FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Company is also involved in the cultivation and sale of oil palm fresh fruit bunches.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	16,239	6,349
Minority interests	(233)	–
Net profit for the year	16,006	6,349

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2001 were as follows:

	RM'000
In respect of the financial year ended 31 December 2001:	
Final tax exempt dividend of 1.8%, paid on 14 June 2002	1,804
Final dividend of 3.2% less 28% taxation, paid on 14 June 2002	2,308
In respect of the financial year ended 31 December 2002:	
Interim dividend of 3.0% less 28% taxation, paid on 18 October 2002	2,186
	6,298

At the forthcoming Annual General Meeting, a final tax exempt dividend of 4.5% on 101,300,949 shares amounting to RM4,559,000 in respect of the current financial year ended 31 December 2002 will be proposed for shareholders' approval.

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 shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.

DIRECTORS

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

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

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of 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 Note 4 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, except as disclosed in Note 34 to the financial statements.

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 -------->			
The Company	**At 1 January, 2002**	**Exercise of ESOS**	**Sold**	**At 31 December, 2002**
Direct				
Teo Chiang Quan	208,000	–	–	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.				
Indirect				
Rohana Tan Sri Mahmood	353,000	–	–	353,000

	<-------- Number of Ordinary Shares of HK1.00 Each -------->			
	At 1 January, 2002	Bought	Sold	At 31 December, 2002
Paramount Corporation Limited				
Teo Chiang Quan*	1	–	–	1

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

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, 2002	Granted	Exercise	At 31 December, 2002
Granted in 1998 at an option price of RM1.00 per share				
Teo Chiang Quan	160,000	–	–	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.

EMPLOYEE SHARE OPTION SCHEME

The Company' s Employee Share Option Scheme ("ESOS") is governed by the by-laws which was approved by the shareholders 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 option 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 option 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 options price are as disclosed in Note 26 to the financial statements.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up capital from RM100,198,949 to RM101,300,949 via an issuance of 1,102,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS as disclosed in Note 26 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render:

   (i) the amount written off for bad debts or the provision for doubtful debts inadequate to any substantial extent; and

   (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

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

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

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

   (i) 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 will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are disclosed in Notes 30 and 31 to the financial statements respectively.

AUDITORS

Our auditors, Arthur Andersen & Co. retire and do not seek re-appointment. A resolution to appoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

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

DATO' MD. TAIB BIN ABDUL HAMID

TEO CHIANG QUAN

Petaling Jaya, Malaysia
17 April 2003

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

We, DATO' MD. TAIB BIN ABDUL HAMID and TEO CHIANG QUAN, being two of the directors of PARAMOUNT CORPORATION BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 61 to 95 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2002 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

DATO' MD. TAIB BIN ABDUL HAMID

TEO CHIANG QUAN

Petaling Jaya, Malaysia
17 April 2003

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

I, ONG KENG SIEW, being the director primarily responsible for the financial management of PARAMOUNT CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 61 to 95 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by	)	
the abovenamed ONG KENG SIEW	)	
at Petaling Jaya in Selangor Darul	)	**ONG KENG SIEW**
Ehsan on 17 April 2003	)	

Before me,

Commissioner for Oaths

CHIN THEN SHOONG
No. B070
Petaling Jaya
Selangor Darul Ehsan

REPORT OF THE AUDITORS
TO THE MEMBERS OF PARAMOUNT CORPORATION BERHAD (Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 61 to 95. 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 applicable 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:

  (i) the financial position of the Group and of the Company as at 31 December 2002 and of the results and the cash flows of the Group and of the Company for the year then ended; and

  (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by 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 the subsidiaries of which we have not acted as auditors as indicated in Note 11 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 those 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 Section 174(3) of the Act.

ARTHUR ANDERSEN & CO.
AF: 0103
Chartered Accountants

Wong Kang Hwee
1116/01/04(J)
Partner

Kuala Lumpur, Malaysia
17 April 2003

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 RM'000	2001 RM'000
Revenue	3	213,517	163,695
Other operating income		6,096	5,369
Changes in inventories, work in progress and development properties		(8,255)	2,787
Contract costs		(116,743)	(81,485)
Harvesting costs		(473)	(877)
Staff costs		(31,693)	(27,442)
Depreciation		(8,240)	(6,937)
Other operating expenses		(29,086)	(25,872)
Profit from operations	4	25,123	29,238
Finance (costs)/income, net	5	(558)	134
Share of results of associates		2,862	5,408
Profit before taxation		27,427	34,780
Taxation	6	(11,188)	(11,485)
Profit after taxation		16,239	23,295
Minority interests		(233)	(1,017)
Net profit for the year		16,006	22,278
Earnings per share (sen)			
Basic	7	15.88	22.28
Diluted	7	15.59	21.56

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2002

	Note	2002 RM'000	2001 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	189,915	162,621
Land held for development	10	40,283	42,335
Associated companies	12	36,544	27,266
Other investments	14	271	9,843
		267,013	242,065
CURRENT ASSETS			
Development properties	15	9,963	18,218
Inventories	16	933	1,321
Trade receivables	17	55,208	37,523
Other receivables	18	10,933	15,388
Cash and bank balances	21	29,712	30,757
		106,749	103,207
CURRENT LIABILITIES			
Short term borrowings	22	10,219	5,274
Trade payables	23	29,109	26,434
Other payables	24	27,638	29,156
Tax payable		1,251	5,662
		68,217	66,526
NET CURRENT ASSETS		38,532	36,681
		305,545	278,746
REPRESENTED BY:			
Share capital	26	101,301	100,199
Reserves		178,507	168,731
Shareholders' equity		279,808	268,930
Minority interests		4,102	4,326
		283,910	273,256
Deferred taxation	27	2,413	2,413
Term loans	28	18,440	2,500
Provision for retirement benefits	29	782	577
		21,635	5,490
		305,545	278,746

