544)	-
	=====	=====

Details of the jointly controlled entity are:

	Country of incorporation	Principal activity	Proportion of ownership interest	
			2002 %	2001 %
St. Theresa Inti Development Co. Ltd.	Thailand	Investment holding company	49.00	-

5. Development costs

Cost	Group	
	2002 RM	2001 RM
Balance at 1 January	655,268	655,268
Addition - internally developed	1,750,108	-
Balance at 31 December	2,405,376	655,268
Accumulated amortisation		
Balance at 1 January	378,358	247,304
Amortisation charge for the year	331,776	131,054
Balance at 31 December	710,134	378,358
Net book value		
At 31 December 2002	1,695,242	276,910

6. Inventories

	Group	
	2002 RM	2001 RM
Books	698,945	877,575
Stationery	210,075	175,221
Others	382,729	122,662
	1,291,749	1,175,458

Books of RM28,725 (2001 – RM80,075) are carried at net realisable value.

7. Trade and other receivables

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Trade receivables	8,176,245	7,158,279	-	-
Jointly controlled entity	1,129,608	-	-	-
Subsidiaries	-	-	35,000,291	27,986,906
Other receivables, deposits and prepayments	6,791,177	11,791,564	132,774	77,010
	<u>16,097,030</u>	<u>18,949,843</u>	<u>35,133,065</u>	<u>28,063,916</u>
	=====	=====	=====	=====

Group

Included in trade receivables are amount due from corporations in which certain Directors have interest amounting to RM1,472,793 (2001 - RM1,114,722).

The amount due from jointly controlled entity which comprise advances are unsecured, bear interest at 8.40% per annum and has no fixed terms of repayment, but in any event, the advances are for a period of not more than 2 years.

Included in other receivables, deposits and prepayments:

- (i) in the previous year was RM5,782,224 being deposit for the investment in a jointly controlled entity of 5,880,000 shares of Thai Baht 10 each, representing 49% of the total issued and paid-up share capital of St. Theresa Inti Development Co. Ltd., a private limited company incorporated in Thailand;
- (ii) is RM513,919 (2001 - RM513,919) being amount paid to take up the options pursuant to the Option Agreement entered into between a subsidiary and its minority shareholder to purchase two parcels of land for a total consideration of RM51,391,853 (2001 - RM51,391,853); and
- (iii) is RM799,898 (2001 - RM799,898) being deposits for utilities and rental of campus paid to a minority shareholder of a subsidiary.

Company

The amount due from subsidiaries are unsecured, interest free except for an amount due from a subsidiary of Nil (2001 - RM700,000) which bears interest at Nil (2001 - 3.5%) per annum, with no fixed term of repayment and relates to:

	Company	
	2002 RM	2001 RM
Dividend receivable	8,946,800	5,112,000
Advances	26,053,491	22,874,906
	<u>35,000,291</u>	<u>27,986,906</u>
	=====	=====

8. Cash and cash equivalents

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Fixed deposits with licensed banks	20,789,196	14,261,930	-	3,579,555
Cash and bank balances	27,248,630	18,610,246	43,489	52,443
	<u>48,037,826</u>	<u>32,872,176</u>	<u>43,489</u>	<u>3,631,998</u>
	=====	=====	=====	=====

Group

Fixed deposits of RM2,800,000 (2001 - RM3,937,000) are pledged to licensed banks for bank overdrafts, bank guarantee and other credit facilities granted to certain subsidiaries.

9. Trade and other payables

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Trade payables	3,882,549	3,663,256	-	-
Amount due to subsidiaries				
- trade	-	-	104,262	68,990
Other payables and accrued expenses	61,181,269	52,420,973	202,430	159,090
	<u>65,063,818</u>	<u>56,084,229</u>	<u>306,692</u>	<u>228,080</u>
	=====	=====	=====	=====

Group

Included in other payables and accrued expenses are:

- (i) RM38,138,946 (2001 - RM31,378,964) being course fees received in advance;
- (ii) RM3,299,919 (2001 - RM2,833,699) being hostel rental received in advance; and
- (iii) RM7,812,233 (2001 - RM6,929,403) being deposits received for course and rental of hostel.

10. Borrowings (secured)

	Group	
	2002 RM	2001 RM
Current:		
Term loans	4,028,890	7,468,645
Bank overdrafts	563,893	2,481,591
Revolving credit	5,000,000	5,000,000
Trust receipts	-	1,481,359
Hire purchase liabilities	1,607,236	2,672,709
	----- 11,200,019	----- 19,104,304
	=====	=====
Non-current:		
Term loans	22,642,282	18,174,306
Hire purchase liabilities	1,577,829	943,392
	----- 24,220,111	----- 19,117,698
	=====	=====

