



PARAMOUNT CORPORATION BERHAD
(Company No.: 8578-A)



2000
ANNUAL REPORT

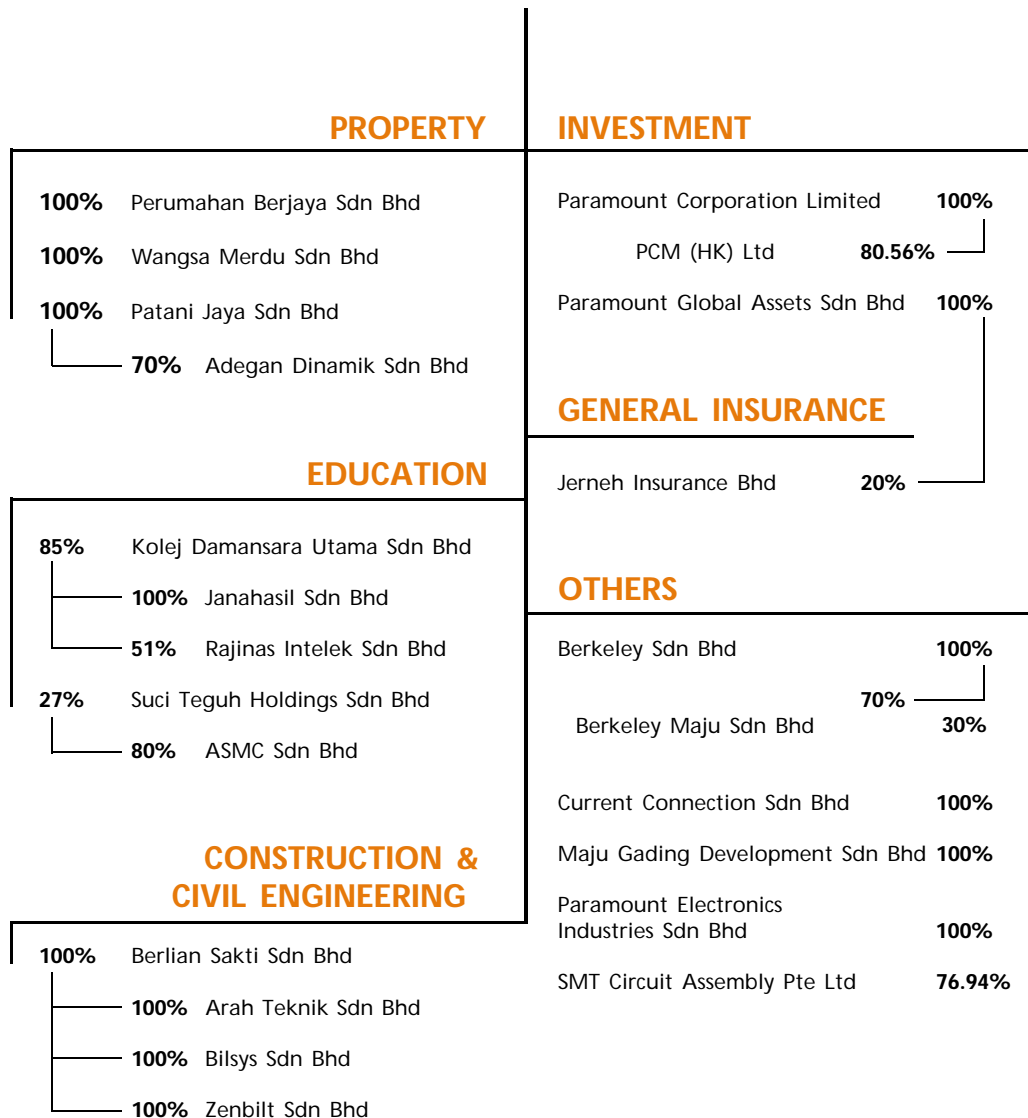
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GROUP CORPORATE STRUCTURE



PARAMOUNT CORPORATION BERHAD



NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting of the Company will be held at Topas Room, Ground Floor, Hyatt Regency Saujana, 2 km, Off Sultan Abdul Aziz Shah Airport Highway, Saujana, 47200 Subang, Selangor Darul Ehsan on Wednesday, 23 May 2001 at 10.00 a.m. for the following purposes:

NOTICE OF ANNUAL GENERAL MEETING

1. To receive and consider the Audited Accounts for the year ended 31 December 2000 together with the Reports of the Directors and the Auditors thereon.

RESOLUTION 1

2. To approve the declaration of a first and final dividend of 4.75%, less income tax at 28%, in respect of the year ended 31 December 2000.

RESOLUTION 2

3. To approve the payment of Directors' fees.

RESOLUTION 3

4. To re-elect the following Directors who retire pursuant to Article 119(a) of the Company's Articles of Association:

- i) Rohana Tan Sri Mahmood

RESOLUTION 4

- ii) Geh Cheng Hooi

RESOLUTION 5

5. To consider and, if thought fit, to pass the following resolution pursuant to Section 129 (6) of the Companies Act, 1965:

"That YABhg Tun Dato' Seri Haji Omar Yoke Lin Ong, a Director who retires in accordance with Section 129 (6) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

RESOLUTION 6

6. To appoint Auditors and to authorise the Directors to fix their remuneration.

RESOLUTION 7

7. As Special Business:

To consider and, if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

"That, subject to the Companies Act, 1965, Articles of Association of the Company and approval from Kuala Lumpur Stock Exchange and other Governmental or regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965 to issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percentum (10%) of the issued share capital of the Company for the time being."

RESOLUTION 8

Notice of Book Closure

Subject to the approval of the shareholders, a first and final dividend of 4.75%, less income tax at 28%, in respect of the year ended 31 December 2000, will be paid on 18 June 2001 to shareholders whose names appear in the Record of Depositors on 28 May 2001.

