

STATEMENT ON CORPORATE GOVERNANCE

Paramount Corporation Berhad (“Paramount”) is committed to ensuring that the highest standards of corporate governance are practised throughout the Group and that integrity and fair dealing are paramount in all its activities. Paramount recognises that maintaining the trust and confidence of shareholders, employees, clients, business associates and the public is crucial to the Group’s continued growth and success. The Board thus welcomes the recommendations of the Malaysian Code of Corporate Governance issued in March 2000, which sets out the Principles and Best Practices on structures and processes for companies to conform to, in all facets of their operations.

DIRECTORS

The Board of PCB has eight members comprising two executive directors and six non-executive directors, one of whom is independent. The current composition of the Board does not reflect the prescribed balance of one third of the Board to be independent non-executive Directors as three of the non-executive directors are not considered as independent due to their failure to comply with Section 1.01 (g) of the definition of independent directors under the Listing Requirements of Kuala Lumpur Stock Exchange (“KLSE”). The Company has made an application to KLSE for these three Directors to be considered as independent. The biographical details of the Board members are set out in the Board section on pages 11 to 14.

Dato’ Md. Taib bin Abdul Hamid, an independent non-executive director, is the newly elected Chairman of the Board and the Group Managing Director & Group Chief Executive Officer is Teo Chiang Quan. There is a clear division of responsibility between these two roles to ensure a balance of power and authority. All the four independent non-executive directors (assuming that the Company receives the approval of KLSE on its application) are considered by the Board to be independent of management and free from

any businesses or relationships which could materially interfere with the exercise of their independent judgement.

As the Chairmen of the Audit Committee, Nomination Committee and Remuneration Committee are independent non-executive directors and the members of the latter two committees comprise exclusively of independent non-executive directors, the Board believes that it is not necessary to nominate one individual to assume the role of Senior Independent Director.

The Board structure ensures that no individual or group of individuals dominates the Board’s decision-making process. The Directors have wide ranging experience and all have occupied or currently occupy senior positions in industry and/or government.

The Board provides effective leadership and manages overall control of the Group’s affairs through the schedule of matters reserved for its decision. This includes:

- Setting and monitoring objectives, goals and strategic directions for management
- Adopting an annual budget and monitoring financial performance
- Approving major capital expenditure including significant acquisitions and disposals of investments

- Ensuring significant risks are appropriately managed and regularly reviewed
- Selecting and appointment of new directors and setting of directors’ remuneration
- Mentoring, monitoring and evaluating the Chief Executive Officer and his support management team
- Ensuring strict adherence to relevant compliance with laws and regulations and disclosure regimes

The Board met five times during the year, one of which comprised an extended two-day strategy review and discussion. The attendance record of directors during the year (taking into account the date of their respective appointments) is as per table shown below.

Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board meetings. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company’s expense in the furtherance of their duties.

Appropriate training and briefing is available to all Directors on appointment to the Board, and subsequently as necessary, taking into account their individual qualifications and experience.

Director	Attendance	Total Remuneration RM’000
Tun Dato’Seri Haji Omar Yoke Lin Ong (resigned on 20 July 2001)	1 out of 3	31
Dato’ Md. Taib bin Abdul Hamid	4 out of 5	31
Teo Chiang Quan	5 out of 5	839
Ong Keng Siew	5 out of 5	441
Tan Sri Dato’ Ahmad Sabki bin Jahidin	5 out of 5	25
Dato’ Haji Azlan bin Hashim	4 out of 5	30
Rohana Tan Sri Mahmood	5 out of 5	232
Geh Cheng Hooi	4 out of 5	25
Dr Brian Shoy Teng To (appointed on 9 July 2001)	3 out of 3	12
		1,666

All Directors are subject to election by shareholders at the first opportunity after their appointment. The Company's Articles of Association ensure that all Directors stand for re-election at least once in every three years.

The Board operates through three standing committees with delegated authority and defined terms of reference. The composition, purpose and function of these committees are described below.

Audit Committee

A detailed report on this committee is contained on pages 37 to 39 of this Annual Report.

Nomination Committee

The Nomination Committee comprises exclusively of four independent non-executive Directors: Dato' Md. Taib bin Abdul Hamid, Tan Sri Dato' Ahmad Sabki bin Jahidin, Dato' Haji Azlan bin Hashim and Geh Cheng Hooi. The Chairman of the Board chairs the Committee, which meets at least once a year and additionally if required. The Nomination Committee is entrusted with the task of proposing new nominees for the Board and for assessing existing Directors on an on-going basis. The Nomination Committee also considers the balance of the board membership determining the core competencies and skills required of the Board.

DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee also comprises exclusively of four independent non-Executive Directors: Dato' Md. Taib bin Abdul Hamid, Tan Sri Dato' Ahmad Sabki bin Jahidin, Dato' Haji Azlan bin Hashim and Geh Cheng Hooi. The Remuneration Committee, which meets at least once a year and additionally if required, is chaired by the Chairman of the Board. The Remuneration Committee is responsible for ensuring that the Company's Directors are fairly rewarded for their individual contributions to the Company's overall performance and the levels of remuneration should be sufficient to attract

and retain Directors to run the Company successfully. The Committee also advises on the remuneration for senior executives below Board level. The Company's remuneration policy is to provide compensation packages at market rate which reward successful performance and attract, retain and motivate senior executives.

Annual fees and Directors' travelling allowance are paid based on current market surveys whilst compensation levels and packages of senior executives are compared with those of executives with similar skills and experience, and with companies which can be compared to Paramount in terms of size, business sector, diversity and complexity of business and geographical spread of business.

The total remuneration for the Directors during the financial year are shown in the table on page 35 and in Note 22 of the audited accounts.

SHAREHOLDERS

The Company is committed to maintaining good communications with shareholders, ensuring that all shareholders are kept informed of significant company developments and price sensitive information in accordance with KLSE Listing Requirements.

All shareholders can gain access to the annual report and accounts and other up-to-date information about the Group, through the Company's web site at www.pcb.com.my, which is being developed.

The Company's Annual General Meeting represents the principal forum for dialogue and interaction with shareholders, providing an opportunity for the Board to communicate directly with shareholders and vice versa. Shareholders are invited to ask questions and express their views about the Company's business at the meeting. The Company plans to present to shareholders an overview of the Group's business at future meetings. A Press conference is normally held after the Annual General Meeting to brief members of the Press on the performance of the Group for the benefit of potential investors as well as those shareholders who are unable to attend the meeting.

ACCOUNTABILITY AND AUDIT

Financial reporting

The Board is mindful of its responsibility to present a balanced and understandable assessment of Paramount's financial position and prospects, in all reports, both to investors and the regulatory bodies. This assessment is primarily provided in the Chairman's Statement and Chief Executive Officer's Performance Review. An explanation of the respective responsibilities of the Directors and the auditors in the preparation of the accounts is set out in the statement of directors' responsibilities section of the printed report.

Internal control

The Directors are responsible for the Group's system of internal controls and for regularly reviewing its effectiveness. The principal aim of the system of internal controls is the management of business risks that are significant to the fulfillment of Paramount's business objectives with a view of enhancing over time the value of the shareholders' investment and safeguarding the Group's assets. Although no system of internal controls can provide absolute assurance that business risks will be mitigated, the Group is committed in designing an internal control system to meet the Group's particular needs and the risks to which it is exposed. The key areas that have been established include a risk management policy designed to ensure its proper implementation and a risk framework encompassing the required risk procedures.

Relationship with External Auditors

The Company has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with accounting standards in Malaysia. The report on the role of the audit committee in relation to the external auditors may be found in the Report on Audit Committee set out on pages 37 to 39.

Report of The Audit Committee

The Board of Directors is pleased to issue the following Audit Committee Report and its activities for the year.

MEMBERS AND MEETINGS

Dato' Haji Azlan bin Hashim was appointed to the Audit Committee increasing the number of members to four.

Names of Directors	Status	Number of Meetings Attended by Members
Tan Sri Dato' Ahmad Sabki Bin Jahidin*	Chairman	3 out of 4 meetings
Geh Cheng Hooi*	Member/ Accountant	3 out of 4 meetings
Ong Keng Siew	Member/ Accountant	4 out of 4 meetings
Dato' Haji Azlan Bin Hashim*	Member/ Accountant	2 out of 2 meetings

TERMS OF REFERENCE

The terms of reference of the Audit Committee which was revised during the year to include additional relevant points in compliance with the new Kuala Lumpur Stock Exchange ("KLSE") Listing Requirements, are as follows:

Membership

The members shall be appointed by the Board and the Committee shall consist of at least three (3) directors, a majority of whom are independent directors. The Chairman of the Committee shall be an independent non-executive director.

At least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants ("MIA"), or if he is not a member of the MIA he must have at least three (3) years working experience, and:

- he must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967, or
- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

Any vacancy in the Committee resulting in non-compliance of the said requirements must be filled within three (3) months.

No alternate director shall be appointed as a member of the Audit Committee.

Meetings

The Committee shall meet on a quarterly basis or at more frequent intervals as required to deal with matters within its terms of reference. The meetings shall have a quorum of two members who are independent directors.

The Committee shall meet with the external auditors without the presence of executive board members at least once a year.

Other directors and employees may attend any particular Audit Committee meeting only at the Committee's invitation specific to the relevant meeting.

The Committee shall record its conclusions on issues discussed during meetings and report to the Board at the quarterly Board Meetings.

Authority

The Audit Committee is hereby authorised by the Board to:

- investigate any matter within its terms of reference;
- have resources which are required to perform its duties;
- have full and unrestricted access to any information pertaining to the Company and the Group;



- d) have direct communication channels with the external auditors and internal auditor, and
- e) obtain independent professional or other advice as deemed necessary

Reporting of breaches to the Exchange

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of KLSE Listing Requirements, the Committee shall promptly report such matter to KLSE.

Duties of the Committee

The duties of the Committee shall be as follows:

- a) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- c) To review the quarterly and year-end financial statements of the Company/ Group, focusing particularly on:
 - i) Any changes in accounting policies and practices;
 - ii) Significant adjustments arising from the audit;
 - iii) The going concern assumption;
 - iv) Compliance with accounting standards and other legal requirements.