Terms and debts repayment schedule

	Total RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
2002					
Term loans	26,671,172	4,028,890	4,085,143	12,022,151	6,534,988
Overdrafts	563,893	563,893	-	-	-
Revolving credit	5,000,000	5,000,000	-	-	-
Hire purchase liabilities	3,185,065	1,607,236	1,039,380	538,449	-
	----- 35,420,130	----- 11,200,019	----- 5,124,523	----- 12,560,600	----- 6,534,988
	=====	=====	=====	=====	=====
2001					
Term loans	25,642,951	7,468,645	6,003,886	9,115,900	3,054,520
Overdrafts	2,481,591	2,481,591	-	-	-
Revolving credit	5,000,000	5,000,000	-	-	-
Trust receipts	1,481,359	1,481,359	-	-	-
Hire purchase liabilities	3,616,101	2,672,709	854,895	88,497	-
	----- 38,222,002	----- 19,104,304	----- 6,858,781	----- 9,204,397	----- 3,054,520
	=====	=====	=====	=====	=====

The term loans, overdrafts, revolving credit and trust receipts, which bear interest ranging 4.60% to 8.90% (2001 - 4.60% to 8.90%) per annum are secured as follows:-

- (i) charges against certain landed properties (Note 2);
- (ii) a debenture for RM6,000,000 (2001 - RM6,000,000) incorporating a fixed and floating charge over both the present and future assets of a subsidiary; and
- (iii) fixed deposits pledged (Note 8).

Hire purchase liabilities are subject to fixed rate of 10.02% (2001 - 10.74%) per annum.

	Payments 2002 RM	Interest 2002 RM	Principal 2002 RM	Payments 2001 RM	Interest 2001 RM	Principal 2001 RM
Less than one year	1,838,819	231,583	1,607,236	2,917,212	244,503	2,672,709
Between one and five years	1,776,800	198,971	1,577,829	1,076,432	133,040	943,392
	<u>3,615,619</u>	<u>430,554</u>	<u>3,185,065</u>	<u>3,993,644</u>	<u>377,543</u>	<u>3,616,101</u>
	=====	=====	=====	=====	=====	=====

11. Share capital

	Group and Company	
	2002 RM	2001 RM
Ordinary shares of RM1.00 each: Authorised	100,000,000	100,000,000
	=====	=====
Issued and fully paid-up	84,000,008	63,000,006
	=====	=====

12. Reserves

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Non-distributable:				
Reserve arising on consolidation	8,979,099	8,979,099	-	-
Share premium	-	8,179,512	-	8,179,512
Investment revaluation reserve	-	-	22,515,443	22,515,443
Capital reserve	3,094,998	3,094,998	-	-
Translation reserve	38,299	1,209	-	-
	<u>12,112,396</u>	<u>20,254,818</u>	<u>22,515,443</u>	<u>30,694,955</u>
Distributable:				
Retained profits	91,715,316	78,499,146	6,568,962	15,971,784
	<u>103,827,712</u>	<u>98,753,964</u>	<u>29,084,405</u>	<u>46,666,739</u>
	=====	=====	=====	=====

- 12.1 Non-distributable capital reserve represents capitalisation of subsidiaries' retained profits for bonus issue.
- 12.2 Investment revaluation reserve of the Company arose from revaluation of subsidiaries in 1998.
- 12.3 Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credits and tax exempt income to frank all (2001 - RM13,400,000) of its retained profits at 31 December 2002, if paid out as dividends.

13. Minority shareholders' interests

This consists of minority shareholders' proportion of share capital and reserves of subsidiaries.

14. Revenue

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Course fees	137,009,992	126,492,156	-	-
Rental of hostels	8,463,596	8,749,562	-	-
Sale of goods	15,523,453	7,375,340	-	-
Gross dividends from unquoted subsidiaries	-	-	11,715,000	7,100,000
	160,997,041	142,617,058	11,715,000	7,100,000

15. Operating profit

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Operating profit before taxation is arrived at after crediting:				
Gain on disposals of property, plant and equipment	12,793	28,644	-	-
Gain on foreign exchange - realised	-	2,300	-	-

and after charging:

Auditors' remuneration:				
- Holding company's auditors	103,400	103,400	12,000	12,000
- Other auditors	3,797	3,132	-	-
Amortisation of development costs (Note 5)	331,776	131,054	-	-
Depreciation (Note 2)	14,940,860	13,889,336	-	-
Company's Directors:				
- Fees	672,108	506,680	161,680	118,800
- Other emoluments	2,044,016	1,880,607	-	-
Property, plant and equipment written off	14,950	-	-	-
Operating lease rental	1,282,812	331,148	-	-
Rental expense of premises	3,228,159	4,370,396	-	-
	=====	=====	=====	=====

The estimated monetary value of Directors' benefits-in-kind of the Group is RM61,300 (2001 - RM61,300).

16. Employee information

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Staff cost	65,271,520	60,031,727	162,580	119,100
	=====	=====	=====	=====

Included in Group's staff cost is an amount of RM1,632,246 (2001 - Nil) of which is capitalised as development costs and an amount of Nil (2001 -RM308,458) of which is capitalised in construction-in-progress.

The number of employees of the Group and of the Company (including Directors) at the end of the year was 1,822 (2001 - 1,625) and 9 (2001 - 9) respectively.

17. Tax expense

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Current tax expense - current	5,864,476	4,793,130	3,289,200	2,009,491
Deferred tax expense	2,893,752	4,740,483	-	-
	=====	=====	=====	=====
	8,758,228	9,533,613	3,289,200	2,009,491
	=====	=====	=====	=====

The Group's effective tax rate is lower than the statutory tax rate due to profit derived from certain MSC-Status courses is being granted Pioneer Status under Section 4A of the Promotion of Investment (Amendment) Act, 1997, and hence exempted from tax.

