

Chief Executive Officer's Review of Operations Tinjauan Operasi Ketua Pegawai Eksekutif



“Sebagai bisnes jangka panjang, kami memanglah akan bergiat dalam bidang kepakaran kami. Dengan pengalaman dan kemahiran yang kaya, kami yakin akan berkembang secara lebih giat lagi dalam bisnes kami.”

“As a long-term player, we believe in sticking to what we do best. And that’s why with our wealth of experience and expertise, we are confident of continuing to grow even bigger in our core business activities.”



Aerial view of Bandar Laguna Merbok – urban living within a resort setting.

Pandangan udara Bandar Laguna – Merbok gaya hidup bandar dalam persekitaran peranginan.

2001 was a memorable year for Paramount. It was a year of record-breaking business performance despite the slowdown in the Malaysian economy and negative developments around the world. While we are pleased with our results in 2001, we are equally mindful about the health of the global economy as we have still not seen a recovery in many of the world's largest markets. Although these events are largely external, its effects on the overall Malaysian economy will have an impact on the Group's operations.

PROPERTY DEVELOPMENT

Patani Jaya Sdn. Bhd. ("PJSB") maintained its position as the largest contributor to the Group's pre-tax profit. PJSB, the developer of Bandar Laguna Merbok ("BLM"), is located 1.5km from the Sungai Petani Northern Toll Interchange. PJSB has successfully developed Taman Patani Jaya and Taman Sutera, both in Sungai Petani, Kedah. In efforts to expand its operations and improve customer service, PJSB relocated its office to Wisma Patani Jaya in May 2001.

Despite the challenging economic conditions in 2001, PJSB was able to generate substantial interest in its property projects through various promotional activities and sales incentives for its customers. Another important factor for its success is the availability of attractive end-financing packages from financial institutions. More importantly, PJSB continued to maintain its reputation as a developer of quality homes in the northern region. During the year under review, PJSB recorded a sale of 328 units in BLM generating a total sales value of RM61.7 million.

Since its launch in 1996, PJSB sold about 1,679 units in BLM, of which a total of 1,095 homes had been completed and handed over along with certificates of fitness for occupancy.

In line with our commitment to further enhance the BLM development, we commenced construction work on the Kelab Bandar Laguna Merbok premises and recreational facilities in April 2001. The project, which is estimated to cost RM4 million, will be completed by the third quarter of 2002. This new facility represents our commitment to provide a resort-living lifestyle to our house purchasers.

PJSB recently obtained an approval-in-principle for conversion of the proposed industrial units to residential houses to cater for market demand. The total number of units will upon completion, increase from 3,155 units to 4,056 units. PJSB has been working very closely with the relevant authorities on this matter to ensure a proper implementation of the project.

Looking ahead, the Property Division will continue to seek and acquire suitable land banks with immediate development potential to ensure the availability of good development projects that will generate a steady stream of earnings in the future. The Group will also extend its area of expertise in property development to major towns in Malaysia, especially those within the Klang Valley.

CONSTRUCTION

Berlian Sakti Sdn. Bhd. ("BSSB") is a construction company involved in activities related to civil engineering and building works. BSSB undertakes construction activities for both in-house and external projects. Despite a challenging and highly competitive environment, BSSB performed very well in the year under review.

For a second consecutive year, BSSB achieved remarkable growth to remain a major contributor to the Group's revenue and earnings. As part of BSSB's new business directions, it secured more contract revenues from external projects. This business increased by 63% from RM31.4 million in 2000 to RM51.2 million in the year under review. This outstanding performance in a competitive industry is largely due to the experience and commitment of the management and staff of BSSB.

For the full year, BSSB managed to secure a variety of projects for the construction of public infrastructure, residential property, and utilities infrastructure with a total contract value of about RM180 million.





TINJAUAN OPERASI KETUA PEGAWAI EKSEKUTIF

2001 merupakan tahun yang dikenang bagi Paramount. Ianya merupakan tahun memecah rekod prestasi bisnes walaupun ekonomi Malaysia merosot dan terdapat perkembangan negatif di merata tempat di dunia. Walaupun kami berbangga atas prestasi pada 2001, kami amat sedar tentang kesihatan ekonomi global oleh kerana tidak terlibat pemulihan di pasaran besar di dunia. Walaupun peristiwa ini adalah di luar, kesannya terhadap ekonomi Malaysia akan mempengaruhi operasi Kumpulan.