- d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss;
- e) To review the external auditor's management letter and management's response;
- f) To review the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- g) To review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- h) To consider major findings of internal investigations and management's response;
- i) To consider any related party transactions that may arise within the Company or Group, and
- j) To consider other topics deemed fit by the Committee within its Terms of Reference and/or as defined by Board.

Review of the Audit Committee

The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

ACTIVITIES OF THE AUDIT COMMITTEE

During the year, the Committee met to discuss and review matters for subsequent recommendations to the Board of Directors. These include:

- a) Financial Statements
 - i) Reviewed the quarterly and year-end financial statements prior to the Board's approval for its release to KLSE and the press;
 - ii) Discussed audit plans with external auditors before commencement of audit, and
 - iii) Reviewed external auditors' management letter and management's response.
- b) Corporate Governance/ Internal Controls
 - i) Reviewed internal audit plans with internal auditor covering the adequacy of scope, functions and resources of internal audit function;
 - ii) Discussed results of internal audit process and deliberated on highlighted issues of concern, and
 - iii) Considered related party transactions that arose and advised the Board on the appropriate action to be taken. Proposed the seeking of general mandate from shareholders for the following recurrent related party transactions of a revenue or trading nature. The general mandate was obtained through an Extraordinary General Meeting on 18th January 2002.

** Non-Independent Non-Executive Directors*

An application has been made to Kuala Lumpur Stock Exchange for these Directors to be considered as Independent.

Customer/Supplier	Supplier/Customer	Nature of Transaction	Relationship
a) Paramount Group	Syarikat Ong Yoke Lin Sdn Bhd	<p>Purchase by Paramount Group of air conditioners and the related installation, repairs and maintenance services.</p> <p>For the year ended 31 December 2001, the transaction value amounted to approximately RM3.2 million.</p>	Tun Dato' Seri Haji Omar Yoke Lin Ong was a director of Paramount within the last 12 months and is a substantial shareholder of Syarikat Ong Yoke Lin Sdn Bhd
b) Paramount and its wholly owned subsidiaries	Non-wholly owned subsidiary and associated companies of Paramount	<p>Rental of premises and maintenance from Paramount and its wholly owned subsidiaries by non-wholly owned subsidiaries and associated companies and vice versa.</p> <p>Currently, there is ongoing rental of premises by KDU College Sdn Bhd ("KDU College") (a 85% owned subsidiary) from Perumahan Berjaya Sdn Bhd (a wholly owned subsidiary) at a monthly rental of RM235,000. The tenancy was formalized from January 2002 onwards.</p>	Rohana Tan Sri Mahmood is a director of Paramount and a director and substantial shareholder of KDU College.
c) Paramount and its wholly owned subsidiaries	Non-wholly owned subsidiary and associated companies of Paramount	<p>Granting or award of various construction and development contracts to Paramount and its wholly owned subsidiaries by non-wholly owned subsidiary and associated companies and vice versa.</p> <p>For the year ended 31 December 2001, KDU College had granted a construction contract amounting to RM12.3 million for the construction and completion of KDU College's addition and extension to its Penang campus college building to Berlian Sakti Sdn Bhd, a wholly owned subsidiary.</p>	Rohana Tan Sri Mahmood is a director of Paramount and a director and substantial shareholder of KDU College.

INTERNAL AUDIT FUNCTION

The internal audit department was established to carry out its duties impartially and independently of the activities reviewed. It has the principal responsibility of carrying out audits of the operations within the Paramount Corporation Berhad Group and provides general assurances to management and the Audit Committee.

The role of internal audit function as identified by the Audit Committee in the form of audit charter further includes furnishing management with independent analyses,

appraisals, counsel and information on the activities reviewed. Special assignments and investigations are conducted from time to time as and when requested by the Audit Committee and management.

Audit reports are issued to the Audit Committee incorporating findings, recommendations and management's response noted in the course of audits and corrective actions taken by operating units are reported back to the Committee at subsequent meetings.

Analysis of Shareholdings as at 29 March 2002

SHARES CAPITAL

Authorised capital	:	RM200,000,000
Issued and fully paid-up	:	RM100,368,949
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shareholdings	%
1 – 999	209	3.81	65,584	0.07
1,000 – 10,000	4,844	88.30	13,606,881	13.56
10,001 – 100,000	386	7.04	10,590,276	10.55
100,001 – less than 5% of issued shares	43	0.78	31,973,208	31.85
5% and above of issued shares	4	0.07	44,133,000	43.97
Total	5,486	100.00	100,368,949	100.00

THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shareholdings	%
1. Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Paramount Equities Sdn Bhd</i>	17,310,000	17.25
2. Paramount Equities Sdn Bhd	10,665,000	10.63
3. Serata Kaya Sdn Bhd	10,639,000	10.60
4. Southern Acids (M) Berhad	5,519,000	5.50
5. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>Deutsche Bank AG Singapore PBD for Gemwood Limited</i>	4,821,750	4.80
6. Aseam Malaysia Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Paramount Equities Sdn Bhd</i>	3,350,000	3.34
7. Bunga Indah (M) Sdn Bhd	3,309,391	3.30
8. Southern Realty (M) Sdn Bhd	2,999,000	2.99
9. Angsana Sutera Sdn Bhd	1,924,000	1.92
10. Thye Heng (How Kee) Company Sdn Bhd	1,786,000	1.78
11. Glamour Partnership Sdn Bhd	1,466,000	1.46
12. Kenanga Nominees (Asing) Sdn Bhd <i>DMG & Partners Securities Pte Ltd for Teo Pek Swan</i>	1,190,000	1.19
13. Thye Heng (How Kee) Company Sdn Bhd	1,147,000	1.14
14. Yayasan Kelantan Darulnaim	958,000	0.95
15. Thye Heng (How Kee) Company Sdn Bhd	611,000	0.61
16. Botly Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Koon Yew Yin</i>	638,000	0.64
17. Ooi Lay Suan	445,000	0.44
18. Teo Kwee Hock	420,000	0.42
19. Sin Heap Lee Equities Sdn Bhd	385,140	0.38
20. Sin Yan Holdings (M) Sdn Bhd	385,140	0.38
21. Arab-Malaysian Finance Berhad <i>Pledged securities account for Ta Kin Yan (Smart)</i>	365,000	0.36
22. Choot Ching Koon	365,000	0.36
23. Tay Lee Kong	355,500	0.35
24. Botly Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kit Pheng</i>	337,000	0.34
25. Southern Edible Oil Industries (M) Sdn Bhd	333,000	0.33
26. Ghee Thong Sdn Bhd	321,000	0.32
27. Mayban Securities Nominees (Asing) Sdn Bhd <i>Mayban Nominees (S) Pte Ltd for Teo Soo Meng</i>	300,000	0.30
28. Khor Joo Hong	279,000	0.28
29. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Oh Kim Sun (CEB)</i>	255,000	0.25
30. Menteri Kewangan Malaysia	217,399	0.22
Total	73,096,320	72.83

SUBSTANTIAL SHAREHOLDERS (as at 29 March 2002)

Name	No. of Ordinary shares of RM1.00 each		Percentage of issued share capital (%)
	Direct	Indirect	
Paramount Equities Sdn Bhd	31,325,000	–	31.21
Teo Chiang Quan	208,000	31,654,888 (1)	31.75
Southern Acids (M) Berhad	5,519,000	–	5.50
Serata Kaya Sdn Bhd	10,639,000	5,519,000 (2)	16.10
Southern Edible Oil Industries (M) Sdn Bhd	333,000	16,158,000 (3)	16.43
Southern Realty (M) Sdn Bhd	2,999,000	16,491,000 (4)	19.42
Banting Hock Hin Estate Co Sdn Bhd	184,000	19,490,000 (5)	19.60
Dato' Low Mong Hua	67,000	19,674,000 (6)	19.67

NOTES:

1. By virtue of his equity interest in Paramount Equities Sdn Bhd, Teo Soo Pin Sdn Berhad and Qualipro Corporation Sdn Bhd.
2. By virtue of its deemed interest in Southern Acids (M) Berhad.
3. By virtue of its deemed interest in Serata Kaya Sdn Bhd and Southern Acids (M) Berhad.
4. By virtue of its deemed interest in Southern Edible Oil Industries (M) Sdn Bhd, Serata Kaya Sdn Bhd and Southern Acids (M) Berhad.
5. By virtue of its deemed interest in Southern Realty (M) Sdn Bhd, Southern Edible Oil Industries (M) Sdn Bhd, Serata Kaya Sdn Bhd and Southern Acids (M) Berhad.
6. By virtue of his deemed interest in Banting Hock Hin Estate Co Sdn Bhd, Southern Realty (M) Sdn Bhd, Southern Edible Oil Industries (M) Sdn Bhd, Serata Kaya Sdn Bhd and Southern Acids (M) Berhad.

DIRECTORS' SHAREHOLDINGS (as at 29 March 2002)

In Paramount Corporation Berhad

	Direct		Indirect	
	Shareholding	%	Shareholding	%
Teo Chiang Quan	208,000	0.21	31,654,888	31.54
Ong Keng Siew	13,000	0.01	—	—
Dato' Md. Taib bin Abdul Hamid	—	—	50,000	0.05
	No. of options offered		No. of Options accepted	
			No. of Options exercised	
Teo Chiang Quan	360,000	360,000	200,000	
Ong Keng Siew	252,000	252,000	—	

In Related Corporations:

	Direct		Indirect	
	Shareholding	%	Shareholding	%
KDU College Sdn Bhd				
Rohana Tan Sri Mahmood	—	—	353,000	15
Paramount Corporation Limited				
Teo Chiang Quan*	1	0.001	—	—

* Held in trust for Paramount Corporation Berhad

By virtue of his interest in the Company, Teo Chiang Quan is also deemed interested in the shares of all the other subsidiaries of the Company to the extent of the Company's interest in these subsidiaries.