The Company's effective tax rate is higher than the statutory tax rate as only certain expenses are permitted pursuant to Section 60F of the Income Tax Act, 1967.

Deferred taxation arising from the revaluation of certain properties of the Group amounting to RM2,026,000 (2001 - RM2,038,000) have not been provided for as the properties are held for long term use.

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	Group	
	2002 RM	2001 RM
Unutilised tax losses	(4,259,000)	(5,297,000)
Other timing differences	(1,940,000)	1,340,000
	=====	=====

18. Earnings per ordinary share - Group

The earnings per ordinary share for 2001 has been restated and adjusted to incorporate the effect of the bonus issue during the year.

The calculation of earnings per ordinary share is based on the net profit attributed to ordinary shareholders of RM30,572,660 (2001 - RM25,387,696) and on the weighted average number of ordinary shares outstanding during the year of 84,000,008 (2001 - 84,000,008) calculated as follows:

<i>Weighted average number of ordinary shares</i>	Group	
	2002	2001
Issued ordinary shares at beginning of year	63,000,006	63,000,006
Effect of bonus issue of ordinary shares in September 2002	21,000,002	21,000,002
	=====	=====
Weighted average number of ordinary shares	84,000,008	84,000,008
	=====	=====

19. Dividend

	Group and Company	
	2002	2001
	RM	RM
Ordinary		
Final proposed:		
10% per share less tax (2001		
- 10% per share less tax)	6,048,000	4,536,000
	=====	=====

Proposed final dividend

The proposed final dividend has not been accounted for in the financial statements.

20. Segmental information

Segment information is presented in respect of the Group's business segments. The business segment is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms in the normal course of business.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments

The Group comprises the following main business segments:

Education	Managing colleges for higher education, higher education property management, trading in books and stationery, provision of seminar, corporate consultancy, management advisory, counselling and secretarial services
Trading and software development	Trading in computers, development of software and provision of information technology related services

Following the adoption of MASB 22, Segment Reporting, the above business segments were adopted as reportable segments.

Geographical Segments

The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group operations is not presented.

2002	Education RM	Trading and software development RM	Eliminations RM	Consolidated RM
Business Segments				
Revenue from external customers	148,189,635	12,807,406	-	160,997,041
Inter-segment revenue	-	1,166,896	(1,166,896)	-
	=====	=====	=====	=====
Total revenue	148,189,635	13,974,302	(1,166,896)	160,997,041
	=====	=====	=====	=====
Segment results	43,497,776	2,468,382	(436,336)	45,529,822
	=====	=====	=====	=====
Unallocated expenses				(520,030)

Operating profit				45,009,792
Interest expense				(3,343,797)
Interest income				740,963
Share of loss of jointly controlled entity	(1,451,544)			(1,451,544)
	=====			-----
Tax expense				(8,758,228)
Minority Interest				(1,624,526)

Net profit for the year				30,572,660
				=====
Segments assets	276,487,524	8,610,257	(6,243,277)	278,854,504
Investment in jointly controlled entity	4,270,680	-	-	4,270,680
Unallocated assets				33,235,906

Total assets				316,361,090
				=====
Segments liabilities	(63,493,437)	(7,603,128)	6,243,277	(64,853,288)
Unallocated liabilities				(50,488,998)

Total liabilities				(115,342,286)
				=====
Capital expenditure and development cost	25,164,223	3,589,884	-	28,754,107
Depreciation and amortisation	14,549,935	722,701	-	15,272,636
Non-cash expenses other than depreciation and amortisation	-	14,950	-	14,950

2001	Education RM	Trading and software development RM	Eliminations RM	Consolidated RM
Business Segments				
Revenue from external customers	136,693,811	5,923,247	-	142,617,058
Inter-segment revenue	-	2,508,688	(2,508,688)	-
	=====	=====	=====	=====
Total revenue	136,693,811	8,431,935	(2,508,688)	142,617,058
	=====	=====	=====	=====
Segment results	38,230,415	324,012	(332,653)	38,221,774
	=====	=====	=====	=====
Unallocated expenses				(529,613)

Operating profit				37,692,161
Interest expense				(3,712,213)
Interest income				669,977
Tax expense				(9,533,613)
Minority Interest				271,384

Net profit for the year				25,387,696
				=====
Segments assets	252,294,818	7,669,276	(4,726,029)	255,238,065
Unallocated assets				25,584,245

Total assets				280,822,310
				=====
Segments liabilities	(54,485,456)	(6,158,561)	4,726,029	(55,917,988)
Unallocated liabilities				(51,428,850)

Total liabilities				(107,346,838)
				=====
Capital expenditure	33,288,644	441,805	-	33,730,449
Depreciation and amortisation	13,477,646	542,744	-	14,020,390

21. Contingent liabilities (unsecured)

Group

Litigation

A claim for approximately RM1,323,000 (2001 - RM1,323,000) has been brought against one of the subsidiaries for alleged failure to comply with a contractual tenancy agreement. The Directors and the legal advisors of the subsidiary are of the opinion that this claim is excessive and devoid of substantive grounds and the subsidiary is resisting the claim. The next hearing for the claim will be on 26 May 2003.