PERKEMBANGAN HARTA

Patani Jaya Sdn Bhd ("PJSB"), mengekalkan kedudukannya sebagai penyumbang utama bagi keuntungan sebelum cukai Kumpulan. PJSB ialah pemaju Bandar Laguna Merbok ("BLM"), bertempat 1.5 km dari Interchange Tol Utara Sungai Petani. PJSB berjaya memperkembangkan Taman Patani Jaya dan Taman Sutera, kedua-duanya di Sungai Petani, Kedah. Dalam usaha memperluaskan operasi dan memperbaiki perkhidmatan kepada pelanggan, PJSB telah berpindah ke Wisma Patani Jaya pada Mei 2001.

Dalam keadaan ekonomi yang mencabar pada tahun 2001, PJSB berjaya menjana minat pembeli rumah melalui beberapa aktiviti promosi dan insentif. Satu factor penting lagi ialah terdapat kemudahan pakej kewangan yang menarik dari institusi kewangan. Lebih penting lagi, PJSB dapat mengekalkan reputasi sebagai pemaju rumah bermutu di wilayah utara. Pada tahun yang ditinjau, PJSB berjaya menjual 328 unit di BLM menjana jumlah nilai jualan sebanyak RM 61.7 juta.

Sejak dilancar pada tahun 1996, BLM telah menjual 1,679 unit. Sejumlah 1,095 unit rumah telah dibina dan diserahkan dengan sijil kelayakan pendudukan kepada pembeli.

Selaras dengan komitmen meningkatkan perkembangan BLM, kami telah mula membina premis dan kemudahan rekreasi Kelab Bandar Laguna Merbok pada April 2002. Projek ini yang bernilai RM 4 juta dijangka akan siap pada suku ketiga tahun 2002. Kemudahan ini merupakan komitmen kami membina gaya hidup yang selesa untuk penghuni BLM.

Kebelakangan ini PJSB telah mendapat kebenaran secara prinsip untuk rancangan pengubahan unit industri kepada unit kediaman bagi memenuhi permintaan pasaran. Jumlah unit yang dibina akan bertambah dari 3,155 ke 4,056 unit. PJSB bekerjasama rapat dengan pihak yang berkuasa dalam hal ini untuk menjamin pelaksanaan projek ini secara teratur.

Untuk masa depan Bahagian Hartanah akan meneruskan usaha mencari dan memperolehi tanah yang sesuai dan berpotensi untuk dimajukan agar menjana perolehan yang lumayan. Kumpulan akan juga memperluaskan kepakarannya dalam pembinaan hartanah ke bandar utama lain di Malaysia, khususnya di Lembah Kelang.

PEMBINAAN

Berlian Sakti Sdn Bhd ("BSSB") adalah sebuah syarikat pembinaan yang terlibat dalam berbagai kegiatan berkaitan dengan kejuruteraan sivil dan kerja pembinaan. BSSB menjalankan aktiviti pembinaan dalaman dan luaran. BSSB telah menunjukkan prestasi yang amat baik dalam persekitaran yang mencabar dan bersaing tinggi pada tahun yang ditinjau.

Bagi tahun yang kedua, BSSB mencapai pertumbuhan yang luar biasa untuk mengekal kedudukannya sebagai penyumbang utama kepada hasil dan perolehan Kumpulan. Sebagai arah baru bisnes BSSB, syarikat berjaya mendapat kontrak dari projek luar. Bisnes ini meningkat 63% dari RM 31.4 juta pada tahun

Regency Tower which offers you the opportunity to live in comfort comes complete with extra room space to spruce up according to your personal taste and lifestyle.

Regency Tower menawarkan peluang kehidupan yang selesa dengan ruang untuk gaya hidup peribadi.



2000 ke 51.2 juta pada tahun yang ditinjau. Prestasi yang cemerlang ini dalam industri yang bersaing tinggi, adalah hasil pengalaman dan komitmen pengurusan dan staf BSSB.