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2002

	< -------------- Non Distributable			-------------- >	Distributable	
Group	**Share capital RM'000**	**Share premium RM'000**	**Revaluation reserve RM'000**	**Translation reserve RM'000**	**Retained profits RM'000**	**Total RM'000**
At 1 January 2001	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 8)	–	–	–	–	(1,799)	(1,799)
Exercise of option under the ESOS	241	2	–	–	–	243
At 31 December 2001	100,199	63,665	3,532	1,194	100,340	268,930
Currency translation differences	–	–	–	(23)	–	(23)
Net profit for the year	–	–	–	–	16,006	16,006
Dividends (Note 8)	–	–	–	–	(6,298)	(6,298)
Exercise of option under the ESOS	1,102	91	–	–	–	1,193
At 31 December 2002	101,301	63,756	3,532	1,171	110,048	279,808

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,427	34,780
Adjustments for:		
Depreciation	8,240	6,937
Property, plant and equipment written off	18	58
Provision for doubtful debts	1,779	117
Bad debt written off	122	–
Gain on disposal of property, plant and equipment	(139)	(223)
Gain on disposal of quoted investments	(772)	(89)
Provision for retirement benefits	248	50
Share of results in associated companies	(2,862)	(5,408)
Write back of provision for impairment loss of other investment	(535)	(1,228)
Amortisation of goodwill on associated companies	662	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	1,211	859
Interest income	(1,788)	(1,277)
Operating profit before working capital changes	33,611	36,301
Increase in receivables	(14,378)	(23,018)
Decrease in development properties	12,171	2,538
Decrease/(increase) in inventories	388	(1,032)
Increase in payables	918	24,062
Cash generated from operations	32,710	38,851
Taxes paid	(14,912)	(8,727)
Retirement benefits paid	(43)	(44)
Interest paid	(968)	(807)
Interest received	1,771	1,273
Net cash generated from operating activities	18,558	30,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds received from a minority shareholder on the issuance of shares in a subsidiary	–	290
Increase in land held for development	(1,864)	(457)
Dividends received from an associated company	3,000	1,620
Purchase of property, plant and equipment	(35,731)	(26,325)
Purchase of other investments	(1,590)	(13,290)
Proceeds from disposal of property, plant and equipment	316	275
Proceeds from disposal of other investments	12,469	8,345
Investment in associated companies	(11,501)	–
Net cash outflow arising from disposal of a subsidiary	(38)	–
Net cash used in investing activities	(34,939)	(29,542)

	2002 RM'000	2001 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,193	243
Dividends paid	(6,298)	(5,218)
Dividends paid to minority interests	(423)	(305)
Drawdown of borrowings	25,530	–
Repayment of borrowings	(5,000)	(6,038)
Net cash generated from/(used in) financing activities	15,002	(11,318)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,379)	(10,314)
EFFECTS OF EXCHANGE RATE CHANGES	(21)	(11)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	30,483	40,808
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 21)	29,083	30,483

Cash and cash equivalents comprise:

	2002 RM'000	2001 RM'000
Cash and bank balances	4,524	2,870
Fixed deposits	25,188	27,887
Bank overdrafts	(629)	(274)
	29,083	30,483

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 RM'000	2001 RM'000
Revenue	3	15,153	16,301
Other operating income		1	637
Harvesting costs		(473)	(876)
Staff costs		(2,151)	(1,748)
Depreciation		(553)	(444)
Other operating expenses		(5,146)	(3,033)
Profit from operations	4	6,831	10,837
Finance costs	5	(359)	(813)
Profit before taxation		6,472	10,024
Taxation	6	(123)	(2,829)
Net profit for the year		6,349	7,195

The accompanying notes form an integral part of the financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2002

	Note	2002 RM'000	2001 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,551	8,525
Subsidiaries	11	138,999	139,284
Associated companies	12	100	–
Due from a subsidiary	13	35,000	38,000
Other investments	14	252	252
		182,902	186,061
CURRENT ASSETS			
Inventories	16	31	26
Trade receivables	17	46	74
Other receivables	18	1,091	1,231
Due from subsidiaries	20	31,919	41,856
Cash and bank balances	21	8,336	1,240
		41,423	44,427
CURRENT LIABILITIES			
Short term borrowings	22	2,682	5,259
Other payables	24	1,064	945
Due to subsidiaries	25	34,159	36,686
		37,905	42,890
NET CURRENT ASSETS		3,518	1,537
		186,420	187,598
REPRESENTED BY:			
Share capital	26	101,301	100,199
Reserves		84,791	84,649
Shareholders' equity		186,092	184,848
Term loans	28	–	2,500
Provision for retirement benefits	29	328	250
		328	2,750
		186,420	187,598