22. Operating lease

Leases as lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2002	2001
	RM	RM
Less than one year	1,461,698	901,632
Between one and five years	934,923	1,482,775
	2,396,621	2,384,407
	-----	-----

The subsidiaries lease a number of computers under operating leases. The leases typically run for an initial period of three years, with an option to renew the leases after that date at such terms as may be agreed between the lessee and lessor.

23. Capital commitments

	Group	
	2002	2001
	RM	RM
Property, plant and equipment Contracted but not provided for in the financial statements	56,478,000	62,650,000
	-----	-----

24. Holding company

The holding and ultimate holding company is Inti Supreme Holdings Sdn. Bhd., a company incorporated in Malaysia.

25. Related parties

Controlling related party relationship are as follows:

- i) The holding company as disclosed in Note 24; and
- ii) Its subsidiaries as disclosed in Note 27.

Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Group	2002 RM	2001 RM
With a company in which certain Directors of a subsidiary, namely Mr. Tan Tiong Liang @ Tan Chung Liang and Mr. Nobel Pang Paul Gen have interest:		
<i>Malitnet Info-Sys Sdn. Bhd.</i>		
Purchase of computer software and hardware	-	157,419
	=====	=====
With a minority shareholder of a subsidiary		
<i>Worldwide Ventures Sdn. Bhd.</i>		
Rental expense of campus	2,930,020	2,919,592
Interest expense	124,522	-
	-----	-----
	3,054,542	2,919,592
	=====	=====

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

26. Financial instruments

Financial risk management objectives and policies

Exposure to credit, interest rate and currency risk arises in the normal course of the business of the Group and Company. The Directors review and agree on policies for managing each of these risks and they are summarised below:

Group

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group requires collateral, i.e. letter of credit from certain customers.

Fixed deposits are placed only with financial institutions.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and the Company were represented by the carrying amount of each financial asset.

Interest rate risk

The Group's exposure to changes in market interest rates relates primarily to interest income from fixed deposits, interest bearing advances extended to jointly controlled entity, and finance costs on borrowings. The Group does not use derivative financial instruments to hedge debt obligations. The Group manages interest cost using a mix of fixed and variable rate borrowings.

Foreign currency risk

The Group incurs foreign currency risk on its investment in the jointly controlled entity and foreign subsidiary and transactions that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to these risks are primarily US dollars, Thai Baht and Indonesia Rupiah. As the Group's exposure to foreign currency risk is small, the Group does not use financial instruments to hedge foreign currency risk.

Nevertheless, the fluctuations in foreign currency rates are monitored on an ongoing basis.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

Group	2002			2001				
	Effective interest rate %	Total RM	Within 1 year RM	1-5 years RM	After 5 years RM	Effective interest rate %	Total RM	Within 1 year RM
Financial assets								
Fixed deposits	3.17	20,789,196	20,789,196	-	-	2.62	14,261,930	14,261,930
Jointly controlled entity								
- Advances	8.40	1,129,608	1,129,608	-	-	-	-	-
Financial liabilities								
Term loans								
- fixed interest rate	6.45	24,108,000	3,568,000	14,272,000	6,268,000	-	-	-
- floating interest rate	8.21	2,563,172	2,563,172	-	-	7.94	25,642,951	25,642,951
Bank overdrafts	8.22	563,893	563,893	-	-	8.28	2,481,591	2,481,591
Revolving credit	4.60	5,000,000	5,000,000	-	-	4.60	5,000,000	5,000,000
Trust receipts	-	-	-	-	-	8.28	1,481,359	1,481,359
Company								
Financial assets								
Fixed deposits	-	-	-	-	-	3.20	3,579,555	3,579,555
Subsidiary								
- Advances	-	-	-	-	-	3.50	700,000	700,000

Fair values

The Directors are of the opinion that the carrying amounts of the financial assets and liabilities of the Group and Company approximate their fair values.

27. Subsidiaries

The principal activities of the subsidiaries in the Group, all incorporated in Malaysia except for P.T. Inti College Indonesia that was incorporated in Indonesia, and the interest of Inti Universal Holdings Berhad are shown below:-

Company	Effective 2002	Interest 2001	Principal activities
Inti Higher Learning Centre Sdn. Bhd.	100%	100%	Managing a college for higher education
Inti College Malaysia Sdn. Bhd.	100%	100%	Managing a college for higher education
Inti Management Services Sdn. Bhd.	100%	100%	Provision of corporate consultancy and management advisory
Inti Education Counselling Centre Sdn. Bhd.	100%	100%	Provision of seminar and counselling services
IITC Sdn. Bhd.	66.3%	66.3%	Trading in computers, development of software and provision of information technology related services
E-Lutions Technologies Sdn. Bhd.	66.3%	66.3%	Dormant
I-Lead Consultancy Sdn. Bhd. (formerly known as I-Lead Dot Com Sdn. Bhd.)	66.3%	66.3%	Dormant
Connectiv Distribution Sdn. Bhd. (formerly known as Multimedia Web Services Sdn. Bhd.)	66.3%	66.3%	Dormant
Inti Publishing House Sdn. Bhd.	100%	100%	Trading in books and stationery and provision of publication services
Inti Construction Sdn. Bhd.	100%	100%	Undertaking of construction contracts
Inti Assets Holdings Sdn. Bhd.	100%	100%	Property holding
Mobicrest Sdn. Bhd.	100%	100%	Main tenant
Intinet Ventures Sdn. Bhd.	100%	100%	Dormant
Inti Education Sdn. Bhd.	100%	100%	Investment holding