BSSB telah berjaya mendapat tawaran berbagai projek pembinaan infrastruktur awam, projek perumahan dan kemudahan awam bernilai sebanyak RM 180 juta.

Pada November 2001 BSSB dianugerahkan MS-ISO9001:2000 Quality Management Systems Certification oleh SIRIM. Ini menandakan pencapaian penting bagi BSSB, bukti pengiktirafan tekanannya ke atas pengurusan berkesan, keselamatan dan proses berkualiti

Pada Disember 2001 BSSB mencapai satu lagi kejayaan apabila ianya di anugerahkan lesen PKK Kelas A dari Kementerian Perkembangan Perusahawanan. Lesen ini membenarkan BSSB menjalankan projek besar yang ditawarkan oleh sector awam dan swasta tanpa had nilai kontrak.

Berlian Sakti Sdn Bhd practices Total Quality Management (TQM) and quality standards to ensure a consistent and high level of service in all its construction projects.

Berlian Sakti Sdn Bhd mengamalkan Total Quality Management (TQM) dan piawai mutu agar menjamin taraf perkhidmatan yang sentiasa tinggi dalam semua projek pembinaan.

Bandar Laguna Merbok – resort living at its best.

Bandar Laguna Merbok – gaya hidup peranginan yang terulung.



In November 2001, BSSB was awarded the MS-ISO9001:2000 Quality Management Systems Certification by SIRIM. This award marks an important milestone for BSSB, in recognition of its continued emphasis on effective management, safety and quality processes.

In December 2001, BSSB achieved another milestone when it was awarded a PKK Class A license from the Ministry of Entrepreneur Development. This license will allow BSSB to undertake sizeable projects awarded by both the public and private sectors without a limit to the value of the contracts.

With its proven track record in all its construction projects, particularly residential properties in Kedah, BSSB will continue to

bid for suitable projects in other parts of the country. Given the strong management team in place and a rich pool of skilled resources, BSSB will continue to seek a broader variety of projects including civil and infrastructure works to increase its contract revenues and earnings contribution.

PROPERTY INVESTMENT

Wangsa Merdu Sdn. Bhd. (“WMSB”) is the property manager for Regency Tower, a 23-storey condominium comprising 76 units of luxury apartments. Despite the continued weakness in the rental market for condominiums, Regency Tower achieved an occupancy rate of more than 96% and recorded higher rental rates due to its prime location in KL’s golden triangle. This was a significant improvement compared to the average occupancy rate of 82.5% in 2000.

In order to maximise occupancy rates, the management of WMSB is committed to maintaining and upgrading the facilities of Regency Tower to enhance the comfort and provide efficient service to the tenants. Perumahan Berjaya Sdn. Bhd. (“PBSB”) continued to maintain its level of profitability from the rental of its premises at Petaling Jaya to KDU College Sdn. Bhd.

EDUCATIONAL SERVICES

The Group’s investment in the education services sector is spearheaded by KDU College Sdn. Bhd. (“KDU College”), which provides private tertiary education and KDU Smart School Sdn. Bhd., which is expected to operate four primary and secondary smart schools in Malaysia.

The education services sector has been very competitive in recent years due to a number of factors – a slower growth in student

population relative to the increase in the number of private institutions, the entry of new players in the market resulting in diluted growth of student enrollment numbers, and a possible contraction in the private education market as public universities build additional campuses to accommodate bigger student populations. Nevertheless, KDU College’s three campuses were able to maintain their student numbers and registered a growth of 12.8% in fee revenue for the year under review, compared to an 8.8% growth in 2000. As the second largest contributor to the Group’s earnings, KDU College continued to perform well and increased its earnings by more than 15%, compared to the previous year. KDU College has also embarked on a new branding and image building campaign to support its new marketing and sales strategy.

For the past 19 years, KDU College has become a well-recognised name in private tertiary education not only in Malaysia, but also internationally, with students from more than 25 countries pursuing higher education in all its three campuses. This good mix provides an opportunity for students to have a rich cross-cultural experience in KDU College.