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2002

	< --------------- Non Distributable	---------------	---------------	--------------- > Distributable		
Company	**Share capital RM'000**	**Share premium RM'000**	**Revaluation reserve RM'000**	**Translation reserve RM'000**	**Retained profits RM'000**	**Total RM'000**
At 1 January 2001	99,958	63,663	3,532	2,855	9,201	179,209
Net profit for the year	–	–	–	–	7,195	7,195
Dividends (Note 8)	–	–	–	–	(1,799)	(1,799)
Exercise of option under the ESOS	241	2	–	–	–	243
At 31 December 2001	100,199	63,665	3,532	2,855	14,597	184,848
Net profit for the year	–	–	–	–	6,349	6,349
Dividends (Note 8)	–	–	–	–	(6,298)	(6,298)
Exercise of option under the ESOS	1,102	91	–	–	–	1,193
At 31 December 2002	101,301	63,756	3,532	2,855	14,648	186,092

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,472	10,024
Adjustment for:		
Depreciation	553	444
Gain on disposal of quoted investments	–	(556)
Interest expense	359	813
Interest income	(3,350)	(2,361)
Loss/(gain) on disposal of property, plant and equipment	3	(85)
Provision for retirement benefits	98	32
Provision for impairment loss of investment in a subsidiary	285	–
Advances to subsidiary companies written off	668	20
Operating profit before working capital changes	5,088	8,331
Decrease in receivables	(62)	551
Increase in inventories	(5)	(9)
Increase in payables	119	126
Increase in subsidiaries balances	9,742	2,062
Cash generated from operations	14,882	11,061
Interest paid	(359)	(761)
Tax refunded/(paid)	107	(3,664)
Retirement benefits paid	(20)	–
Net cash generated from operating activities	14,610	6,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,350	2,361
Investment in associated companies	(100)	–
Proceeds from disposal of property, plant and equipment	2	85
Proceeds from sale of quoted investment	–	856
Purchase of property, plant and equipment	(584)	(2,100)
Net cash generated from investing activities	2,668	1,202
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,193	243
Decrease in a subsidiary balances	–	1,490
Dividends paid	(6,298)	(5,218)
Repayment of borrowings	(5,000)	(5,000)
Net cash used in financing activities	(10,105)	(8,485)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,173	(647)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	981	1,628
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 21)	8,154	981
Cash and cash equivalents comprise:		
Cash and bank balances	16	50
Fixed deposits	8,320	1,190
Bank overdrafts	(182)	(259)
	8,154	981

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2002

1. CORPORATION INFORMATION

The principal activity of the Company is investment holding. The company is also involved in the cultivation and sale of oil palm fresh fruit bunches.

The principal activities of the subsidiaries are disclosed in Note 11.

There have been no significant changes in the nature of the principal 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 694 (2001 : 595) and 29 (2001 : 25) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 April 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. 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 the income statement over 5 years.

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 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.

Minority interest is made up of the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

(ii) Associates

Associates are 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 associates. Under the equity method of accounting, the Group's share of post-acquisition profits less losses of associated companies during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

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

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of associates is included within the carrying amount of investment in associates.

Goodwill is amortised on a straight-line basis over its estimated useful life of 5 years.

(d) Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are stated at cost except for investment in a subsidiary, Perumahan Berjaya Sdn. Bhd., which is stated at directors' valuation less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

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 as described in Note 2(k).

(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) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and in banks and deposits at call, net of outstanding bank overdrafts.

(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. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

Freehold land and buildings-in-progress are not depreciated. Leasehold land, buildings, improvements and renovations are depreciated over the period of the respective leases which range from 30 to 99 years.

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%

With effect from the current financial year, certain subsidiaries charged the annual depreciation rate for furniture and fittings from 12.5% to 20% so as to better reflect their estimated useful lives. The effect on the financial statements of this change in accounting estimate is not material.

Upon disposal of an item of property, plant and equipment, the difference between the net disposal and the carrying amount is charged or credited to the income statement and the attributable portion of the revaluation surplus is taken directly to retained profits.

(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) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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 and Land Held for Development

Land and development expenditure are classified as development properties when significant development work has been undertaken and is expected to be completed within the normal operating cycle. Development properties are stated at cost plus attributable profits less foreseeable 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.

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.

(m) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories, assets arising from construction contracts and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

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

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal 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 asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset 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.

(n) Deferred Tax

The tax expense for the year is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

Deferred taxation is provided for by the liability method for all timing differences except when there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(o) Foreign Currencies

(i) Foreign currency transactions

Transactions in foreign currencies are initially converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items which are carried at historical cost are translated using the historical rate as of the date of acquisition and non monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange rate differences are taken to the income statement.

(ii) Foreign entities

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 included in the foreign exchange reserve in shareholders' equity.

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:

	2002 RM	2001 RM
US Dollar	3.800	3.800
Singapore Dollar	2.170	2.033
Hong Kong Dollar	0.482	0.483

(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) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties 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.

(ii) Trade and Other Receivables

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

(iii) Trade and Other Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition and construction of development properties and property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. All other borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(v) Equity Instruments

Ordinary shares are classified as equity.

Dividends on ordinary shares are recognised in the statement of changes in equity in the period in which they are declared.