Inti IABS Sdn. Bhd.	51%	51%	Managing a college for higher education
P.T. Inti College Indonesia*	30.6%	30.6%	Managing a college for higher education
Inti Kinabalu Sdn. Bhd.	62.5%	62.5%	Managing a college for higher education
Inti International College Penang Sdn. Bhd.	70%	70%	Managing a college for higher education
Inti English Language School Sdn. Bhd. (formerly known as Angkanamas Sdn. Bhd.)	100%	100%	Dormant
Inti Asset Management Sdn. Bhd.	100%	100%	Property holding and managing an accommodation hostel
PIETC Holdings Sdn. Bhd.	51%	51%	Property and investment holding
Erti Utama Sdn. Bhd.	100%	100%	Property and investment holding
Inti Instruments (M) Sdn. Bhd.	100%	100%	Dormant

* Not audited by KPMG

28. Event subsequent to balance sheet date

On 9 April 2003, a wholly owned subsidiary of the Company, Inti Asset Management Sdn. Bhd. ("IAM") entered into a Conditional Sale of Shares Agreement ("Shares Agreement") with third parties to acquire 500,000 ordinary shares of RM1.00 each for a purchase consideration of approximately RM4,400,000, representing 100% equity interest in Canggi Kota Sdn. Bhd. ("CKSB"), a company which was incorporated in Malaysia.

CKSB has entered into a sale and purchase agreement ("Land Agreement") with SIME UEP Properties Berhad ("SIME UEP") on 17 March 2003 to purchase two (2) contiguous parcels of freehold land for approximately RM19,500,000 ("Total Land Price"). A deposit of 10% of the Total Land Price amounting to approximately RM1,950,000 had been paid by CKSB partly by way of a loan of approximately RM1,450,000 ("Loan Sum") from one of CKSB's directors.

Pursuant to the acquisition of CKSB, IAM shall be solely responsible to provide the necessary fund for CKSB to pay the balance of the Total Land Price amounting to approximately RM17,550,000 and to advance to CKSB approximately RM1,450,000 to enable it to repay CKSB's director who had paid the Loan Sum.

The Shares Agreement is subject to the following conditions being fulfilled:

- the Land Agreement is valid and binding and shall remain valid and binding during the subsistence of the Shares Agreement;
- the sale and purchase agreement ("Related Land Purchase Agreement") between Canggi Kota Development Sdn. Bhd. and SIME UEP for the sale and purchase of another piece of land is valid and binding and shall remain valid and binding during the subsistence of the Shares Agreement. SIME UEP requires the completion of the Land Agreement to be conditional on the completion of the Related Land Purchase Agreement; and
- the Land Agreement shall have become unconditional and CKSB shall have either (i) obtained the necessary approval of the Foreign Investment Committee ("FIC") for the purchase of the 2 pieces of freehold land in accordance with the terms of the Land Agreement, and the conditions imposed by FIC in its approval (if any) shall be of terms acceptable to IAM or (ii) obtained the confirmation from FIC that its approval is not required for the purchase of the 2 pieces of freehold land.

Upon completion of the above transactions, IAM will incur approximately RM23,400,000 for the acquisition of CKSB and the 2 pieces of freehold land.

The Group intends to develop a campus on the 2 pieces of freehold land for the purposes of relocating the existing Inti College Subang Jaya which is currently situated at No. 3, Jalan SS15/8, Subang Jaya, Selangor.

LIST OF RECURRENT RELATED PARTY TRANSACTIONS (at 31 December 2002)

The nature of transactions and class of related parties with whom the Recurrent Transaction were carried out, pursuant to the shareholders' mandate, were as follows:-

Nature of Transaction	Aggregated value from 1 January 2002 to 31 December 2002 (RM)	Transacting Parties	Names of Related Parties	Relationship of the Related Parties with the Company
Trading in information technology equipment, college management software and IT consultancy services.	809,174	IITC Sdn Bhd ("IITC") with INTI Higher Learning Centre Sdn Bhd, INTI College Malaysia Sdn Bhd and INTI International College Penang Sdn Bhd ("IICP")	(i) Teng Choon Kwang ("TCK")	TCK has a direct interest in IITC and is a Director of the Company and all the transacting companies.
Rental of premise ie. land (approximately 21.435 acres) with academic buildings and student hostels erected thereon at No. 10, Persiaran Bukit Jambul, 11900 Penang.	2,930,020	IICP from Worldwide Ventures Sdn Bhd ("WVSB")	WVSB	WVSB is the holding company of Sheffield Enterprise Sdn Bhd, a 30% shareholder of IICP.