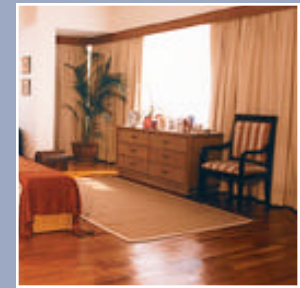
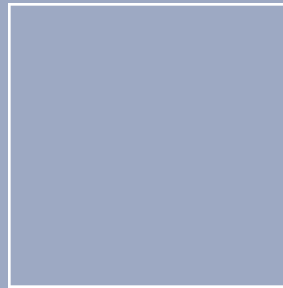
The three KDU College campuses in Petaling Jaya, Penang and Sibul provide a substantial number of approved “3+0” bachelor’s degree programmes and they offer students a cost-effective route to obtaining their undergraduate degrees from Australian and UK universities right here in Malaysia.

The management and academic staff at KDU College are constantly reviewing the programmes offered, to ensure that its courses are in line with market demands. In the current financial year, several new programmes were added to the extensive range of courses available. KDU College is also committed to provide the most up-to-date teaching facilities and IT infrastructure for students as well as its academic staff.



Regency Tower Homes – exclusively for people who seek a perfect balance of comfort and convenience.

Kediaman Regency Tower – eksklusif untuk mereka yang inginkan imbalan keselesaan dan kesenangan.



Dengan kejayaan yang ketara dalam semua projek pembinaan, khususnya harta perumahan di negeri Kedah, BSSB akan terus memperoleh projek yang sesuai di kawasan lain di negara ini. Dengan pasukan pengurusan yang cekap dan sumber tenaga yang mahir, BSSB akan terlibat dalam pelbagai projek termasuk kerja infrastruktur dan sivil untuk meningkatkan hasil kontrak dan sumbangan perolehan.

PELABURAN HARTA

Wangsa Merdu Sdn Bhd (“WMSB”) ialah pengurus harta Regency Tower, sebuah kondominium 23 tingkat yang mengandungi 76 unit pangsupuri mewah. Walaupun penyewaan untuk pasaran kondominium pada tahun yang ditinjau adalah rendah, Regency Tower telah mencatat kadar penghunian lebih daripada 96% dan juga kadar penyewaan yang tinggi hasil lokasinya yang strategik di Golden Triangle Kuala Lumpur. Ini adalah kemajuan yang amat baik berbanding dengan purata kadar penghunian 82.5% pada tahun 2000.

Agar memaksimumkan kadar penghunian, pengurusan WMSB bertekun menyelenggara dan memperbaiki kemudahan Regency Tower untuk meningkat keselesaan mutu perkhidmatannya untuk penghuni. Perumahan Berjaya Sdn Bhd (“PBSB”) dapat meneruskan pengekaln perolehan melalui penyewaan premisnya di Petaling Jaya kepada KDU College Sdn. Bhd.

PERKHIDMATAN PENDIDIKAN

Pelaburan utama Kumpulan dalam sektor perkhidmatan pendidikan ialah melalui KDU College Sdn. Bhd. (“KDU College”) yang membekalkan pendidikan swasta tertiar dan KDU Smart School Sdn. Bhd. yang dijangka akan mengoperasi empat buah sekolah bestari rendah dan menengah.

Kini persaingan dalam pasaran pendidikan adalah amat tinggi, akibat beberapa faktor – pertumbuhan bilangan pelajar yang rendah kerana peningkatan bilangan institusi swasta, penubuhan institusi baru dan penambahan bilangan kampus universiti awam. Walau bagaimanapun ketiga-tiga kampus KDU dapat mengekalkan bilangan pelajar dan telah merekodkan pertumbuhan 12.8% dalam hasil yuran bagi tahun yang ditinjau berbanding dengan 8.8% bagi tahun 2000. KDU, yang merupakan penyumbang kedua kepada perolehan Kumpulan, telah meneruskan prestasi yang baik serta menambah perolehannya sebanyak 15% berbanding dengan tahun sebelumnya. KDU College telah menukar ke branding dan imej baru untuk menyokong strategi baru pasaran dan jualan.