Schedule of Properties held by the Group

Date of Acquisition (Date of Last Revaluation)	Location of Property	Description (Existing use)	Age of Building	Tenure	Land Area (Sq. Ft.)	NBV as at 31.12.2001 (RM'000)
16.11.1990 (22.4.1997)	Jalan Ceylon City of Kuala Lumpur Wilayah Persekutuan	23-storey residential condominium block consisting of 76 units of luxury apartments known as Regency Tower (Luxury apartments)	13 years	Freehold	40,238	49,288
11.03.1998	Jalan 3/109C Off Jalan Kelang Lama Wilayah Persekutuan	3 floors of office space (Vacant)	9 years	99 years lease commencing 21.01.1979	Strata Title	202
19.12.1978 (06.08.2001)	Jalan SS22/21 Petaling Jaya Selangor Darul Ehsan	2 blocks of 5-storey and 1 block of 4 storey commercial institute (College campus -KDU Petaling Jaya campus)	19 years	Freehold	123,900	8,991
28.04.2000	Nos. 3, 5 & 7 Jalan Teknologi 2/1 Seksyen 2 Kota Damansara Petaling Jaya Selangor Darul Ehsan	Land (Nos. 3 & 7 – vacant No. 5 – under construction of smart school)	–	30 years lease commencing 02.11.2000	520,543	16,961
13.06.2001	Block B, Gugusan Teratai (Mawarai), Jalan Cecawi 6/30 Kota Damansara Selangor Darul Ehsan	5-storey of 60 units of apartments (Pending handover)	–	99 years lease	Strata Title	2,602
11.03.1998	A11-1, Bandar Sri Damansara Mukim of Sungai Buluh Petaling Jaya Selangor Darul Ehsan	4-storey shopoffice (Tenanted)	5 years	Freehold	1,760	690
08.04.1982	Lot 11882 to 11886, HS(D) 13157 to 13161 T/K Jalan Batu Tiga Klang	Land (Vacant)	–	Freehold	6,698	3
04.01.1980	Mukim of Pengkalan Bahru District of Manjung Perak Darul Ridzuan	Oil Palm Plantation known as Dindings Oil Palm Estate	–	Freehold	74,090,932	5,836

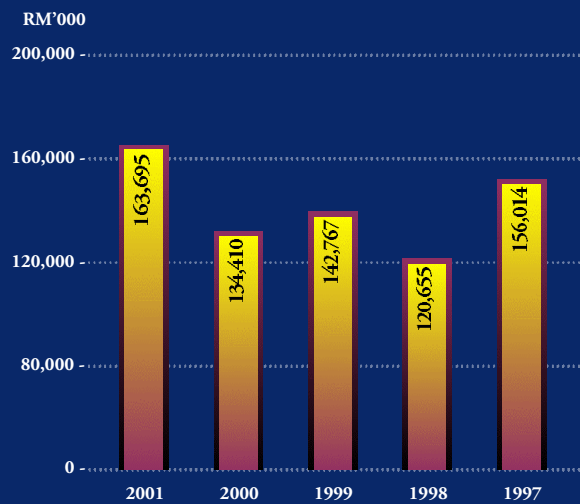
Date of Acquisition (Date of Last Revaluation)	Location of Property	Description (Existing use)	Age of Building	Tenure	Land Area (Sq. Ft.)	NBV as at 31.12.2001 (RM'000)
08.04.1982	Mukim of Sungai Petani and Sungai Pasir District of Kuala Muda Kedah Darul Aman	Land approved for commercial and residential development – Taman Patani Jaya (Vacant)	–	Freehold	485,695	984
30.09.1994	Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land approved for commercial and residential development – Bandar Laguna Merbok (Under development)	–	Freehold	4,221,293	18,218
30.09.1994	Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land approved for commercial and residential development – Bandar Laguna Merbok (Held for future development)	–	Freehold	12,286,943	48,790
15.05.2001	1 Lorong BLM 1/1 Bandar Laguna Merbok 08000 Sungai Petani Kedah Darul Aman	2/3-storey shopoffice (Office premise – occupied by Patani Jaya Sdn Bhd)	1 year	Freehold	4,088	1,156
30.09.1994	P.T. 68352 – 68354 Bandar Laguna Merbok 08000 Sungai Petani Kedah Darul Aman	Land approved for recreational development – Bandar Laguna Merbok (Construction of a Clubhouse)	–	Freehold	1,414,333	9,857
06.03.2000	Geran 2672, Lot 460 Mukim of Pulai District of Baling Kedah Darul Aman	Land (Vacant)	–	Freehold	758,428	650
04.07.2000	Geran 1711, Lot 1143 Mukim of Semiling District of Kuala Muda Kedah Darul Aman	Land (Vacant)	–	Freehold	644,453	1,679
11.03.1998	21 Lorong 20 Taman Patani Jaya 08000 Sungai Petani Kedah Darul Aman	3-storey shopoffice (Vacant)	14 years	Freehold	1,540	242
11.03.1998	No 19 & 19A Lorong 1 Taman Sutera 08000 Sungai Petani Kedah Darul Aman	2 units of 2-storey shopoffice (Vacant)	10 years	Freehold	2,967	259

Date of Acquisition (Date of Last Revaluation)	Location of Property	Description (Existing use)	Age of Building	Tenure	Land Area (Sq. Ft.)	NBV as at 31.12.2001 (RM'000)
10.01.1999	No 7 Lorong 1 Taman Sutera 08000 Sungai Petani Kedah Darul Aman	2-storey shopoffice (Tenanted)	10 years	Freehold	1,680	186
10.01.1999	No 9, 11, 31, & 39 Lorong 1 Taman Sutera 08000 Sungai Petani Kedah Darul Aman	5 units of 2-storey shopoffice (Vacant)	10 years	Freehold	6,720	744
21.04.1993	Jalan Anson Daerah Timur Laut George Town, Penang	5-storey commercial institute (College campus – KDU Penang campus)	5 years	Freehold	90,966	20,564
28.07.1998	No 12, Jalan Khaw Sim Bee 10450 Penang	4-storey of 12 units of apartments (Hostel)	7 years	Freehold	15,565	3,071
18.08.1999	No 16, Lorong Binajaya 3 Kawasan Perusahaan Ringan Usahajaya Permatang Tinggi 14000 Bukit Mertajam	2-storey detached factory (Tenanted)	3 years	Freehold	1,916	174
16.02.2000	No 4, 6, 10, 14 Jalan Pala 12 Kawasan Ind. Ringan Permatang Tinggi 14000 Bukit Mertajam Penang	4 units of 2 storey semi-detached factories (Vacant)	3 years	Freehold	26,000	1,334
16.02.2000	No 2, 8, 12, 16 Jalan Pala 12 Kawasan Ind. Ringan Permatang Tinggi 14000 Bukit Mertajam Penang	4 units of 2 storey semi-detached factories (Tenanted)	3 years	Freehold	26,000	1,334
30.12.1995 (01.04.1998)	Senai 111 Industrial Park Johor Bahru Johor Darul Takzim	Factory Land & Building (Vacant)	5 years	30 years lease commencing 28-02-1996	164,221	7,541
30.04.1997 (20.02.2002)	10/F, Parkview Commercial Building, 9-11 Shelter Street Causeway Bay Hong Kong	Office Space (Tenanted)	19 years	999 years lease commencing 20.05.1889	1,400	918

Five Year Group Financial Profile

	Year 31 Dec 2001 RM'000	Year 31 Dec 2000 RM'000	Year 31 Dec 1999 RM'000	Year 31 Dec 1998 RM'000	Year 31 Dec 1997 RM'000
TURNOVER	163,695	134,410	142,767	120,655	156,014
EARNINGS					
Profit from operations	29,372	23,954	18,633	11,957	15,162
Exceptional items	0	0	2,227	(1,899)	10,253
Share of profit/(loss) of associated companies	5,408	4,220	(2,040)	(1,137)	(712)
Profit before taxation	34,780	30,044	18,820	8,921	24,703
Taxation	(11,485)	(9,845)	318	(5,673)	(10,286)
Profit after taxation	23,295	20,199	19,138	3,248	14,417
Minority interests	(1,017)	(953)	(1,304)	239	(936)
	22,278	19,246	17,834	3,487	13,481
Retained profits brought forward					
As Previously Reported	79,861	64,034	49,417	48,398	38,424
Prior Year Adjustment	0	0	0	0	(1,040)
As Restated	79,861	64,034	49,417	48,398	37,384
Profits attributable to members of the Company	102,139	83,280	67,251	51,885	50,865
Net dividends paid and proposed	(1,799)	(3,419)	(3,217)	(2,468)	(2,467)
Retained profits carried forward	100,340	79,861	64,034	49,417	48,398
ASSETS EMPLOYED					
Property, plant and equipment	162,621	144,508	132,814	136,569	141,448
Associated companies	27,266	25,830	22,252	2,040	3,011
Other investments	9,843	3,581	5,136	27,235	34,792
Non current development properties	42,335	47,204	47,534	48,882	44,082
Net current assets	36,681	40,629	42,531	35,464	36,540
Term Loan	(2,500)	(7,500)	(13,538)	(22,213)	(28,388)
Long Term Liabilities	(2,413)	(2,284)	(1,941)	(1,059)	(1,670)
Provision for Retirement Benefits	(577)	(571)	(516)	(479)	(428)
Minority Interests	(4,326)	(3,225)	(2,577)	(3,473)	(3,930)
Unearned Premium Reserve	0	0	0	(12,694)	(15,665)
Net tangible assets	268,930	248,172	231,695	210,272	209,792
Goodwill	0	0	0	5,432	7,998
Net Assets	268,930	248,172	231,695	215,704	217,790
FINANCED BY					
Share capital	100,199	99,958	99,279	97,955	97,890
Capital reserves	4,726	4,690	4,730	4,686	7,856
Share premium	63,665	63,663	63,652	63,646	63,646
Retained profits	100,340	79,861	64,034	49,417	48,398
Shareholders' funds	268,930	248,172	231,695	215,704	217,790
FINANCIAL STATISTICS					
(Per ordinary share of RM1 each)					
Earnings before taxation	34.8 sen	30.1 sen	19.1 sen	9.1 sen	25.2 sen
Earnings after taxation	22.3 sen	19.3 sen	18.1 sen	3.6 sen	13.8 sen
Dividends gross	7.50 sen	4.75 sen	4.50 sen	3.50 sen	3.50 sen
Dividend cover (times)	12.38	5.63	5.54	1.41	5.46
Net tangible assets	RM2.68	RM2.48	RM2.33	RM2.15	RM2.14

TURNOVER



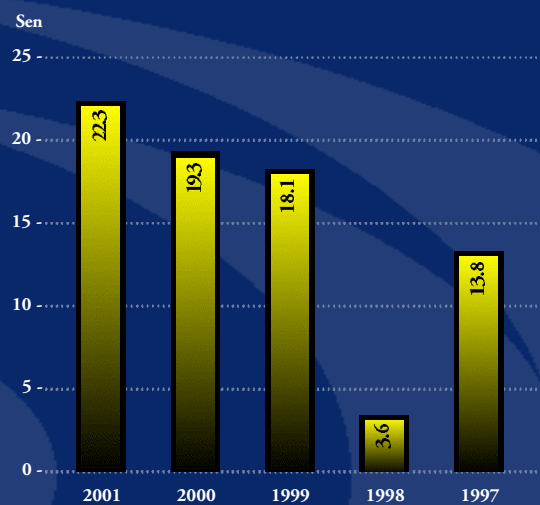
PROFIT BEFORE TAX



SHAREHOLDERS' FUNDS



EARNINGS PER SHARE





STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Listing Requirements of the KLSE.