3. REVENUE

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

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Progress billings received and receivable	61,100	56,497	–	–
Revenue from construction contracts	97,760	51,231	–	–
Educational fees	45,992	48,287	–	–
Sales of goods	858	1,106	858	1,106
Interest income				
– third party	1,135	284	1,070	29
– subsidiary	–	–	2,280	2,332
Dividends (gross) from:				
Subsidiaries				
– tax exempt	–	–	10,933	–
– others	–	–	12	12,834
Quoted investment in Malaysia	90	134	–	–
Rental income	6,582	6,156	–	–
	213,517	163,695	15,153	16,301

4. PROFIT FROM OPERATIONS

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

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Rental of premises	993	840	328	328
Directors' remuneration*	2,779	2,367	496	430
Auditors' remuneration				
– Statutory audit	138	139	39	39
– Other services	105	68	61	40
Provision for doubtful debts	1,779	117	–	–
Bad debt written off	122	–	–	–
Provision for retirement benefits	248	50	98	32
Lease rental	1,024	1,302	–	–
Property, plant and equipment written off	18	58	–	–
Warranty claim (Note 24 (iii))	2,209	–	–	–
Impairment loss on property	–	1,176	–	–
(Write back of)/provision for impairment loss:				
Investment in a subsidiary	–	–	285	–
Other investments	(535)	(1,228)	-	–
Advances to subsidiary companies written off	–	–	668	20
Amortisation of goodwill on associated companies	662	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	(209)	(634)	–	–
(Gain)/loss on disposal of property, plant and equipment	(139)	(223)	3	(85)
Rental income	(1,215)	(871)	–	–
Gain on disposal of quoted investments	(772)	(89)	–	(556)

* DIRECTORS' REMUNERATION

Directors of the Company

Executive:				
Salaries and other emoluments	1,110	901	226	171
Fees	84	75	50	50
Bonus	240	218	57	46
Benefits-in-kind	77	86	11	19
	1,511	1,280	344	286
Non-Executive:				
Fees	172	184	163	163
Consultancy fees	198	188	–	–
Benefits-in-kind	21	14	–	–
	391	386	163	163

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Other Directors				
Executive:				
Salaries and other emoluments	804	699	–	–
Fees	9	12	–	–
Bonus	160	87	–	–
Benefits-in-kind	25	32	–	–
	998	830	–	–
Non-Executive:				
Fees	2	3	–	–
Total	2,902	2,499	507	449
Total excluding benefits-in-kind	2,779	2,367	496	430

The remuneration of directors of the Company analysed by bands is as follows:

	Number of Directors 2002	Number of Directors 2001
Executive directors:		
RM400,001 – RM450,000	1	1
RM800,001 – RM850,000	–	1
RM1,050,001 – RM1,100,000	1	–
Non-Executive directors:		
Below RM50,000	5	6
RM200,001 – RM250,000	1	1

5. FINANCE (COSTS)/INCOME, NET

Included in finance (costs)/income, net of the Group and the Company are interest expense of RM1,211,000 (2001 : RM859,000) and RM359,000 (2001 :RM813,000) respectively and interest income of the Group of RM653,000 (2001 : RM993,000).

6. TAXATION

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Current year's provision	9,270	8,243	–	2,683
Transfer to deferred taxation (Note 27)	–	129	–	–
	9,270	8,372	–	2,683
Underprovision in previous years	494	1,211	123	146
	9,764	9,583	123	2,829
Share of taxation of an associated company	1,424	1,902	–	–
	11,188	11,485	123	2,829

The effective tax rate of the Group is higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries as no group relief is available.

There is no tax charge for the year as the Company is in a tax loss position. As at 31 December 2002, the Company has unutilised capital allowances of approximately RM3,803,000 (2001 : RM3,034,000), which can be used to offset future taxable profits subect to agreement with the Inland Revenue Board.

As at 31 December 2002, the Company has tax exempt profits available for distribution of approximately RM8,710,000 (2001 : 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 2002.

7. 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 RM16,006,000 (2001 : RM22,278,000) on the weighted average number of 100,764,000 (2001 : 99,985,000) 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 RM16,075,000 (2001 : RM22,278,000) by 103,115,000 (2001 : 103,335,000) ordinary shares of RM1.00 each that would be in issue as at 31 December 2002 had all the share options been exercised as at that date.

8. DIVIDENDS

Group and Company	Amount 2002 RM'000	Amount 2001 RM'000	Net Dividends per share 2002 RM'000	Net Dividends per share 2001 RM'000
In respect of financial year:				
<u>31 December 2001</u>				
Interim dividend of 2.5% less 28% taxation	–	1,799	–	1.80
Final tax exempt dividend of 1.8%	1,804	–	1.80	–
Final dividend of 3.2% less 28% taxation	2,308	–	2.30	–
<u>31 December 2002</u>				
Interim dividend of 3.0% less 28% taxation	2,186	–	2.16	–
	6,298	1,799	6.26	1.80

At the forthcoming Annual General Meeting, a final tax exempt dividend of 4.5% on 101,300,949 shares amounting to RM4,559,000 in respect of the current financial year ended 31 December 2002 will be proposed for shareholders' approval.

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 2003.