Selama 19 tahun, KDU telah menjadi nama terkenal dalam pendidikan tinggi swasta bukan sahaja di Malaysia bahkan juga di luar negeri. Terdapat pelajar dari 25 buah negara yang menuntut di ketiga-tiga kampus. Hal ini memberi peluang kepada pelajar menikmati pengalaman kebudayaan yang kaya di KDU

Ketiga-tiga kampus KDU di Petaling Jaya, Pulau Pinang dan Sibn menawarkan beberapa program ijazah bachelo “3+0” yang membenarkan pelajar memperoleh ijazah dari universiti Australia dan United Kingdom di Malaysia secara kos efektif.

Pengurusan dan staf akademik KDU sentiasa mengkaji semula program yang ditawarkan agar selari dengan permintaan pasaran. Pada tahun yang ditinjau ini beberapa program baru telah ditambah kepada senarai program yang ditawarkan. KDU College juga bertekun memberi kemudahan pengajaran dan infrastruktur IT yang terkini untuk pelajar dan staf akademik.

Pada tahun yang ditinjau, KDU College meningkatkan makmal komputernya dengan PC baru Pentium 4. Tahun ini juga melibatkan peningkatan kemudahan perpustakaan di kampus KDU College Petaling Jaya. Kolej sentiasa sedar tentang pentingnya meningkatkan kemudahan pengajaran dan sokongan agar memenuhi keperluan pelajarannya.

Pada Jun 2001, KDU College melancarkan secara rasmi KDU Community Network (“KCN”) yang merupakan sebahagian daripada KDU Smart Initiative bernilai RM 10 juta yang telah dimulakan pada 2000. KCN membekalkan platform e-pembelajaran dan e-pentadbiran untuk menyampai kandungan pendidikan kepada pelajar, menggalakkan interaksi antara pelajar dengan fasilitator kursus serta meningkatkan kecekapan sistem pentadbiran KDU College. KCN yang ditempatkan servernya di kampus Petaling Jaya dan





A holistic approach to education through innovative technology.

Kaedah pendidikan holistik melalui teknologi inovatif.



During the year under review, KDU College upgraded its computer laboratories with new Pentium 4 class personal computers. The current year also witnessed an upgrading of library facilities at the KDU College campus in Petaling Jaya as the college is aware of the need to continuously upgrade its teaching and support facilities to cater to students' needs.

In June 2001, KDU College officially launched the KDU Community Network ("KCN"), which is part of the RM10 million KDU Smart Initiative which started in 2000. KCN provides an e-learning and e-administration platform for delivery of education content to students, promoting interaction between students and course facilitators, and increasing the efficiency of KDU College's administrators. KCN which is hosted in computer servers in both KDU College campuses at Petaling Jaya and Penang, was enhanced recently with a 4-Megabit leased line connection to the Internet.

On 22 August 2001, the Group announced the formation of KDU Smart School Sdn. Bhd. to operate and manage its private primary and secondary smart schools in

Malaysia. Construction work on the first phase of a smart-school in Kota Damansara has progressed steadily and the Group expects to open its doors to students in January 2003. Over the next 12 months, the Group will embark on a major marketing drive to increase public awareness and recruit students in the Klang Valley.

In September 2001, KDU College formed a strategic alliance with Alliance Bank Bhd. and Star Tag Sdn. Bhd. to provide smart cards to all students and staff. This card can be used as an electronic cash card at the KDU College campuses and for access to various facilities at KDU. The official launch was held in the first quarter of 2002 after a preliminary trial period to test the system.

September 2001 also saw a significant milestone in KDU College's programme offering when it signed an agreement with Carnegie Technology Education ("CTE") to provide certificate courses, designed for students who are interested in a professional IT career. CTE is a non-profit subsidiary of Carnegie Mellon University, which is home to the highly ranked computer-engineering

programme in the US. The courses, which are being offered through KDU College's Centre for Professional Education and Development ("CPED"), will be conducted on-line and directly with certified instructors. The first enrollment of students will commence in the second quarter of 2002, after preparations for the required facilities are in place.