LIST OF PROPERTIES OWNED BY THE GROUP (as at 31 December 2002)

Owner	Location	Description	Existing Use	Land Area (Built-up Area)	Tenure (Expiry of lease)	Date of revaluation/ (acquisition)	Age of Buildings (years)	Net Book Value RM/'000
Inti Higher Learning Centre Sdn Bhd	No 3, Jalan SS15/8, 47500 Subang Jaya, Selangor	One to three storey buildings	College: Academic & Admin Office	9,536 sq.m. (6,150 sq.m.)	Freehold	31.12.1998	11	12,477
Inti Higher Learning Centre Sdn Bhd	Nos 67, 69 & 71, Jalan SS15/8A, 47500 Subang Jaya, Selangor	Three adjoining units of four storey shophouses with renovations	Office, Classroom & Computer Lab	163.5 sq.m (654 sq.m.) per shophouse	Freehold	31.12.1998	11	2,023
Inti Higher Learning Centre Sdn Bhd	Nos 37 & 39, Jalan SS15/8A, 47500 Subang Jaya, Selangor	Two adjoining units of four storey shophouses	Office, Classroom & Computer Lab	163.5 sq.m (654 sq.m.) per shophouse	Freehold	31.12.1998	9	1,346
Inti Higher Learning Centre Sdn Bhd	Nos 15 & 17, Jalan SS15/8A, 47500 Subang Jaya, Selangor	Two adjoining units of four storey shophouses	Corporate Office & Classroom	163.5 sq.m (654 sq.m.) per shophouse	Freehold	31.12.1998	9	1,346
Inti Higher Learning Centre Sdn Bhd	12th Mile, Bentong-Kuala Lumpur Old Road, Pahang	Agriculture land	Vacant	12.141 hectares	Freehold	31.12.1998	12	2,160
Inti Higher Learning Centre Sdn Bhd	Apartment No 123D, No 133F, No 143H My Place Apartment Jalan SS15/8, 47500 Subang Jaya, Selangor	Three individual units of three bedroom apartments	Hostel	(86.31sq.m.) per apartment	Freehold	31.12.1998	9	429
Inti Higher Learning Centre Sdn Bhd	Apartment No 206X, My Place Apartment Jalan SS15/8, 47500 Subang Jaya, Selangor	One individual unit of three bedroom apartment	Hostel	(84.45sq.m.) per apartment	Freehold	31.12.1998	9	143
Inti Higher Learning Centre Sdn Bhd	No 29, 31 & 33, Jalan SS15/8, 47500 Subang Jaya, Selangor	Three adjoining units of four storey link shophouse	Library	163.5 sq.m (654 sq.m.) per shophouse	Freehold	(28.12.1999)	3	1,974

continue...

Owner	Location	Description	Existing Use	Land Area (Built-up Area)	Tenure (Expiry of lease)	Date of revaluation/ (acquisition)	Age of Buildings (years)	Net Book Value RM'000
Inti IABS Sdn Bhd	Jalan Stampin Timur 93250 Kuching, Sarawak	Two to four storey building	College: Academic, Admin Office & Hostel	14,570 sq.m. (8,900 sq.m.)	Leasehold (24.07.2050)	31.12.1998	8	19,070
Inti IABS Sdn Bhd	Lot 274, Block 16, Jalan Stampin, 93250 Kuching	One, double storey semi-detached house	Staff House	444.3 sq.m. (433.18 sq.m.)	Leasehold (18.08.2052)	(16.04.1993)	11	348
Inti Kinabalu Sdn Bhd	Lot 17, 18, 19 & 20 Putatan Point, Taman Putatan, 88200 Kota Kinabalu, Sabah	Four adjoining units of four storey shophouses	College: Academic, Admin Office & Hostel	1,200 sq.ft. (4,800 sq.ft.) per shophouse	Leasehold (30.10.2928) (31.12.2907)	31.12.1998	7	2,330
Inti Assets Holdings Sdn Bhd	Lot PT12265 Jln BBN 12/1, Bandar Baru Nilai 71800 Nilai, N. Sembilan	4 storey building	College: Academic, Admin Office & Computer Lab	121,459.2 sq.m. (43,701 sq.m.)	Freehold	31.12.1998	5	63,144
Inti Asset Management Sdn Bhd	Lot PT12268 Jln BBN 12/1, Bandar Baru Nilai 71800 Nilai, N. Sembilan	12 blocks of 5 storey buildings and Multipurpose Hall	Student Hostel and Activities Centre	101,168.1 sq.m. (57,520 sq.m.)	Freehold	31.12.1998	4 ¹ / ₂	78,319
IITC Sdn Bhd	Lot 6, Jalan Teknologi PSB 3/4 Seksyen 3, Selangor Science Park 1, Kota Damansara, 47810, Petaling Jaya, Selangor	Single storey building	Office Building	10,781 sq.m. (1,773 sq.m.)	Leasehold (22.02.2029)	(01.10.1999)	3 ¹ / ₄	3,481
Inti International College Penang Sdn Bhd	29-03-03, Parkview Towers, Tingkat Bukit Jambul 1, 11950 Penang	One individual unit of three bedroom apartment	Staff Apartment	(99.86 sq.m.) per apartment	Leasehold (11.02.2095)	(05.07.2000)	2 ¹ / ₂	238
Erti Utama Sdn Bhd	Lot PT 12266, Mukim Labu, Seremban, Negeri Sembilan	Commercial land	Vacant	109,313.1 sq.m.	Freehold	(23.05.2001)	1 ¹ / ₂	7,890

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM100,000,000
Issued And Fully Paid -Up Share Capital	:	RM84,000,008
Class of Share	:	Ordinary Share of RM1.00 each.
Voting Right	:	One voting right for one ordinary share.