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

The directors consider that in preparing the financial statements,

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1965.

The directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

Financial Statements

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December, 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of cultivation and sale of oil palm fresh fruit bunches and investment holding.

The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	<u>22,278</u>	<u>7,195</u>

DIVIDENDS

The amount of dividends paid by the Company since 31 December, 2000 were as follows:

	RM'000
In respect of the financial year ended 31 December, 2000	
Ordinary final dividend of 4.75% less 28% taxation paid on 18 June, 2001	3,419
In respect of the financial year ended 31 December, 2001	
Ordinary interim dividend of 2.5% less 28% taxation paid on 18 October, 2001	<u>1,799</u>
	<u>5,218</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December, 2001 will be proposed for shareholders' approval as follows:

	Amount RM'000
Ordinary final dividend of 1.8% tax exempt on 100,198,949 ordinary shares	1,804
Ordinary final dividend of 3.2% less 28% taxation on 100,198,949 ordinary shares	<u>2,308</u>
	<u>4,112</u>

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December, 2002.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances that would require any amount to be written off as bad debts or render the amount provided for as doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group or the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events are disclosed in Note 27 to the financial statements.

SUBSEQUENT EVENT

The event subsequent to the year end is disclosed in Note 28 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

The Company's Employee Share Option Scheme ("ESOS") is governed by the by-laws which was approved by the shareholder at an Extraordinary General Meeting held on 9 June, 1998.

The main features of the ESOS are as follows:

- (i) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.
- (ii) The total number of shares to be offered shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the duration of the ESOS, which shall be in force for a period of five years from 3 August, 1998.
- (iii) The option price for each share shall be the average of the mean market quotation (calculated as the average of the highest and lowest price transacted) of the shares as shown in the daily official list in the Kuala Lumpur Stock Exchange for the five trading days preceding the date of offer or at the par value of the shares, whichever is higher.
- (iv) No offer shall be made for less than 1,000 shares nor more than 500,000 shares to any eligible employee.
- (v) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing of the Company before the expiry of five years from the date of the offer or such shorter period as may be specified in such offer.
- (vi) The number of shares under options or the option price or both so far as the options remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of a capitalisation of profit or reserves or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.

- (vii) The shares under options shall remain unissued until the options are exercised and shall on allotment and issue, rank parri passu in all respects with the existing ordinary shares of the Company provided that the new shares shall not be entitled to any dividends declared in respect of the particular financial year if the options related thereto are not exercised prior to or on the entitlement date and on a date during that financial year for which the dividends are declared in respect of and to any other distributions unless the options were exercised prior to or on the entitlement date.

The option period is for five calendar years commencing from 3 August, 1998 and expiring on 2 August, 2003.

The movements in the ESOS to take up unissued new ordinary shares of RM1.00 each and the option price are as disclosed in Note 18 to the financial statements.

SHARE CAPITAL

During the financial year, the Company increased its issued and paid-up capital from RM99,957,949 to RM100,198,949 via an issuance of 241,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS.

DIRECTORS

The directors who served since the date of the last report are:

Dato' Md. Taib bin Abdul Hamid
Teo Chiang Quan
Ong Keng Siew
Tan Sri Dato' Ahmad Sabki bin Jahidin
Dato' Haji Azlan bin Hashim
Rohana Tan Sri Mahmood
Geh Cheng Hooi
Dr. Brian Shoy Teng To (appointed on 9 July, 2001)
Tun Dato' Seri Haji Omar Yoke Lin Ong (resigned on 20 July, 2001)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries is a party with 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, other than the Employee Share Option Scheme as disclosed in this report.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Notes 22 and 31 to the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options of the Company and its related corporations during the financial year were as follows:

Number of Ordinary Shares of RM1.00 Each				
	At 1 January, 2001	Exercise of ESOS	Sold	At 31 December, 2001
The Company				
Direct				
Teo Chiang Quan	108,000	100,000	—	208,000
Ong Keng Siew	13,000	—	—	13,000
Indirect				
Teo Chiang Quan	31,654,888	—	—	31,654,888
Dato' Md. Taib bin Abdul Hamid	50,000	—	—	50,000
KDU College Sdn Bhd (formerly known as Kolej Damansara Utama Sdn. Bhd.)				
Indirect				
Rohana Tan Sri Mahmood	353,000	—	—	353,000

Number of Ordinary Shares of HK1.00 Each				
	At 1 January, 2001	Bought	Sold	At 31 December, 2001
Paramount Corporation Limited				
Teo Chiang Quan*	1	—	—	1

* The share is held in trust for Paramount Corporation Berhad.

Mr. Teo Chiang Quan by virtue of his interest in shares of the Company is also deemed interested in the shares of all the Company's subsidiaries to the extent that the Company has an interest.

The options to subscribe for shares in the Company pursuant to Paramount Corporation Berhad's Employee Share Option Scheme granted to the directors which remain unexercised are as follows:

Options over Number of Ordinary Shares of RM1.00 Each				
	At 1 January, 2001	Granted	Exercised	At 31 December, 2001
Granted in 1998 at an option price of RM1.00 per share				
Teo Chiang Quan	260,000	–	100,000	160,000
Ong Keng Siew	252,000	–	–	252,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors

TEO CHIANG QUAN

ONG KENG SIEW

Petaling Jaya
21 February 2002

STATEMENT BY DIRECTORS

We, TEO CHIANG QUAN and ONG KENG SIEW, being two of the directors of PARAMOUNT CORPORATION BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 57 to 88 give a true and fair view of the state of affairs of the Group and the Company as at 31 December, 2001 and of their results and their cash flows for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

Signed on behalf of the Board
in accordance with a resolution
of the directors

TEO CHIANG QUAN

ONG KENG SIEW

Petaling Jaya
21 February 2002

STATUTORY DECLARATION

I, ONG KENG SIEW, the director primarily responsible for the financial management of PARAMOUNT CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 57 to 88 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 ONG KENG SIEW)
at Petaling Jaya in Selangor Darul Ehsan)
on 21 February 2002) **ONG KENG SIEW**

Before me:

Commissioner for Oaths

CHIN THEN SHOONG
No. B070
Petaling Jaya
Selangor Darul Ehsan

AUDITORS' REPORT

To the Shareholders of
PARAMOUNT CORPORATION BERHAD

We have audited the financial statements set out on pages 57 to 88. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia and give a true and fair view of:
 - (i) the state of affairs of the Group and the Company as at 31 December, 2001 and of their results and their cash flows for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, as indicated in Note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for these purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment made under subsection (3) of Section 174 of the Act.

Arthur Andersen & Co.
No. AF 0103
Chartered Accountants

Habibah bte Abdul
No. 1210/05/02(J)
Partner of the Firm

21 February 2002

CONSOLIDATED BALANCE SHEET

– 31 DECEMBER, 2001

	Note	2001 RM'000	2000 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	3	162,621	144,508
Land held for development	4	42,335	47,204
Associated companies	6	27,266	25,830
Other investments	8	9,843	3,581
		<u>242,065</u>	<u>221,123</u>
CURRENT ASSETS			
Development properties	9	18,218	15,430
Inventories	10	1,321	289
Due from customers on contracts	11	1,805	524
Receivables	12	51,106	30,300
Fixed deposits	14	27,887	39,958
Cash and bank balances		2,870	1,004
		<u>103,207</u>	<u>87,505</u>
CURRENT LIABILITIES			
Short term borrowings	15	5,274	6,192
Payables	16	52,636	29,570
Due to customers on contracts	11	2,954	1,942
Taxation		5,662	5,753
Proposed dividend		–	3,419
		<u>66,526</u>	<u>46,876</u>
NET CURRENT ASSETS			
		<u>36,681</u>	<u>40,629</u>
		<u>278,746</u>	<u>261,752</u>
REPRESENTED BY:			
Share capital	18	100,199	99,958
Reserves		168,731	148,214
		<u>268,930</u>	<u>248,172</u>
Shareholders' equity		4,326	3,225
Minority interests		<u>273,256</u>	<u>251,397</u>
Deferred taxation	19	2,413	2,284
Term loans	20	2,500	7,500
Provisions for retirement benefits		577	571
		<u>5,490</u>	<u>10,355</u>
		<u>278,746</u>	<u>261,752</u>

The accompanying notes are an integral part of this balance sheet.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2001

	Note	2001 RM'000	2000 RM'000
Revenue	21	163,695	134,410
Other operating income		5,369	4,839
Changes in inventories, work in progress and development properties		2,787	5,726
Contract costs		(81,485)	(63,247)
Harvesting costs		(877)	(1,075)
Staff costs		(27,442)	(25,541)
Depreciation		(6,937)	(7,072)
Other operating expenses		(25,872)	(21,665)
Profit from operations	22	29,238	26,375
Finance income/(costs), net	23	134	(551)
Share of profits of associated companies		5,408	4,220
Profit before taxation		34,780	30,044
Taxation	24	(11,485)	(9,845)
		23,295	20,199
Minority interests		(1,017)	(953)
Net profit for the year		22,278	19,246
Basic earnings per share (sen)	26	22.28	19.29
Fully diluted earnings per share (sen)	26	21.56	18.59

The accompanying notes are an integral part of this statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2001