In the fourth quarter of 2001, KDU College's Faculty of Information and Multimedia Technology successfully passed a recertification audit of its MSC-status. The compliance audit for KDU College's MS ISO 9002 certification was also completed without any major hitches. KDU College progressed in its quality management initiatives, when it successfully completed its MS ISO 9002 Surveillance Audit in November 2001 for the second consecutive year. The Surveillance Audit's purpose was to assess the implementation of the company's quality system in accordance with the documented procedures and requirements of MS ISO 9002. Needless to say, this accomplishment reinforces our continuous commitment to the principles of Quality and its application to the day-to-day management of the business. In our continuing efforts to improve quality, project milestones were drawn up in November 2001 to conduct the upgrading of KDU College's existing ISO 9002:1994 certification to ISO 9001:2000 certification for KDU College in PJ, and to obtain ISO 9001:2000 accreditation for KDU Penang and KDU Sib. .

The Phase II expansion of KDU College in Penang has been progressing smoothly. The project which will be completed in September 2002, will provide an additional 170,000 square feet area to the existing campus of 130,000 square feet. This augurs well for KDU College as it pushes ahead to increase student enrollment.

As part of its effort to support the need for education, KDU College provides academic scholarships and assistance to the less fortunate and deserving students. KDU College has also





Pulau Pinang telah baru-baru ini dinaikkan tarafnya ke leased line 4-Megabit dengan sambungan ke Internet.

Pada 22 Ogos 2001, Kumpulan mengumumkan pembentukan KDU Smart School Sdn. Bhd. yang akan beroperasi dan mengurus sekolah bestari rendah dan menengah di Malaysia. Pembinaan fasa satu sekolah bestari di Kota Damansara sedang berjalan dengan lancar dan Kumpulan berjangka ianya akan dibuka pada Januari 2003. Sepanjang tahun ini Kumpulan akan memasarkan sekolah melalui kempen kesedaran awam di Lembah Kelang dan juga mendaftarkan pelajar.

Pada September 2001, KDU College membina perikatan strategik dengan Alliance Bank Bhd. dan Star Tag Sdn. Bhd. untuk membekalkan smart card kepada semua pelajar dan staf. Kad ini digunakan sebagai kad wang tunai elektronik di kampus KDU College untuk mengakses berbagai kemudahan di KDU. Upacara pelancaran dilangsungkan pada suku pertama 2002 selepas suatu jangka masa untuk percubaan.

September 2001 juga tercapai suatu lagi peristiwa penting dalam program KDU College apabila perjanjian ditandatangani dengan Carnegie Technology Education ("CTE") untuk menjalankan kursus sijil khusus untuk pelajar yang berminat dalam karier profesional IT. CTE adalah anak syarikat bukan untung Carnegie Mellon University, terkenal di Amerika Syarikat untuk program kejuruteraan komputer. Kursus tersebut yang ditawarkan oleh Centre for Professional Education and Development ("CPED") di KDU College akan dijalankan secara on-line dan secara langsung dengan pengajar bertauliah. Enrolmen yang pertama bagi pelajar adalah pada suku kedua 2002, setelah segala kemudahan yang perlu disediakan.

Pada suku keempat 2001, Fakulti Maklumat dan Teknologi Multimedia di KDU College telah berjaya mendapat pensijilan semula audit status MSC. Audit untuk pensijilan ISO 9002 juga berjaya tanpa masalah. KDU College

mencatat kejayaan dalam semua usaha mutu pengurusan yang dijalankannya untuk Audit Surveillance MS ISO 9002 pada November 2001. Tujuan Surveillance Audit ialah untuk mentafsir pelaksanaan sistem kualiti syarikat selaras dengan prosedur dan keperluan MS ISO 9002. Pencapaian kami membuktikan komitmen terhadap prinsip Kualiti serta aplikasinya dalam urusan harian. Kami berazam akan terus meningkatkan pensijilan ISO 9002:1994 ke ISO 9001:2000 untuk KDU College Petaling Jaya dan seterusnya untuk KDU Pulau Pinang dan juga KDU Sibu.

Perkembangan Fasa II KDU Pulau Pinang sedang berjalan dengan lancar. Projek ini akan tamat pada September 2002 dengan tambahan 170,000 kaki persegi kepada kampus yang sedia ada yang merangkumi 130,000 kaki persegi. Hal ini mencerahkan usaha KDU College meningkatkan enrolmen pelajar.