9. PROPERTY, PLANT AND EQUIPMENT

Group

Cost/Valuation	**Land and buildings* RM'000**	**Estate development expenditure RM'000**	**Plant, equipment, furniture, fixtures, fitting and motor vehicles RM'000**	**Total RM'000**
At 1 January 2002	155,324	855	34,751	190,930
Additions	24,014	163	11,554	35,731
Disposals	–	–	(686)	(686)
Write-off	–	–	(22)	(22)
At 31 December 2002	179,338	1,018	45,597	225,953
Accumulated Depreciation and Impairment Losses				
At 1 January 2002	13,603	–	14,706	28,309
Charge for the year	1,786	–	6,454	8,240
Disposals	–	–	(509)	(509)
Write-off	–	–	(4)	(4)
Translation differences	–	–	2	2
At 31 December 2002	15,389	–	20,649	36,038
Net Book Value				
At 31 December 2002	163,949	1,018	24,948	189,915
At 31 December 2001	141,721	855	20,045	162,621
Depreciation charge for 2001	1,783	–	5,154	6,937

*** Land and Buildings**

Cost/Valuation	Freehold land RM'000	Long term leasehold land and buildings RM'000	Short term leasehold land and buildings RM'000	Freehold land and buildings RM'000	Total RM'000
At 1 January 2002	1,982	5,943	26,232	121,167	155,324
Additions	–	1,401	12,824	9,789	24,014
At 31 December 2002	1,982	7,344	39,056	130,956	179,338
Accumulated Depreciation and Impairment Losses					
At 1 January 2002	–	2,221	1,731	9,651	13,603
Charge for the year	–	2	659	1,125	1,786
At 31 December 2002	–	2,223	2,390	10,776	15,389
Net Book Value					
At 31 December 2002	1,982	5,121	36,666	120,180	163,949
At 31 December 2001	1,982	3,722	24,501	111,516	141,721
Depreciation charge for 2001	–	10	659	1,114	1,783

Company

Cost	Freehold estate land and building RM'000	Estate development expenditure RM'000	Plant, equipment, furniture, fixtures, fitting and motor vehicles RM'000	Total RM'000
At 1 January 2002	5,870	855	3,231	9,956
Additions	–	163	421	584
Disposals	–	–	(25)	(25)
At 31 December 2002	5,870	1,018	3,627	10,515
Accumulated Depreciation				
At 1 January 2002	34	–	1,397	1,431
Additions	3	–	550	553
Disposals	–	–	(20)	(20)
At 31 December 2002	37	–	1,927	1,964
Net Book Value				
At 31 December 2002	5,833	1,018	1,700	8,551
At 31 December 2001	5,836	855	1,834	8,525
Depreciation charge for 2001	2	–	442	444

(a) The freehold land of a subsidiary company was revalued by the directors based on independent professional valuations made in 1980 and has not been revalued since then. 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 2002 are as follows:

Year of Valuation	**Description of property**	**Amount**	**Basis of Valuation**
1980	Freehold land in 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 2002 would be RM35,000 (2001 : RM35,000).

(b) Included in the cost of the property, plant and equipment of the Group and the Company are fully depreciated assets amounting to RM8,551,000 (2001 :RM3,126,000) and RM473,000 (2001 : RM465,000) respectively which are still in use.

(c) Included in the short term and long term leasehold land and buildings of the Group are leasehold buildings under construction costing RM19,783,000 (2001 :RM6,960,000) and RMNil (2002 : RM2,602,000) respectively.

(d) Included in the freehold land and buildings is a building under construction costing RM4,049,000 (2001 : RM1,217,000).

(e) The net book value of freehold land and building of the Group, which is pledged to a financial institution for the term loan of a subsidiary as referred to in Note 28 is RM34,673,000 (2001 : Nil).

10. LAND HELD FOR DEVELOPMENT

	Group	
	2002 RM'000	**2001 RM'000**
Freehold land, at cost	25,699	28,319
Development expenditure	14,584	14,016
	40,283	42,335

11. SUBSIDIARIES

	Company	
	2002 RM'000	**2001 RM'000**
Unquoted shares, at cost	127,275	127,275
Less: Accumulated impairment losses	(10,775)	(10,490)
	116,500	116,785
Unquoted shares, at valuation	22,499	22,499
	138,999	139,284

Details of the subsidiaries are as follows:

Incorporated in Malaysia	Effective Interest 2002 %	Effective Interest 2001 %	Paid-up Capital '000	Principal Activities
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.	85	85	RM2,353	Educational services
Janahasil Sdn. Bhd.	85	85	RM100	Inactive
KDU College (Sibu) Sdn. Bhd. *(formerly known as Rajinas Intelek Sdn. Bhd.)*	52	52	RM2,000	Educational services
KDU Smart School Sdn. Bhd.	85	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	RM100	Inactive
Kelab Bandar Laguna Merbok Sdn. Bhd.	100	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
KDU Management Development Centre Sdn. Bhd. **	100	–	*	Management and educational services
Paramount Property Development Sdn. Bhd. **	100	–	*	Property development

	Effective Interest 2002 %	Effective Interest 2001 %	Paid-up Capital '000	Principal Activities
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

12. ASSOCIATED COMPANIES

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Unquoted shares, at cost	37,474	25,973	3,821	3,721
Less: Accumulated impairment losses	(3,721)	(3,721)	(3,721)	(3,721)
Goodwill amortised	(1,112)	(450)	–	–
Share of post-acquisition profit	3,903	5,464	–	–
	36,544	27,266	100	–

Represented by:

	Group 2002 RM'000	Group 2001 RM'000
Share of net tangible assets	25,991	25,468
Share of intangible assets	7,596	–
Goodwill on acquisition, net of amortisation	2,957	1,798
	36,544	27,266

Details of the associated companies are as follows:

Incorporated in Malaysia	**Effective Interest 2002 %**	**Effective Interest 2001 %**	**Paid-up Capital '000**	**Principal Activities**
Jerneh Insurance Berhad*	20	20	RM100,000	General insurance business
Suci Teguh Holding Sdn. Bhd.*	27	27	RM14,122	Inactive
ASMC Sdn. Bhd.*	21.60	21.60	RM11,250	Inactive
Seleksi Megah Sdn. Bhd.*	50	–	RM100	Property development
Jasarim Bina Sdn. Bhd.*	50	–	RM100	Property development
iCarnegie Inc.**	20.31	–	USD1.477	Educational services

* Equity accounted based on audited financial statements made up to 31 December
** Equity accounted based on management financial statements made up to 31 December

13. DUE FROM A SUBSIDIARY

The amount due from a subsidiary is unsecured, has no fixed terms of repayment and bears interest at 6% (2001 : 6%) per annum.