	< ----- Non Distributable ----- >				Distributable	
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained profit RM'000	Total RM'000
At 1 January, 2000	99,279	63,652	3,532	1,198	64,034	231,695
Currency translation differences	—	—	—	(40)	—	(40)
Net profit for the year	—	—	—	—	19,246	19,246
Dividends (Note 25)	—	—	—	—	(3,419)	(3,419)
Exercise of option under the Employee Share Option Scheme	679	11	—	—	—	690
At 31 December, 2000	99,958	63,663	3,532	1,158	79,861	248,172
Currency translation differences	—	—	—	36	—	36
Net profit for the year	—	—	—	—	22,278	22,278
Dividends (Note 25)	—	—	—	—	(1,799)	(1,799)
Exercise of option under the Employee Share Option Scheme	241	2	—	—	—	243
At 31 December, 2001	100,199	63,665	3,532	1,194	100,340	268,930

The accompanying notes are an integral part of this statement.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2001

	2001 RM'000	2000 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	34,780	30,044
Adjustments for:		
Depreciation	6,937	7,072
Property, plant and equipment written off	58	343
Provision for doubtful debts	117	–
Net gain on disposal of property, plant and equipment	(223)	(707)
Net gain on disposal of quoted investments	(89)	(1,906)
Gain on sale of a subsidiary	–	(952)
Foreign exchange reserve	(11)	(32)
Provision for retirement benefits	50	110
Profit retained in associated companies	(5,408)	(4,220)
(Write back of)/provision for diminution in value of other investments	(1,228)	1,765
Amortisation of goodwill on associated company	450	–
Impairment loss on property, plant and equipment	1,176	–
Dilution in share of net assets on issue of additional shares by a subsidiary	99	–
Interest expenses	859	1,652
Interest income	(1,277)	(1,653)
Operating profit before working capital changes	36,290	31,516
(Increase)/decrease in receivables	(21,737)	2,244
(Increase)/decrease in due to/from customers on contracts	(269)	2,929
Decrease/(increase) in development properties	2,538	(1,772)
(Increase)/decrease in inventories	(1,032)	58
Increase in payables	23,050	7,028
Cash generated from operations	38,840	42,003
Taxes paid	(8,727)	(5,704)
Retirement benefits paid	(44)	(39)
Interest paid	(807)	(1,652)
Interest received	1,273	1,653
Net cash generated from operating activities	30,535	36,261

	2001 RM'000	2000 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds received from a minority shareholder on the issuance of shares in a subsidiary	290	–
Increase in land held for development	(457)	(3,585)
Dividends received from an associated company	1,620	–
Purchase of property, plant and equipment	(26,325)	(19,288)
Purchase of other investments	(13,290)	(15,141)
Proceeds from disposal of property, plant and equipment	275	892
Proceeds from disposal of other investments	8,345	17,717
Net cash used in investing activities	(29,542)	(19,405)
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in fixed deposits pledged	80	71
Proceeds from issuance of shares	243	690
Dividends paid	(5,218)	(3,217)
Dividends paid to minority interests	(305)	(305)
Repayment of borrowings	(6,038)	(8,785)
Net cash used in financing activities	(11,238)	(11,546)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,245)	5,310
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	40,438	35,128
CASH AND CASH EQUIVALENTS AT END OF YEAR	30,193	40,438
Cash and cash equivalents comprise:		
Cash and bank balances	2,870	1,004
Fixed deposits	27,597	39,588
Bank overdrafts	(274)	(154)
	30,193	40,438

The accompanying notes are an integral part of this statement.

BALANCE SHEET

– 31 DECEMBER, 2001

	Note	2001 RM'000	2000 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	3	8,525	6,869
Subsidiaries	5	139,284	139,284
Associated companies	6	–	–
Due from a subsidiary	7	38,000	39,490
Other investments	8	252	552
		<u>186,061</u>	<u>186,195</u>
CURRENT ASSETS			
Inventories	10	26	17
Receivables	12	1,305	1,021
Due from subsidiaries	13	41,856	41,577
Fixed deposits	14	1,190	1,700
Cash and bank balances		50	23
		<u>44,427</u>	<u>44,338</u>
CURRENT LIABILITIES			
Short term borrowings	15	5,259	5,095
Payables	16	945	767
Due to subsidiaries	17	36,686	34,325
Proposed dividend		–	3,419
		<u>42,890</u>	<u>43,606</u>
NET CURRENT ASSETS			
		<u>1,537</u>	<u>732</u>
		<u>187,598</u>	<u>186,927</u>
REPRESENTED BY:			
Share capital	18	100,199	99,958
Reserves		84,649	79,251
Shareholders' equity		<u>184,848</u>	<u>179,209</u>
Term loans	20	2,500	7,500
Provision for retirement benefits		250	218
		<u>2,750</u>	<u>7,718</u>
		<u>187,598</u>	<u>186,927</u>

The accompanying notes are an integral part of this balance sheet.

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2001

	Note	2001 RM'000	2000 RM'000
Revenue	21	16,301	17,206
Other operating income		637	991
Harvesting costs		(876)	(1,075)
Staff costs		(1,748)	(1,614)
Depreciation		(444)	(487)
Other operating expenses		(3,033)	(3,050)
Profit from operations	22	10,837	11,971
Finance costs, net	23	(813)	(1,230)
Profit before taxation		10,024	10,741
Taxation	24	(2,829)	(3,604)
Net profit for the year		7,195	7,137

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2001

	< ----- Non Distributable ----- >				Distributable	
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Translation reserve RM'000	Retained profit RM'000	Total RM'000
At 1 January, 2000	99,279	63,652	3,532	2,855	5,483	174,801
Net profit for the year	—	—	—	—	7,137	7,137
Dividends (Note 25)	—	—	—	—	(3,419)	(3,419)
Exercise of option under the Employee Share Option Scheme	679	11	—	—	—	690
At 31 December, 2000	99,958	63,663	3,532	2,855	9,201	179,209
Net profit for the year	—	—	—	—	7,195	7,195
Dividends (Note 25)	—	—	—	—	(1,799)	(1,799)
Exercise of option under the Employee Share Option Scheme	241	2	—	—	—	243
At 31 December, 2001	100,199	63,665	3,532	2,855	14,597	184,848

The accompanying notes are an integral part of this statement.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2001

	2001 RM'000	2000 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,024	10,741
Adjustment for:		
Depreciation	444	487
Property, plant and equipment written off	—	278
Net gain on disposal of quoted investments	(556)	(883)
Interest expense	813	1,230
Interest income	(2,361)	(2,420)
Gain on disposal of property, plant and equipment	(85)	(101)
Provision for retirement benefits	32	24
Provision for diminution in value in advances to subsidiary companies	20	1,334
	<hr/>	<hr/>
Operating profit before working capital changes	8,331	10,690
Decrease/(increase) in receivables	551	(162)
Increase in inventories	(9)	(1)
Increase in payables	126	145
Increase in subsidiary companies	2,062	7,150
	<hr/>	<hr/>
Cash generated from operations	11,061	17,822
Interest paid	(761)	(1,230)
Tax paid	(3,664)	(3,442)
Retirement benefits paid	—	(8)
	<hr/>	<hr/>
Net cash generated from operating activities	6,636	13,142
	<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	2,361	2,420
Increase in cost of investment in subsidiary	—	(8,000)
Proceeds from disposal of property, plant and equipment	85	101
Proceeds from sale of quoted investment	856	1,833
Purchase of property, plant and equipment	(2,100)	(527)
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	1,202	(4,173)
	<hr/>	<hr/>

	2001 RM'000	2000 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	243	690
Decrease in a subsidiary balances	1,490	–
Dividends paid	(5,218)	(3,217)
Repayment of borrowings	(5,000)	(5,000)
	<hr/>	<hr/>
Net cash used in financing activities	(8,485)	(7,527)
	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(647)	1,442
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,628	186
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	981	1,628
	<hr/>	<hr/>
Cash and cash equivalents comprise:		
Cash and bank balances	50	23
Fixed deposits	1,190	1,700
Bank overdrafts	(259)	(95)
	<hr/>	<hr/>
	981	1,628
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER, 2001

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company consist of cultivation and sale of oil palm fresh fruit bunches and investment holding.

The principal activities of the subsidiaries are disclosed in Note 5.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Kuala Lumpur Stock Exchange. The registered office of the Company is located at Level 8, Uptown 1, 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

The number of employees in the Group and in the Company at the end of the financial year were 595 (2000 : 535) and 25 (2000 : 24) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 February, 2002.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of Consolidation

Consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. Companies acquired or disposed are included in the consolidated financial statements from the date of acquisition or to the date of disposal. Subsidiaries are consolidated using the acquisition method of accounting.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The difference between the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation and is amortised or credited to income statement over 5 years. Goodwill on consolidation is reviewed at each balance sheet date and will be written down for impairment where it is considered necessary.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

(c) Associated Companies

The Group treats as associated companies those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated companies.

The Group's share of post-acquisition profits less losses of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits or accumulated losses and reserves.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

The difference between the purchase consideration and the fair value of net assets acquired is reflected as goodwill or reserve on acquisition and are amortised or credited to income statement over 5 years. Goodwill on acquisition is reviewed at each balance sheet date and will be written down for impairment when it is considered necessary.

(d) Investments

Investment in a subsidiary, Perumahan Berjaya Sdn. Berhad, is stated at directors' valuation.

Investment in other subsidiaries, associated companies and other non-current investments are stated at cost less provision for any permanent diminution in value. Such provision is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the period in which the decline occurred. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

(e) Revenue Recognition

- (i) Revenue from sale of development properties is accounted for under the percentage of completion method. The percentage of completion is determined by reference to the architect certificate of completion where the outcome of the projects can be determined to a reasonable degree of certainty. All anticipated losses are fully provided for.
- (ii) Revenue from construction contract is accounted for under the percentage of completion method. The percentage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated. All anticipated losses are fully provided for.
- (iii) Revenue from educational fees is recognised on accrual basis.
- (iv) Revenue from sale of oil palm fresh fruit bunches is recognised when transfer of risks and rewards have been completed.
- (v) Rental income is recognised on an accrual basis.
- (vi) Interest income is recognised on an accrual basis.
- (vii) Dividend income is recognised when the shareholder's right to receive payment is established.

(f) Interest Capitalisation

Interest on borrowings associated with the development of properties is capitalised under land and development expenditure during the period of active development and until they are completed.

(g) Estate Development Expenditure

All expenditure incurred in preparing the land, planting and maintaining the trees until maturity have been capitalised into estate development expenditure.