DISTRIBUTION OF SHAREHOLDERS AS AT 31 MARCH 2003

Holdings	No. of holders	Total holdings	%
Less than 1,000	13	3,670	0.00
1,000 - 10,000	903	3,746,997	4.46
10,001 - 100,000	321	9,744,998	11.60
100,001 to less than 5% of issued shares	74	26,504,343	31.55
5% and above of issued shares	1	44,000,000	52.38
Total	1,312	84,000,008	100.00

TOP THIRTY SHAREHOLDERS AS AT 31 MARCH 2003

Name	Shareholdings	%
1. INTI Supreme Holdings Sdn Bhd	44,000,000	52.38
2. HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust (3548)	1,921,000	2.29
3. Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Ittikal Fund (N14011970240)	1,796,334	2.14
4. Ruby Technique Sdn Bhd	1,522,667	1.81
5. AMMB Nominees (Tempatan) Sdn Bhd - AMTRUSTEE Berhad for HLG Penny Stock Fund (5/4-3)	1,293,334	1.54
6. Yeoh Ah Tu	1,144,000	1.36
7. Hanlow Holdings Sdn Bhd	924,000	1.10
8. HDM Nominees (Tempatan) Sdn Bhd - Pledged securities account for Kemurni Development Sdn Bhd (MEMO)	893,334	1.06
9. SBBAM Nominees (Tempatan) Sdn Bhd - AVIVA Insurance Berhad	701,334	0.83
10. Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Smallcap Fund	684,334	0.81
11. Kemurni Development Sdn Bhd	673,334	0.80
12. AMFINANCE Berhad - Pledged securities account for Mohd Karim bin Abdullah Omar (SMART)	589,334	0.70
13. BHLB Trustee Berhad - PRUGROWTH Fund	518,333	0.62
14. Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Industry Fund (N14011930270)	508,000	0.60
15. BHLB Trustee Berhad - TA Comet Fund	488,000	0.58

16.	Ahmad Azizuddin bin Haji Zainal Abidin	468,334	0.56
17.	SBBAM Nominees (Tempatan) Sdn Bhd - Malaysian Assurance Alliance Berhad	413,334	0.49
18.	Capital Dynamics Asset Management Sdn Bhd	400,000	0.48
19.	SBBAM Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Amanah Pencen	377,334	0.45
20.	SBBAM Nominees (Tempatan) Sdn Bhd - Shell Sarawak & Sabah Provident Fund	370,667	0.44
21.	Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Aggressive Growth Fund (N14011940110)	361,334	0.43
22.	Mayban Nominees (Tempatan) Sdn Bhd - Capital Dynamics Asset Management Sdn Bhd for KESM Industries Berhad (CDAM30-990472)	360,000	0.43
23.	SBBAM Nominees (Tempatan) Sdn Bhd - Pertubuhan Keselamatan Sosial	333,334	0.40
24.	Syarikat Padubumi Sdn Bhd	332,000	0.40
25.	SBBAM Nominees (Tempatan) Sdn Bhd - Amal Assurance Berhad	313,334	0.37
26.	Mayban Nominees (Tempatan) Sdn Bhd - Pledged securities account for Tan Yew Sing (014039521448)	312,000	0.37
27.	Leu Leang @ Liew Yong Choy	304,000	0.36
28.	Universal Trustee (Malaysia) Berhad - SBB Retirement Balanced Fund	292,000	0.35
29.	Yap Wooi Mee @ Yap Wooi Min	292,000	0.35
30.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd - Bumiputra-Commerce Trustee Berhad for Pacific Dana Aman (3717 TR01)	289,334	0.34

LIST OF SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 31 MARCH 2003

	Ordinary shares of RM1.00 each			
	Direct interest		Indirect interest	
	No.	%	No.	%
INTI Supreme Holdings Sdn Bhd	44,000,000	52.38	-	-
Handaria Sdn Bhd	-	-	45,566,668	54.25
Hanlow Holdings Sdn Bhd	924,000	1.10	44,000,000	52.38
Kemurni Development Sdn Bhd	1,566,668	1.87	44,000,000	52.38
Low Han Sin	-	-	44,934,667	53.50
Low Sik Thong	-	-	44,948,000	53.51
Lee Kim Yin @ Lee Moy Moy	-	-	44,924,000	53.48
Low Hun Kiat	-	-	44,924,000	53.48
Low Hun Ngee	-	-	44,924,000	53.48
Low Soo Fern	24,000	0.03	44,924,000	53.48
Tan Yew Sing	312,000	0.37	45,566,668	54.25
Teh Siew Lan	-	0.00	45,566,668	54.25