Untuk menyokong keperluan untuk pendidikan, KDU menawar biasiswa dan bantuan akademik kepada pelajar yang layak dari segi kemampuan kewangan dan prestasi akademik.

KDU juga menyumbang dalam beberapa cara kepada program pengkayaan dan kursus kemahiran komputer bagi pelajar dan guru sekolah menengah untuk menyediakan mereka menghadapi cabaran transformasi Malaysia dari ekonomi perindustrian ke ekonomi berasaskan pengetahuan..

KDU akan meneruskan usaha membina kolej yang moden dan menggunakan teknologi inovatif. Kami percaya peranan kami bukan sahaja dalam memperkembangkan pelajar sebagai pekerja pengetahuan bahkan juga membimbing mereka menjadi pembina pengetahuan yang sentiasa ingin belajar dan menjadi kreatif.

PELABURAN DAN LAIN-LAIN

Pada tahun yang ditinjau, Paramount Global Assets Sdn. Bhd. ("PGASB") terus memilih pelaburan secara selektif dan berhati-hati dalam pasaran ekuiti Malaysia. Keutamaan diberi kepada stok yang mempunyai asas yang kukuh dan yang mempunyai potensi menjana



Smart learning in a custom
designed smart school.

*Pembelajaran bestari dalam sekolah
yang khusus sebagai sekolah bestari
direka.*



contributed in many ways in providing enrichment programmes and computer skill courses to secondary school students and teachers to prepare them for challenges in the future, as Malaysia forges ahead with its transformation from an industrial economy to a knowledge-based economy.

Equally, KDU College will continue to commit resources to create a modern college with a leading edge in technology innovation. We believe our role is not merely to develop our student as knowledge workers, but to engage them as knowledge builders who are inspired to learn and be creative.

INVESTMENT & OTHERS

In the year under review, Paramount Global Assets Sdn. Bhd. ("PGASB") continued to adopt selective and prudent investments in the Malaysian equity market. Priority was given to stocks with strong fundamentals and those having the potential to generate profits within a short-term frame. Much of our efforts were spent on maximising the returns from investments in companies listed on the Kuala Lumpur Stock Exchange (KLSE).

The Group's investment in the insurance industry is undertaken via its 20% stake in Jerneh Insurance Berhad. This investment has contributed positively to the Group's results during the year under review.

The Group's income from Dindings Oil Palm estate is dependent on the prices of crude palm oil (CPO). Average CPO prices for 2001 was around RM860 per MT, which was lower than average prices of RM1,000 per MT in 2000. Nevertheless, CPO prices increased to a level of more than RM1,200 in August 2001, before starting on a downward trend towards the end of the year under review. Furthermore, the lower yield from its old palms has also affected production rates and hence profitability. Although the Group has embarked on a replanting programme in 2000 to replace the older palms, this is not expected to have a material impact until much later.

ENTERPRISE RESOURCE PLANNING (ERP)

In order to improve its overall operational efficiency and establish an integrated financial system, the Group has embarked on a programme to implement an ERP system in 2000. The Group has already shortlisted potential vendors to supply both hardware and software system for the project in early 2001. By the fourth quarter of 2001, the

Group had implemented the Axapta ERP system from Daamgard, which is a Danish software company.

In the all important area of customer service, the Group has made plans to implement a new customer relationship management ("CRM") system. The CRM initiative is a consolidated effort to drive the Group towards being more customer-focused.

HUMAN RESOURCES

Total staff strength of the Group at 31 December 2001 was 595 compared to 535, the previous year-end. I would like to take this opportunity to thank all employees of the Group for contributing to the outstanding results for the year. Their acceptance of the performance improvement measures implemented by the management has led to an overall improvement in efficiency and productivity.

The Group continues to provide in-house and external training to an increasing number of employees in order to expose them to new ideas and technological developments; and equip them with the necessary IT skills to meet the challenges of a knowledge-based economy.

In December 2001, the Group conducted an Executive Development Workshop for the senior management team. This programme was held in conjunction with Paramount's Annual Conference 2001 to inculcate leadership qualities in the senior management team to take the Group to a higher level in line with the expectations of our shareholders. Similar programmes have been planned for 2002 to ensure that we remain committed to increasing the value of our company to the shareholders.