14. OTHER INVESTMENTS

	Group 2002 RM'000	**Group 2001 RM'000**	**Company 2002 RM'000**	**Company 2001 RM'000**
Quoted shares, at cost:				
– in Malaysia	21	10,128	–	–
Less: Accumulated impairment losses	(2)	(537)	–	–
	19	9,591	–	–
Unquoted, at cost	252	252	252	252
	271	9,843	252	252
Market value:				
Quoted shares	19	9,809	–	–

15. DEVELOPMENT PROPERTIES

	Group 2002 RM'000	Group 2001 RM'000
Properties in the course of development:		
Freehold land, at cost	18,969	16,494
Development expenditure	192,769	159,847
	211,738	176,341
Attributable profits	83,227	62,129
	294,965	238,470
Progress billings received and receivable	(285,002)	(220,252)
	9,963	18,218

16. INVENTORIES

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
At cost:				
Estate stores	31	26	31	26
Properties held for sale	640	1,018	–	–
Stationery and consumables	262	277	–	–
	933	1,321	31	26

17. TRADE RECEIVABLES

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Trade receivables	46,224	31,353	46	74
Due from customers on contracts (Note 19)	1,712	1,805	–	–
Retention sums on contracts	9,360	4,864	–	–
	57,296	38,022	46	74
Provision for doubtful debts	(2,088)	(499)	–	–
	55,208	37,523	46	74

The Group's normal trade credit term ranges from 14 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

18. OTHER RECEIVABLES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Deposits and prepayments	2,820	1,767	295	205
Amount due from a State Government	3,457	3,457	–	–
Advances to sub-contractors	1,113	5,830	–	–
Sundry receivables	3,733	4,334	796	1,026
	11,123	15,388	1,091	1,231
Provision for doubtful debts	(190)	–	–	–
	10,933	15,388	1,091	1,231

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

19. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2002 RM'000	2001 RM'000
Construction contract costs incurred to date	344,115	217,948
Attributable profits	42,205	29,649
	386,320	247,597
Less: Progress billings	(388,422)	(248,746)
	(2,102)	(1,149)
Due from customers on contracts (Note 17)	1,712	1,805
Due to customers on contracts (Note 23)	(3,814)	(2,954)
	(2,102)	(1,149)
Contract costs recognised as an expense	116,743	81,485

The cost incurred to date on construction contracts includes the hire of plant and machinery amounting to RM1,618,000 (2001 :RM1,469,000).

20. DUE FROM SUBSIDIARIES

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

21. CASH AND CASH EQUIVALENTS

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Cash on hand and at banks	4,524	2,870	16	50
Deposits with:				
Licensed banks	23,504	27,774	8,320	1,190
Licensed finance companies	1,684	113	–	–
Cash and bank balances	29,712	30,757	8,336	1,240
Less: Bank overdrafts (Note 22)	(629)	(274)	(182)	(259)
Cash and cash equivalents	29,083	30,483	8,154	981

Included in 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 RM4,996,000 (2001 : RM13,112,000).

Included in deposits of the Group is an amount of RM290,000 (2001 : RM290,000) which has been pledged as security for bank guarantee facilities granted by the banks.

22. SHORT TERM BORROWINGS

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Secured:				
Revolving credit	5,000	–	–	–
Bankers' acceptances	2,090	–	–	–
	7,090	–	–	–
Unsecured:				
Bank overdrafts	629	274	182	259
Current portion of long term loans (Note 28)	2,500	5,000	2,500	5,000
	3,129	5,274	2,682	5,259
	10,219	5,274	2,682	5,259

The weighted average effective interest rates during the financial year for borrowings were as follows:

	Group 2002 %	Group 2001 %	Company 2002 %	Company 2001 %
Revolving credit	6.5	–	–	–
Bankers' acceptances	3.4	–	–	–
Term loans	7.2	7.8	7.9	7.8

The secured revolving credit and bankers' acceptances of the Group are secured by corporate guarantees of the Company.

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

23. TRADE PAYABLES

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Trade payables	19,233	20,306	–	–
Due to customers on contract (Note 19)	3,814	2,954	–	–
Retention sums on contracts	6,062	3,174	–	–
	29,109	26,434	–	–

The normal trade credit term granted to the Group ranges from 30 to 90 days.

24. OTHER PAYABLES

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Other payables	18,098	20,111	1,064	945
Tuition fees paid in advance	4,702	5,289	–	–
Tenants deposits	1,756	1,760	–	–
Refundable deposits	3,082	1,996	–	–
	27,638	29,156	1,064	945

Included in other payables of the Group are:

(i) deposits received from house purchasers amounting to RM458,000 (2001 :RM720,000);
(ii) advances received on construction contracts amounting to RM2,599,000 (2001:RM7,698,000); and
(iii) a warranty payable of RM2,209,000 by a subsidiary arising from the merger of its insurance business in December 1999.