DIRECTORS' INTEREST (DIRECT AND INDIRECT) IN THE COMPANY AND ITS RELATED CORPORATIONS (EXCLUDING WHOLLY-OWNED SUBSIDIARIES) AS AT 31 MARCH 2003

	Ordinary shares of RM1.00 each			
	Direct interest		Indirect interest	
	No.	%	No.	%
<u>Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail</u>				
INTI Supreme Holdings Sdn Bhd	-	-	3,970	3.61
<u>Tan Yew Sing</u>				
INTI Supreme Holdings Sdn Bhd	16,326	14.84	31,161	28.33
INTI Universal Holdings Berhad	312,000	0.37	45,566,668	54.25
IITC Sdn Bhd	-	-	1,325,000	66.25
INTI IABS Sdn Bhd	-	-	1,020,000	51.00
INTI Kinabalu Sdn Bhd	-	-	1,250,000	62.50
INTI International College Penang Sdn Bhd	-	-	2,100,000	70.00
PIETC Holdings Sdn Bhd	-	-	306,000	51.00
P.T. INTI College Indonesia	-	-	*9,420	60.00
<u>Chia Song Kun</u>				
INTI Supreme Holdings Sdn Bhd	3,438	3.12	-	-
INTI Universal Holdings Berhad	-	-	1,522,667	1.81
<u>Dato' Haji Dol bin Ramli</u>				
INTI Supreme Holdings Sdn Bhd	190	0.17	-	-
INTI Universal Holdings Berhad	64,000	0.08	-	-
<u>Dr. Lee Fah On @ Lee Fah Onn</u>				
INTI Supreme Holdings Sdn Bhd	4,750	4.32	434	0.39
INTI Universal Holdings Berhad	20,000	0.02	105,000	0.12
<u>Low Han Sin</u>				
INTI Supreme Holdings Sdn Bhd	-	-	18,720	17.02
INTI Universal Holdings Berhad	-	-	44,934,667	53.50
IITC Sdn Bhd	-	-	1,325,000	66.25
INTI IABS Sdn Bhd	-	-	1,020,000	51.00
INTI Kinabalu Sdn Bhd	-	-	1,250,000	62.50
INTI International College Penang Sdn Bhd	-	-	2,100,000	70.00
PIETC Holdings Sdn Bhd	-	-	306,000	51.00
P.T. INTI College Indonesia	-	-	*9,420	60.00
<u>Low Sik Thong</u>				
INTI Supreme Holdings Sdn Bhd	-	-	18,720	17.02
INTI Universal Holdings Berhad	-	-	44,948,000	53.51
IITC Sdn Bhd	-	-	1,325,000	66.25
INTI IABS Sdn Bhd	-	-	1,020,000	51.00
INTI Kinabalu Sdn Bhd	-	-	1,250,000	62.50
INTI International College Penang Sdn Bhd	-	-	2,100,000	70.00
PIETC Holdings Sdn Bhd	-	-	306,000	51.00
P.T. INTI College Indonesia	-	-	*9,420	60.00
<u>Teng Choon Kwang</u>				
INTI Supreme Holdings Sdn Bhd	1,571	1.43	1,702	1.55
IITC Sdn Bhd	450,000	22.50	-	-

* Nominal value of IDR96,000 or USD10 per share.

PROXY FORM

I/We.....
of.....
being a member of **INTI UNIVERSAL HOLDINGS BERHAD** ("the Company"), hereby appoint.....
.....
of.....
or failing *him / her.....
of.....

as *my/our proxy to vote for *me/us and on *my/our behalf at the Tenth Annual General Meeting of the Company to be held at the Ivory 11, Holiday Villa, 9 Jalan SS 12/1, Subang Jaya, 47500 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 20th May 2003 at 10.00 a.m.** or and at any adjournment thereof.

Please indicate the manner in which you wish your votes should be cast with an "X" in the appropriate spaces below. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he/she thinks fit.

No.	Ordinary Resolutions	For	Against
1.	Receive the Audited Financial Statements		
2.	Payment of Directors' fees		
3.	Payment of a Final Dividend		
	Re-election of Directors retiring under Article 94(1):-		
4.	Low Sik Thong		
	Re-election of Directors retiring under Section 129:-		
5.	Tan Sri Dato' Dr. Haji Abdul Majid bin Ismail		
6.	Dato' Haji Dol bin Ramli		
7.	Re-appoint KPMG as Auditors		
8.	Authorise Directors to issue shares up to 10% of issued capital – Section 132D		

No. of shares held

Signature

(If shareholder is a Corporation, this part should be executed under seal.)

Dated this _____ day of _____ 2003

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
3. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority or his attorney, and in the case of a corporation either under its Common Seal or signed by its attorney or by an officer on behalf of the Corporation. Such instrument shall be deposited at the Registrar Office of the Company, **Bina Management (M) Sdn. Bhd., Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan**, not less than **forty eight (48) hours** before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than **twenty four (24) hours** before the time appointed for the taking of the poll, and in default the instrument shall not be treated as valid.

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Registrar of
INTI UNIVERSAL HOLDINGS BERHAD
(Company No: 266729-P)
c/o Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205,
46050 Petaling Jaya,
Selangor Darul Ehsan.

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