TEO CHIANG QUAN
Group Chief Executive Officer



keuntungan dalam jangka masa pendek. Tumpuan usaha kami adalah ke arah memaksimumkan pulangan dari pelaburan dalam syarikat yang disenaraikan di Bursa Saham Kuala Lumpur.

Pelaburan Kumpulan dalam insuran ialah melalui 20% ekuiti dalam Jerneh Insurance Berhad. Pelaburan ini menyumbang secara positif ke prestasi Kumpulan pada tahun yang ditinjau ini.

Perolehan Kumpulan dari Dindings Oil Palm Estate bergantung kepada harga minyak mentah kelapa sawit (crude palm oil atau CPO) Purata harga CPO pada tahun 2001 ialah RM 800 per MT, lebih rendah dari RM1,000 MT bagi tahun 2000. Walau bagaimanapun harga CPO meningkat ke RM1,200 pada Ogos 2001 sebelum menurun pada akhir tahun yang ditinjau. Tambah lagi hasil dari pokok kelapa sawit tua juga telah mempengaruhi kadar pengeluaran dan seterusnya perolehan. Walaupun Kumpulan telah memulakan program menanam semula pada tahun 2000 untuk menggantikan pokok yang tua, hal ini dijangka tidak akan membawa kesan yang ketara dalam jangka masa pendek.

PERANCANGAN SUMBER PERUSAHAAN (ERP)

Dengan tujuan meningkatkan kecekapan operasi menyeluruh serta membina suatu sistem kewangan bersepadu, Kumpulan telah memulakan sebuah program melaksanakan sistem ERP pada tahun 2000. Kumpulan telah memilih beberapa vendor untuk membekal hardware dan software untuk projek ini pada awal tahun 2001. Kumpulan telah pada suku keempat 2001, melaksanakan system AXAPTA ERP dari Daamgard, sebuah syarikat software dari Denmark.

Untuk bidang perkhidmatan pelanggan yang begitu penting, Kumpulan telah melaksanakan suatu sistem baru customer relationship management ("CRM"). Inisiatif CRM ini merupakan usaha bersama memandu Kumpulan menjadi lebih berfokus kepada pelanggan.

SUMBER MANUSIA

Jumlah bilangan kakitangan di Kumpulan pada 31 Disember 2001 ialah 595 berbanding dengan 535 pada tahun sebelumnya. Saya ingin mengambil kesempatan ini untuk mengucapkan terima kasih kepada semua kakitangan



Kumpulan yang telah menyumbang kepada prestasi yang cemerlang bagi tahun ini. Kesanggupan mereka menerima tindakan membaiki prestasi yang dilaksanakan oleh pengurusan telah membawa kepada peningkatan kecekapan dan produktiviti secara keseluruhan.

Kumpulan masih memberi latihan dalaman dan luaran kepada lebih ramai kakitangan untuk mendedahkan idea baru dan perkembangan teknologi terkini serta kemahiran IT untuk menangani cabaran ekonomi berasaskan pengetahuan.

Pada Disember 2001 Kumpulan menganjurkan Bengkel Perkembangan Eksekutif untuk pasukan pengurusan kanan. Program ini diadakan serentak dengan Persidangan Tahunan Paramount 2001 untuk meningkatkan kualiti kepimpinan mereka ke aras yang lebih tinggi selaras dengan jangkaan pemegang saham kami. Program yang sama dirancang untuk tahun 2002 untuk memastikan kami berazam menambah nilai syarikat kami untuk pemegang saham.

TEO CHIANG QUAN

Ketua Pegawai Eksekutif Kumpulan



Sekolah Sri KDU offers highly personalised, quality education for students to enrich their knowledge with the aid of state-of-the-art technology, in a conducive environment with modern facilities.

Sekolah Sri KDU menawarkan pendidikan bermutu kepada pelajar dalam persekitaran yang selesa dilengkapi dengan kemudahan termoden. Pelajar dapat memperkayakan pengetahuan mereka dengan bantuan teknologi terkini.



By being transparent in the conduct of business through the implementation of high standards of corporate governance, we are ever mindful of our responsibility to keep shareholders informed of developments concerning the Group.

Transparency