(h) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

Freehold land and buildings-in-progress are not depreciated. Leasehold land, buildings, improvements and renovations are depreciated over the period of the respective leases.

Depreciation of other property, plant and equipment is provided on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Freehold buildings	1% – 2%
Estate development expenditure	5%
Plant, equipment, furniture, fixtures and fittings	10% – 33.33%
Motor vehicles	25%

The carrying values of property, plant and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated based on independent professional valuations.

An impairment loss is charged to the income statement immediately, unless the property, plant and equipment is carried at revalued amount. Any impairment loss of a revalued property, plant and equipment is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of property, plant and equipment is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the property, plant and equipment is carried at revalued amount. A reversal of an impairment loss on a revalued property, plant and equipment is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined principally on the following basis:

- | | |
|---|--|
| Properties held for sale | – on a specific identification basis and includes cost of land, construction and appropriate development overheads |
| Estate stores, stationery and consumables | – on first-in, first-out basis and includes costs of purchase and other direct overheads |

(k) Due from/to Customers on Contracts

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is shown as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount due to customers on contracts.

(l) Development Properties

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties. Development properties are stated at cost plus profits less losses and applicable progress billings. Cost includes cost of land, all direct building cost, and other related development expenditure, including interest expenses incurred during the period of active development.

(m) Land Held for Development

Land held for development consists of land held for future development and where no significant development has been undertaken and is stated at cost. Cost includes cost of land and attributable development expenditure. Such assets are transferred to development properties when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

(n) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse.

(o) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are taken to reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	2001	2000
Singapore Dollar	2.033	2.142
Hong Kong Dollar	0.483	0.482

(p) Retirement Benefits

The Group operates a defined benefit scheme for eligible employees of the Group under the Group Retirement Benefits Plan. The benefits payable upon retirement are calculated by reference to the length of service and basic salary over the employees' period of employment. The plan is valued every three years by a professional qualified independent actuary using the projected unit credit method. The latest valuation was performed as at December, 2000. Any excess or deficit between the actuarial valuation and the book provision is amortised on a straight-line basis over the average remaining service life of employees expected to receive the plan benefits.

(q) Yayasan KDU

A subsidiary company grants allocation of scholarship, study grants and study loans to deserving students via contributions to Yayasan Amal KDU, a foundation incorporated under the Companies Act, 1965 as a company limited by guarantee.

(r) **Trade and Other Receivables**

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off when identified. An estimate is made for doubtful debts based on review of all outstanding amount as at the balance sheet date.

(s) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

3. PROPERTY, PLANT AND EQUIPMENT

Group	<- At Valuation/ Cost ->		<----- At Cost ----->	
	Land and building* RM'000	Estate development expenditure RM'000	Plant, equipment, furniture, fixtures, fittings and motor vehicles RM'000	Total RM'000
At 1 January, 2001	142,073	3,491	48,329	193,893
Additions	13,251	673	12,401	26,325
Disposals	—	—	(534)	(534)
Write-off	—	(3,309)	(25,445)	(28,754)
At 31 December, 2001	155,324	855	34,751	190,930
Accumulated Depreciation and Impairment Losses				
At 1 January, 2001	10,654	3,309	35,422	49,385
Charge for the year	1,783	—	5,154	6,937
Disposals	—	—	(482)	(482)
Write-off	—	(3,309)	(25,387)	(28,696)
Impairment losses	1,176	—	—	1,176
Translation differences	(10)	—	(1)	(11)
At 31 December, 2001	13,603	—	14,706	28,309
Net Book Value				
At 31 December, 2001	141,721	855	20,045	162,621
At 31 December, 2000	131,419	182	12,907	144,508
Depreciation charge for 2000	1,512	28	5,532	7,072

*** Land and Buildings**

Group	<- At Valuation-> <----- At Cost ----->			
	Freehold land RM'000	Long term leasehold land and buildings RM'000	Freehold land and buildings RM'000	Total RM'000
At 1 January, 2001	1,982	22,650	117,441	142,073
Additions	—	9,525	3,726	13,251
At 31 December, 2001	1,982	32,175	121,167	155,324
Accumulated Depreciation and Impairment Losses				
At 1 January, 2001	—	2,117	8,537	10,654
Charge for the year	—	669	1,114	1,783
Impairment losses	—	1,176	—	1,176
Translation differences	—	(10)	—	(10)
At 31 December, 2001	—	3,952	9,651	13,603
Net Book Value				
At 31 December, 2001	1,982	28,223	111,516	141,721
At 31 December, 2000	1,982	20,533	108,904	131,419
Depreciation charge for 2000	—	416	1,096	1,512
<----- At Cost ----->				
Company	Freehold estate land and buildings RM'000	Estate development expenditure RM'000	Plant, equipment, furniture, fixtures, fittings and motor vehicles RM'000	Total RM'000
At 1 January, 2001	5,870	3,491	2,736	12,097
Additions	—	673	1,427	2,100
Disposals	—	—	(196)	(196)
Write-off	—	(3,309)	(736)	(4,045)
At 31 December, 2001	5,870	855	3,231	9,956

Company	<----- At Cost ----->			
	Freehold estate land and buildings RM'000	Estate development expenditure RM'000	Plant, equipment, furniture, fixtures, fittings and motor vehicles RM'000	Total RM'000
Accumulated Depreciation				
At 1 January, 2001	32	3,309	1,887	5,228
Additions	2	–	442	444
Disposals	–	–	(196)	(196)
Write-off	–	(3,309)	(736)	(4,045)
At 31 December, 2001	34	–	1,397	1,431
Net Book Value				
At 31 December, 2001	5,836	855	1,834	8,525
At 31 December, 2000	5,838	182	849	6,869
Depreciation charge for 2000	3	28	456	487

- (a) The freehold land of a subsidiary company was revalued by the directors based on independent professional valuations on 27 May, 1980.

The freehold land has not been revalued since it was first revalued in 1980. The directors have not adopted a policy of regular revaluations of such assets. As permitted by International Accounting Standards 16 : Property, Plant and Equipment, these assets are stated at their 1980 valuation.

Details of independent professional valuation of the freehold land owned by the subsidiary company as at 31 December, 2001 are as follows:

Year of Valuation	Description of Property	Amount	Basis of Valuation
1980	Freehold land at Petaling Jaya	RM1,982,000	Direct comparison method and the contractor's method of valuation

Had the revalued freehold land been carried at historical cost, the net book value of the freehold land that would have been included in the financial statements of the Group as at 31 December, 2001 would be RM35,000 (2000 : RM35,000).

- (b) Included in the cost of the Group and the Company are fully depreciated assets amounting to RM3,126,000 (2000 : RM14,304,000) and RM465,492 (2000 : RM4,303,000) respectively which are still in use.
- (c) Included in leasehold land and buildings are leasehold buildings under construction costing RM8,540,000 (2000 : RM37,000), in which depreciation is not provided for.
- (d) The buildings of a subsidiary with net book value of RM1,667,000 (2000 : RM2,383,000) are pending issuance of strata titles.

4. LAND HELD FOR DEVELOPMENT

	Group	
	2001 RM'000	2000 RM'000
Freehold land at cost	28,319	31,739
Development expenditure	14,016	15,465
	<u>42,335</u>	<u>47,204</u>

5. SUBSIDIARIES

	Company	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost	127,275	127,275
Write down in value of investment in subsidiary companies	(10,490)	(10,490)
	<u>116,785</u>	<u>116,785</u>
Unquoted shares, at valuation	22,499	22,499
	<u>139,284</u>	<u>139,284</u>

(a) Details of the subsidiaries are as follows:

Incorporated in Malaysia	Effective Interests		Paid-up Capital '000	Principal Activities
	2001 %	2000 %		
Berkeley Sdn. Bhd.	100	100	RM2,138	Property investment and development
Berkeley Maju Sdn. Bhd.	100	100	RM1,000	Inactive
Berlian Sakti Sdn. Bhd.	100	100	RM1,000	Building and engineering contractor
Arah Teknik Sdn. Bhd.	100	100	RM401	Inactive
Zenbilt Sdn. Bhd.	100	100	RM150	Inactive
Bilsys Sdn. Bhd.	100	100	RM250	Inactive
Current Connection Sdn. Bhd.	100	100	RM500	Inactive
KDU College Sdn. Bhd. (formerly known as Kolej Damansara Utama Sdn. Bhd.)	85	85	RM2,353	Educational services
Janahasil Sdn. Bhd.	85	85	RM100	Inactive
Rajinas Intelek Sdn. Bhd.	52	43	RM2,000	Educational services

Incorporated in Malaysia	Effective Interests		Paid-up Capital '000	Principal Activities
	2001 %	2000 %		
KDU Smart School Sdn. Bhd.	85	—	RM1,000	Educational services
Maju Gading Development Sdn. Bhd.	100	100	RM1,579	Inactive
Perumahan Berjaya Sdn. Bhd.	100	100	RM10,000	Property investment and development
Patani Jaya Sdn. Bhd.	100	100	RM3,000	Property development
Adegan Dinamik Sdn. Bhd.	70	70	RM100	Inactive
Kelab Bandar Laguna Merbok Sdn. Bhd.	100	—	*	Operator of club house
Wangsa Merdu Sdn. Bhd.	100	100	RM10,000	Property investment
Paramount Global Assets Sdn. Bhd.	100	100	RM35,360	Investment holding
Paramount Electronics Industries Sdn. Bhd.	100	100	RM5,000	Inactive
Incorporated in Singapore				
** SMT Circuit Assembly Pte Ltd	76.94	76.94	#S\$4,000	Inactive
Incorporated in Hong Kong				
** Paramount Corporation Limited	100	100	#HK\$1,000	Investment holding
** PCM (HK) Limited	80.56	80.56	#HK\$10,000	Inactive
* Paid-up capital of RM2 ** Not audited by Arthur Andersen & Co. # S\$ represents currency denoted in Singapore dollars # HK\$ represents currency denoted in Hong Kong dollars				

6. ASSOCIATED COMPANIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unquoted shares, at cost	25,973	25,973	3,721	3,721
Provision for diminution in value of investment	—	—	(3,721)	(3,721)
Goodwill amortised	(450)	—	—	—
Share of post-acquisition profit/(accumulated losses)	1,743	(143)	—	—
	<u>27,266</u>	<u>25,830</u>	<u>—</u>	<u>—</u>

	Group	
	2001 RM'000	2000 RM'000
Represented by:		
Share of net tangible assets of associated companies	25,468	23,582
Goodwill on acquisition, net of amortisation	1,798	2,248
	<u>27,266</u>	<u>25,830</u>

Details of the associated companies are as follows:

Incorporated in Malaysia	Effective Interests		Paid-up Capital '000	Principal Activities
	2001 %	2000 %		
Jerneh Insurance Berhad	20.00	20.00	RM100,000	General insurance business
Suci Teguh Holdings Sdn. Bhd.	27.00	27.00	RM14,122	Inactive
ASMC Sdn. Bhd.	21.60	21.60	RM11,250	Inactive

7. DUE FROM A SUBSIDIARY

The amount due from a subsidiary is unsecured, has no fixed terms of repayment and bears interest at 6% (2000 : 6%) per annum.