25. DUE TO SUBSIDIARIES

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

26. SHARE CAPITAL

	Number of Ordinary Shares of RM1.00 Each 2002 '000	Number of Ordinary Shares of RM1.00 Each 2001 '000	Amount 2002 RM'000	Amount 2001 RM'000
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid:				
At 1 January	100,199	99,958	100,199	99,958
Issued under ESOS	1,102	241	1,102	241
At 31 December	101,301	100,199	101,301	100,199

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

	Number of Ordinary Shares of RM1.00 Each Under Option '000	Option Price RM
As at 1 January 2002	2,261	1.00
Exercised	(784)	1.00
Cancelled	(3)	1.00
At 31 December 2002	1,474	
As at 1 January 2002	519	1.31
Exercised	(217)	1.31
Cancelled	(52)	1.31
At 31 December 2002	250	
As at 1 January 2002	228	1.52
Exercised	(17)	1.52
Cancelled	(33)	1.52
At 31 December 2002	178	
As at 1 January 2002	342	1.18
Exercised	(84)	1.18
Cancelled	(28)	1.18
At 31 December 2002	230	
Upon offer	224	1.73
Exercised	–	1.73
Cancelled	(5)	1.73
At 31 December 2002	219	

27. DEFERRED TAXATION

	Group	
	2002 RM'000	2001 RM'000
At 1 January	2,413	2,284
Transfer from income statement (Note 6)	–	129
At 31 December	2,413	2,413

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.

28. TERM LOANS

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
Secured				
Term loans	18,440	–	–	–
Unsecured				
Term loans	2,500	7,500	2,500	7,500
Amount repayable within 12 months (Note 22)	(2,500)	(5,000)	(2,500)	(5,000)
	–	2,500	–	2,500
Total	18,440	2,500	–	2,500
Maturity of borrowings				
Within one year	2,500	5,000	2,500	5,000
More than 1 year and less than 2 years	4,250	2,500	–	2,500
More than 2 years and less than 5 years	14,190	–	–	–
	20,940	7,500	2,500	7,500

The weighted average effective interest rate for the term loans of the Group and the Company during the financial year are as disclosed in Note 22.

The term loan of the Group is secured by first legal charge over the freehold land and building of a subsidiary as disclosed in Note 9.

29. PROVISION FOR RETIREMENT BENEFITS

	Group 2002 RM'000	Group 2001 RM'000	Company 2002 RM'000	Company 2001 RM'000
At 1 January 2002	577	571	250	218
Additional provision during the year	248	50	98	32
Utilisation of provision during the year	(43)	(44)	(20)	–
At 31 December 2002	782	577	328	250
Later than 1 year but not later than 2 years	215	–	180	–
Later than 2 years but not later than 5 years	24	215	–	160
Later than 5 years	543	362	148	90
	782	577	328	250

30. SIGNIFICANT EVENTS

During the year,

(a) The Company acquired 3,000,000 ordinary shares of US$0.0001 each in iCarnegie, Inc. for a total consideration of US$3,000,000 (equivalent to RM11.4 million) representing 20.31% of iCarnegie, Inc.'s outstanding share capital of 14,770,000.

(b) The Company increased its issued and paid-up capital from RM100,198,949 to RM101,300,949 via an issuance of 1,102,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS as disclosed as Note 26.

31. SUBSEQUENT EVENTS

(i) On 24 January 2003, the Company's subsidiary, Paramount Property Development Sdn. Bhd., entered into a conditional Sale and Purchase Agreement with Syarikat Pembangunan Hartanah Guthrie Sdn. Bhd., a wholly-owned subsidiary of Guthrie Property Development Holdings Sdn. Bhd., which in turn is a subsidiary of Kumpulan Guthrie Berhad, to acquire approximately 524.70336 acres of land located in the Mukim of Klang, Shah Alam, Selangor Darul Ehsan for a total cash consideration of RM169,134,980.

Foreign Investment Committee approved the proposed acquisition on 27 March 2003. The proposed acquisition is pending the approval of the shareholders.

(ii) Subsequent to the financial year end, the Company increased its issued and paid-up capital from RM101,300,949 to RM101,517,949 via an issuance of 217,000 new ordinary shares of RM1.00 each pursuant to the exercise of the ESOS.

32. COMMITMENTS

	Group	
	2002 RM'000	2001 RM'000
Capital expenditure:		
– approved and contracted for	11,713	47,034
– approved but not contracted for	11,319	–
Leasing commitments:		
– due within 12 months	614	1,241
– due after 12 months	26	576
	23,672	48,851

33. CONTINGENT LIABILITIES

	Company	
	2002 RM'000	2001 RM'000
Unsecured:		
Guarantees extended in support of banking and other credit facilities granted to subsidiaries	48,772	20,152

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Purchases of computers and peripherals from ECS KU Sdn. Bhd. (formerly known as *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	3,558	896	87	553
Consultancy fees charged by Tarrenz, Inc, a wholly owned corporation of Dr. Brian Shoy Teng To, a director of the Company	2,677	785	1,639	785
Insurance premium charged by Jerneh Insurance Berhad, an associated company	856	710	174	165
Rental charges paid to Damansara Uptown One Sdn. Bhd., a company in which a brother of Mr. Teo Chiang Quan has financial interest	666	523	316	316
Security services rendered by Strong Legacy Sdn. Bhd., a company in which a brother of Mr. Teo Chiang Quan and Dato' Md. Taib bin Abdul Hamid, also a director of the Company, has financial interest	65	–	–	–

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

35. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exposure, liquidity and credit risks. The Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt as the Group has no long-term interest-bearing assets as at 31 December 2002. The investment in financial assets are short-term in nature and they are not held for speculative purposes but have mostly been placed in fixed deposits.

(c) Foreign Exchange Risk

The Group's exposures to foreign exchange risk primarily arises from its investment in foreign subsidiaries and an associated company. Functional currencies in foreign subsidiaries and an associated company are mainly United States Dollar, Singapore Dollar and Hong Kong Dollar, giving rise to conversion exposure.

The Group is not exposed to significant foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia.

(d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of the funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash resources to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

(e) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(f) Fair Values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Marketable Securities

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Borrowings

The fair value of borrowings is estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements.

(iv) Due from/(to) Subsidiaries

It is not practical to determine the fair values of the balances due from/(to) subsidiaries principally due to a lack of fixed repayment terms. However, the Company does not anticipate the amounts that would eventually be received or settled to be materially different from their carrying amounts as disclosed in Notes 13, 20 and 25.

36. SEGMENTAL REPORTING

(a) Business segments:

The Group is organised into four major business segments:

(i) Property investment - the rental of residential and commercial properties;
(ii) Property development - the development of residential and commercial properties;
(iii) Construction - the construction of buildings and provision for engineering services;
(iv) Education - the operation of private educational institutions.

Other business segments include investment and management services, none of which are of a sufficient size to be reported separately.

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

(b) Geographical Segments:

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

(a) Business Segments:

2002	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	6,555	61,100	97,760	45,992	2,110	213,517		213,517
Inter-segment sales	2,826	–	40,963	–	16,224	60,013	(60,013)	–
Total revenue	9,381	61,100	138,723	45,992	18,334	273,530		213,517
Result								
Profit from operations	5,816	15,158	6,584	5,330	5,226	38,114	(12,991)	25,123
Finance (costs)/ income, net	(2,786)	436	(99)	(160)	2,051	(558)		(558)
Share of results of associated companies	–	–	–	–	2,862	2,862		2,862
Taxation								(11,188)
Profit after taxation								16,239
ASSETS AND LIABILITIES								
Segment assets	97,743	102,478	51,274	57,248	28,475	337,218		337,218
Investment in equity method of associates	–	–	–	–	36,544	36,544		36,544
								373,762
Segment liabilities	16,195	3,336	34,525	29,352	10,546	93,954		93,954
OTHER INFORMATION								
Capital expenditure	15,038	3,607	638	15,864	584	35,731		35,731
Depreciation	1,400	496	453	4,807	1,084	8,240		8,240
Amortisation of goodwill	–	–	–	–	662	662		662
Non- cash expenses other than depreciation, amortisation and impairment losses	27	12	1,604	303	99	2,045		2,045

2001	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	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
Result								
Profit from operations	5,744	13,760	5,365	10,441	8,987	44,297	(15,059)	29,238
Finance (costs)/ income, 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								23,295
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		27,266
								345,272
Segment liabilities	2,678	6,062	36,098	18,060	13,444	76,342		76,342
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
Amortisation of goodwill	–	–	–	–	450	450		450
Impairment losses	–	–	–	–	1,176	1,176		1,176
Non-cash expenses other than depreciation, amortisation and impairment losses	7	20	124	42	1,219	1,412		1,412

PARAMOUNT EQUITIES SDN BHD (Company No. 176348-A)

Level 8, Uptown 1, 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan
Tel: 03-7726 3000 Fax: 03-7726 9559

5 May 2003

The Board of Directors
Paramount Corporation Berhad
Level 8, Uptown 1
1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

NOMINATION OF AUDITORS

We, Paramount Equities Sdn Bhd, being a shareholder of Paramount Corporation Berhad, hereby give notice in accordance with Section 172(11) of the Companies Act, 1965, that we wish to nominate Messrs Ernst & Young of Level 23A Menara Melenium, Jalan Damanlela, Pusat Bandar Damansara,50490 Kuala Lumpur as the Auditors at the forthcoming Thirty-Third Annual General Meeting.

Yours faithfully

Signed
PARAMOUNT EQUITIES SDN BHD

PROXY FORM

PARAMOUNT℠
CORPORATION BERHAD (8578-A)

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-Third Annual General Meeting of the Company to be held at Topas Room, Ground Floor, Hyatt Regency Saujana, 2km, Off Sultan Abdul Aziz Shah Airport Highway, Saujana, 47200 Subang, Selangor Darul Ehsan on Tuesday, 27 May 2003 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	Dato' Md Taib Bin Abdul Hamid		
• Resolution 5	Ong Keng Siew		
• Resolution 6	Tan Sri Dato' Ahmad Sabki Bin Jahidin		
Resolution 7	Appointment of Messrs Ernst & Young as Auditors and to fix their remuneration		
Resolution 8	Authority to Directors to issue shares		

Dated this ____________________ day of ____________________ 2003.

NO. OF SHARES HELD

Signature/Common Seal

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

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