8. OTHER INVESTMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Quoted shares, at cost:				
– in Malaysia	10,128	5,039	–	245
Provision for diminution in value	(537)	(1,765)	–	–
	<u>9,591</u>	<u>3,274</u>	<u>–</u>	<u>245</u>
Unquoted, at cost	252	307	252	307
	<u>9,843</u>	<u>3,581</u>	<u>252</u>	<u>552</u>
Market value:				
Quoted shares	9,809	3,871	–	841

9. DEVELOPMENT PROPERTIES

	Group	
	2001 RM'000	2000 RM'000
Properties in the course of development:		
Freehold land at cost	16,494	13,682
Development expenditure	159,847	121,666
	<hr/>	<hr/>
	176,341	135,348
Attributable profits	62,129	45,645
	<hr/>	<hr/>
	238,470	180,993
Progress billings received and receivable	(220,252)	(165,563)
	<hr/>	<hr/>
	18,218	15,430
	<hr/>	<hr/>

10. INVENTORIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
At cost:				
Estate stores	26	17	26	17
Properties held for sale	1,018	–	–	–
Stationery and consumables	277	272	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	1,321	289	26	17
	<hr/>	<hr/>	<hr/>	<hr/>

11. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2001 RM'000	2000 RM'000
Construction contract costs incurred to date	217,948	87,358
Attributable profits	29,649	12,026
	<hr/>	<hr/>
	247,597	99,384
Less: Progress billings	(248,746)	(100,802)
	<hr/>	<hr/>
	(1,149)	(1,418)
	<hr/>	<hr/>
Due from customers on contracts	1,805	524
Due to customers on contracts	(2,954)	(1,942)
	<hr/>	<hr/>
	(1,149)	(1,418)
	<hr/>	<hr/>

12. RECEIVABLES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade receivables	36,217	22,857	74	80
Other receivables	15,388	7,825	1,231	941
	<hr/>	<hr/>	<hr/>	<hr/>
	51,605	30,682	1,305	1,021
Provision for doubtful debts	(499)	(382)	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
	51,106	30,300	1,305	1,021
	<hr/>	<hr/>	<hr/>	<hr/>

Included in trade receivables is retention sum of RM4,864,000 (2000 : RM2,638,000).

Included in other receivables are amount due from a State Government and advances to sub-contractors of RM3,457,000 (2000: RM3,457,000) and RM5,830,000 (2000: RMNil) respectively.

13. DUE FROM SUBSIDIARIES

The amount due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

14. FIXED DEPOSITS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Licensed banks	27,774	35,061	1,190	1,700
Licensed finance companies	113	4,897	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
	27,887	39,958	1,190	1,700
	<hr/>	<hr/>	<hr/>	<hr/>

Included in fixed deposits of the Group are monies maintained in the Housing Development Financial Statements (opened and maintained under Section 7A of the Housing Developers Regulations 1991) amounting to RM13,112,000 (2000 : RM3,908,000).

Included in fixed deposits of the Group is an amount of RM290,000 (2000 : RM370,000) which has been pledged as security for bank guarantee granted by the banks.

15. SHORT TERM BORROWINGS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unsecured				
Bank overdrafts	274	154	259	95
Current portion of long term loans (Note 20)	5,000	6,038	5,000	5,000
	<u>5,274</u>	<u>6,192</u>	<u>5,259</u>	<u>5,095</u>

The above borrowings bear interest at rates of between 7.4% to 8.2% (2000 : 7.5% to 7.95%) per annum.

The subsidiaries' bank overdrafts are secured by corporate guarantees from the Company.

16. PAYABLES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Trade payables	23,480	10,618	–	–
Other payables	20,111	10,904	945	767
Tuition fees paid in advance	5,289	4,814	–	–
Tenants deposits	1,760	1,514	–	–
Refundable deposits	1,996	1,720	–	–
	<u>52,636</u>	<u>29,570</u>	<u>945</u>	<u>767</u>

Included in trade payables is retention sum of RM3,174,000 (2000 : RM1,606,000).

Included in other payables are deposits received from house purchasers and advances received on construction contracts amounting to RM720,000 (2000 : RM447,000) and RM7,698,000 (2000 : RMNil) respectively.

17. DUE TO SUBSIDIARIES

The amounts due to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

18. SHARE CAPITAL

	Number of Ordinary Shares of RM1.00 Each		Amount	
	2001 '000	2000 '000	2001 RM'000	2000 RM'000
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid:				
At 1 January	99,958	99,279	99,958	99,279
Issued under ESOS	241	679	241	679
At 31 December	100,199	99,958	100,199	99,958

The movements in the ESOS to take up unissued new ordinary shares of RM1.00 each and the option price are as follows:

	Number of Ordinary Shares of RM1.00 Each Under Option '000	Option Price RM
As at 1 January, 2001	2,813	1.00
Exercised	(235)	1.00
Cancelled	(317)	1.00
At 31 December, 2001	2,261	
As at 1 January, 2001	628	1.31
Exercised	(5)	1.31
Cancelled	(104)	1.31
As at 31 December, 2001	519	
As at 1 January, 2001	300	1.52
Exercised	—	1.52
Cancelled	(72)	1.52
As at 31 December, 2001	228	
Upon offer	394	1.18
Exercised	(1)	1.18
Cancelled	(51)	1.18
As at 31 December, 2001	342	

19. DEFERRED TAXATION

	Group	
	2001 RM'000	2000 RM'000
At 1 January	2,284	1,876
Transfer from income statement (Note 24)	129	408
At 31 December	<u>2,413</u>	<u>2,284</u>

Deferred taxation is not provided on the surplus arising from the revaluation of certain land and buildings as it is not the intention of the directors to dispose these properties.

20. TERM LOANS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unsecured				
Term loan	7,500	13,538	7,500	12,500
Amount repayable within 12 months (Note 15)	(5,000)	(6,038)	(5,000)	(5,000)
	<u>2,500</u>	<u>7,500</u>	<u>2,500</u>	<u>7,500</u>

The term loan of a subsidiary in prior year was secured by way of corporate guarantee from the Company and is repayable by 16 equal quarterly instalments commencing 7 February, 1996 and bore interest ranging from 7.75% to 7.95% per annum.

The term loan of the Company is repayable by 20 equal quarterly instalments commencing 1 July, 1999 and bears interest rate at 7.9% to 8.2% (2000 : 8.0% to 8.8%) per annum.

21. REVENUE

Revenue of the Group and the Company consist of the following:

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Progress billings received and receivable	56,497	49,722	—	—
Revenue from construction contracts	51,231	31,367	—	—
Educational fees	48,287	45,191	—	—
Sales of goods	1,106	1,927	1,106	1,927
Interest income – third party	284	552	29	51
– subsidiary	—	—	2,332	2,369
Dividends (gross) from:				
Subsidiaries	—	—	12,834	12,830
Quoted investment in Malaysia	134	141	—	29
Rental income	6,156	5,510	—	—
	<u>163,695</u>	<u>134,410</u>	<u>16,301</u>	<u>17,206</u>

22. PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting):

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Rental of premises	840	1,138	328	639
Directors' remuneration*	2,367	2,391	430	266
Auditors' remuneration				
– Statutory audits	139	140	39	39
– Other services	68	36	40	7
Provision for doubtful debts	117	–	–	–
Provision for retirement benefits	50	110	32	24
Lease rental	1,302	1,214	–	–
Property, plant and equipment written off	58	343	–	278
Impairment loss on property	1,176	–	–	–
Amortisation of goodwill on associated company	450	–	–	–
Dilution in share of net assets on issue of additional shares				
by a subsidiary	99	–	–	–
Loss on foreign exchange - realised	45	–	–	–
Bad debts recovered	(634)	–	–	–
(Write back of)/provision for diminution in value:				
– Advances to subsidiary companies	–	–	20	1,334
– Other investments	(1,228)	1,765	–	–
Gain on disposal of property, plant and equipment	(223)	(707)	(85)	(101)
Rental income	(871)	(698)	–	–
Gain on disposal of a subsidiary	–	(952)	–	–
Net gain on disposal of quoted investments	(89)	(1,906)	(556)	(883)

* DIRECTORS' REMUNERATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	901	824	171	157
Fees	75	34	50	16
Bonus	218	209	46	41
Benefits-in-kind	86	80	19	19
	1,280	1,147	286	233
Non-Executive:				
Fees	184	82	163	52
Consultancy fees	188	180	–	–
Benefits-in-kind	14	12	–	–
	386	274	163	52

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Other Directors				
Executive:				
Salaries and other emoluments	699	915	—	—
Fees	12	13	—	—
Bonus	87	131	—	—
Benefits-in-kind	32	38	—	—
	<u>830</u>	<u>1,097</u>	<u>—</u>	<u>—</u>
Non-Executive:				
Fees	<u>3</u>	<u>3</u>	<u>—</u>	<u>—</u>
Total	<u>2,499</u>	<u>2,521</u>	<u>449</u>	<u>285</u>
Total excluding benefits-in-kind	<u>2,367</u>	<u>2,391</u>	<u>430</u>	<u>266</u>

The number of directors of the Company whose total remuneration during the year fall within the following bands is as follows:

	Number of Directors	
	2001	2000
Executive directors:		
RM400,001 – RM450,000	1	1
RM650,001 – RM700,000	—	—
RM700,001 – RM750,000	—	1
RM750,001 – RM800,000	—	—
RM800,001 – RM850,000	1	—
Non-Executive Directors:		
Below RM50,000	6	5
RM200,001 – RM250,000	1	1

23. FINANCE INCOME/(COSTS), NET

Included in finance income/(costs), net of the Group and the Company are interest expense of RM859,000 (2000 : RM1,652,000) and RM813,000 (2000 : RM1,230,000) respectively and interest income of the Group of RM993,000 (2000 : RM1,101,000).

24. TAXATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Current year's provision	8,243	8,236	2,683	3,604
Transfer to deferred taxation (Note 19)	129	408	–	–
	<u>8,372</u>	<u>8,644</u>	<u>2,683</u>	<u>3,604</u>
Underprovision in previous years	1,211	559	146	–
	<u>9,583</u>	<u>9,203</u>	<u>2,829</u>	<u>3,604</u>
Share of taxation of an associated company	1,902	642	–	–
	<u>11,485</u>	<u>9,845</u>	<u>2,829</u>	<u>3,604</u>

There is no tax charge for the current financial year other than the tax on dividend income as the Company is in a tax loss position. As at 31 December, 2001, the Company has unutilised capital allowances of approximately RM3,034,000 (2000 : RM2,281,000), which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board.

As at 31 December, 2001, the Company has tax exempt profits available for distribution of approximately RM1,887,000 (2000 : RM1,887,000), subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of its entire retained profit as at 31 December, 2001.

25. DIVIDENDS

Group and Company	Amount		Dividend per share	
	2001 RM'000	2000 RM'000	2001 Sen	2000 Sen
Interim dividend of 2.50%				
(2000 : first and final dividend of 4.75%) less 28% taxation	1,799	3,419	1.80	3.42

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December, 2001 will be proposed for shareholders' approval as follows:

	Amount RM'000	Dividend per share Sen
Ordinary final dividend of 1.8% tax exempt on 100,198,949 ordinary shares	1,804	1.80
Ordinary final dividend of 3.2% less 28% taxation on 100,198,949 ordinary shares	2,308	2.30
	<u>4,112</u>	<u>4.10</u>

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December, 2002.

26. EARNINGS PER SHARE - GROUP

The basic earnings per share for the current year and prior year are calculated based on the profit after taxation and minority interest of RM22,277,838 (2000 : RM19,246,274) on the weighted average number of 99,985,199 (2000 : 99,786,616) ordinary shares of RM1.00 each in issue during the financial year.

The fully diluted earnings per share is calculated by dividing the adjusted profit after taxation and minority interest of RM22,277,838 (2000 : RM19,246,274) by 103,335,199 (2000 : 103,527,616) that would be in issue as at 31 December, 2001 had all the share options been exercised as at that date.

27. SIGNIFICANT EVENTS

During the year,

- (a) The Company's subsidiary, KDU College Sdn. Bhd. (formerly known as Kolej Damansara Utama Sdn. Bhd.):
 - (i) subscribed for 1,000,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital in KDU Smart School Sdn. Bhd. for a total consideration of RM1,000,000; and
 - (ii) acquired additional 710,000 ordinary shares of RM1.00 each in Rajinas Intelek Sdn. Bhd. for a total cash consideration of RM710,000, thereby increasing its interest from 51% to 61%.
- (b) The Company increased its issued and paid-up capital from RM99,957,949 to RM100,198,949 via an issuance of 241,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS.

28. SUBSEQUENT EVENT

Subsequent to the financial year end, the Company increased its issued and paid-up capital from RM100,198,949 to RM100,331,949 via an issuance of 133,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS.

29. COMMITMENTS

	Group	
	2001 RM'000	2000 RM'000
Capital expenditure:		
– approved and contracted for	47,034	3,849
– approved but not contracted for	–	20,092
Leasing commitments:		
– due within 12 months	1,241	1,025
– due after 12 months	576	448
	<u>48,851</u>	<u>25,414</u>

30. CONTINGENT LIABILITIES

	Company	
	2001 RM'000	2000 RM'000
Unsecured:		
Guarantees extended in support of banking and other credit facilities granted to subsidiaries	20,152	16,776

31. RELATED PARTY TRANSACTIONS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Purchases of computers and peripherals from KU Sistem Holdings Sdn Bhd and its subsidiaries, a group of companies in which Mr. Teo Chiang Quan, a director of the Company, has substantial interests	896	1,127	553	145
Repairs and maintenance charged by Syarikat Ong Yoke Lin Sdn Bhd, a company in which Tun Dato' Seri Haji Omar Yoke Lin Ong, a former director of the Company, has substantial interests	540	353	–	–
Consultancy fees charged by Tarrenz, Inc, a wholly owned corporation of Dr. Brian Shoy Teng To, a director of the Company	785	–	785	–
Insurance premium charged by Jerneh Insurance Berhad, an associated company	710	481	165	22

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established under terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

32. CURRENCY

All amounts are stated in Ringgit Malaysia unless otherwise stated.

33. SEGMENTAL REPORTING

	Property Investment RM'000	Property Development RM'000	Construction RM'000	Education RM'000	Investment & Others RM'000	Total RM'000	Eliminations RM'000	Consolidated RM'000
2001								
REVENUE AND EXPENSES								
Revenue								
External sales	6,102	56,497	51,231	48,287	1,578	163,695		163,695
Inter-segment sales	2,834	–	43,539	–	17,412	63,785	(63,785)	–
Total revenue	8,936	56,497	94,770	48,287	18,990	227,480		163,695
	Property	Property			Investment			

2001	Investment RM'000	Development RM'000	Construction RM'000	Education RM'000	& Others RM'000	Total RM'000	Eliminations RM'000	Consolidated RM'000
Result								
Profit from operations	5,744	13,760	5,365	10,441	8,987	44,297	(15,059)	29,238
Finance cost, net	(2,332)	473	208	257	1,528	134		134
Share of results of associated companies	–	–	–	–	5,408	5,408		5,408
Taxation								(11,485)
Profit after taxation								<u>23,295</u>
ASSETS AND LIABILITIES								
Segment assets	84,459	111,788	42,785	46,458	32,516	318,006		318,006
Investment in equity method of associates	–	–	–	–	–	27,266		27,266
								<u>345,272</u>
Segment liabilities	2,678	6,062	36,098	18,060	13,444	76,342		<u>76,342</u>
OTHER INFORMATION								
Capital expenditure	10,058	2,629	1,055	10,470	2,113	26,325		26,325
Depreciation	1,591	489	299	3,550	1,008	6,937		6,937
2000	Property Investment RM'000	Property Development RM'000	Construction RM'000	Education RM'000	Investment & Others RM'000	Total RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE AND EXPENSES								
Revenue								
External sales	5,512	49,722	31,367	45,190	2,619	134,410		134,410
Inter-segment sales	2,422	–	32,129	–	15,197	49,748	(49,748)	–
Total revenue	<u>7,934</u>	<u>49,722</u>	<u>63,496</u>	<u>45,190</u>	<u>17,816</u>	<u>184,158</u>		<u>134,410</u>
Result								
Profit from operations	4,001	11,058	4,087	9,036	10,239	38,421	(12,046)	26,375
Finance cost, net	(2,355)	493	125	30	1,156	(551)		(551)
Share of results of associated companies	–	–	–	–	4,220	4,220		4,220
Taxation								(9,845)
Profit after taxation								<u>20,199</u>
	Property	Property			Investment			

2000	Investment RM'000	Development RM'000	Construction RM'000	Education RM'000	& Others RM'000	Total RM'000	Eliminations RM'000	Consolidated RM'000
ASSETS AND LIABILITIES								
Segment assets	75,672	110,368	21,921	37,424	37,413	282,798		282,798
Investment in equity method of associates	–	–	–	–	–	25,830		25,830
								<u>308,628</u>
Segment liabilities	2,166	4,760	13,945	18,757	20,828	60,456		<u>60,456</u>
OTHER INFORMATION								
Capital expenditure	11,243	1,300	425	5,504	817	19,289		19,289
Depreciation	1,933	369	217	3,458	1,095	7,072		7,072
	Malaysia		Singapore		Hong Kong		Total	
	2001	2000	2001	2000	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GEOGRAPHICAL SEGMENT								
Total revenue from external customers	163,641	134,410	–	–	54	–	163,695	134,410
Segment assets	317,024	280,550	16	15	966	2,233	318,006	282,798
Capital expenditure	26,325	19,289	–	–	–	–	26,325	19,289
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PROXY FORM

I/We _____
of _____
being a Member/Members of Paramount Corporation Berhad hereby appoint _____
of _____

or failing him/her the Chairman of the meeting as my/our proxy to vote on my/our behalf at the Thirty-Second Annual General Meeting of the Company to be held at Glenmarie Ballroom A, The Pan Pacific Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 22 May 2002 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote (see Note 3) for or against the resolutions to be proposed at the meeting as hereunder indicated.

	For	Against
Resolution 1 Reports and Accounts		
Resolution 2 Final Dividend		
Resolution 3 Directors' Fees		
Re-election of Directors:		
Resolution 4 Teo Chiang Quan		
Resolution 5 Dato' Haji Azlan Bin Hashim		
Resolution 6 Dr Brian Shoy Teng To		
Resolution 7 Tan Sri Dato' Ahmad Sabki Bin Jahidin		
Resolution 8 Appointment of Auditors and to fix their remuneration		
Resolution 9 Authority to Directors to issue shares		
Resolution 10 Proposed Renewal of General Mandate for Recurrent Related Party Transactions		

Dated this _____ day of _____ 2002.

Signature/Common Seal

NO. OF SHARES HELD

NOTES

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on his behalf. A proxy need not be a member of the Company.
2. The proxy form must be signed by the appointer or his attorney duly authorised in writing or, if the Member is a corporation, must be executed under its common seal or by its attorney or officer duly authorised in writing. The power of attorney or a duly certified copy thereof must be deposited at the Company's Registered Office within the period stated below. In the case of joint members, the signature of any one joint member is sufficient.
3. Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. The proxy form must be deposited at the Registered Office of the Company at Level 8, Uptown 1, 1 Jalan SS 21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Fold along this line (1)

Please
Affix
30 sen Stamp

The Company Secretary
PARAMOUNT CORPORATION BERHAD (8578-A)
Level 8, Uptown 1
1, Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Fold along this line (2)