NOTICE IS HEREBY GIVEN that the Register of Members of the Company will be closed at 5.00 p.m. on 28 May 2001 for the purpose of determining shareholders' entitlement to the dividend.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into the depositor's securities account before 12.30 p.m. on 24 May 2001 (in respect of shares which are exempted from mandatory deposit);
- (b) Shares transferred into the depositor's securities account before 12.30 p.m. on 28 May 2001 in respect of ordinary transfers;
- (c) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

TAY LEE KONG
Secretary

Petaling Jaya
Selangor Darul Ehsan
8 May 2001

NOTES

APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 8, Uptown 1, 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the above meeting.

SPECIAL BUSINESS

3. The Ordinary Resolution proposed under item 7, if passed, will renew the powers given to the Directors at the last Annual General Meeting authority to issue up to ten percentum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company.

This authority will, unless revoked or varied by the Company in general meeting, expires at the conclusion of the next Annual General Meeting.



BOARD OF DIRECTORS

standing from left to right

Dato' Md. Taib bin Abdul Hamid
Member

Dato' Haji Azlan bin Hashim
Member

Geh Cheng Hooi
Member

Ong Keng Siew
*Deputy Group Managing Director &
Deputy Group Chief Executive Officer*

Teo Chiang Quan
*Group Managing Director &
Group Chief Executive Officer*

sitting from left to right

Tan Sri Dato' Ahmad Sabki bin Jahidin
Member

Tun Dato' Seri Haji Omar Yoke Lin Ong
Chairman

Rohana Tan Sri Mahmood
Member

from left to right

Teo Chiang Quan
*Group Managing Director
& Group Chief Executive Officer*

Oh Keng Kooi
Group Internal Auditor

Ong Keng Siew
*Deputy Group Managing Director
& Deputy Group Chief Executive Officer*

Dr Koo Wee Kor
Managing Director of Kolej Damansara Utama

Cheam Dow Sai
Group Financial Controller

Lau Say Min, Claudia
Group Human Resource Manager

Tay Lee Kong
Company Secretary

MANAGEMENT TEAM



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Tun Dato' Seri Haji Omar Yoke Lin Ong

SSM, PMN, SPMS, SPDK

Hon. Ph.D. (Malaya)

Hon. LLD. (Hanyang, Seoul)

Group Managing Director & Group Chief Executive Officer

Teo Chiang Quan

Deputy Group Managing Director & Deputy Group Chief Executive Officer

Ong Keng Siew

Members

Tan Sri Dato' Ahmad Sabki bin Jahidin*

PSM, DPMP, DIMP, JMN, KMN, SAP, PMP, PJK

Dato' Haji Azlan Bin Hashim*

DSNS, DSSA

Dato' Md. Taib bin Abdul Hamid

DSDK

Rohana Tan Sri Mahmood

Geh Cheng Hooi*

** Independent Non-Executive Directors*

SECRETARIES

Tay Lee Kong

Cheam Dow Sai

REGISTERED OFFICE

Level 8, Uptown 1

1 Jalan SS21/58, Damansara Uptown

47400 Petaling Jaya, Selangor Darul Ehsan

Telephone: 03-7726 3000

Facsimile: 03-7726 9559

e-mail: info@pcb.com.my

REGISTRAR

Securities Services (Holdings) Sdn Bhd

Level 22, Menara Milenium

Jalan Damansara

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

Telephone: 03-255 7077

Facsimile: 03-254 9940

AUDITORS

Arthur Andersen & Co.

Kuala Lumpur

SOLICITORS

S.K. Yeoh & Jeganathan

Eugene Lye & Co.

PRINCIPAL BANKERS

Malayan Banking Berhad

Oriental Bank Berhad

Commerce International Merchant Bankers Berhad

Aseambankers Malaysia Berhad

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange

AUDIT COMMITTEE

Chairman

Tan Sri Dato' Ahmad Sabki bin Jahidin

Members

Ong Keng Siew
Geh Cheng Hooi

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

Membership

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three members, a majority of whom shall be independent non-executive directors. The Chairman of the Committee shall be an independent non-executive director appointed by the Board.

Meetings

The Committee shall meet on a quarterly basis or at more frequent intervals as required to review internal audit reports and to deal with other matters within its terms of reference. A quorum shall be two members.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

Duties

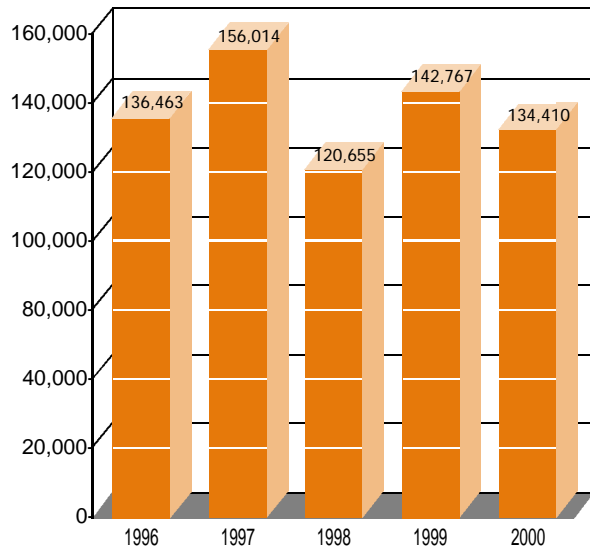
The duties of the Committee shall be:

- i) To provide assistance to the Board in
 - fulfilling its statutory and fiduciary responsibilities of the Company/Group, and
 - monitoring of accounting and financial reporting practices of the Company/Group.
- ii) To review the audit plans with the internal and external auditors and to ensure co-ordination between the auditors.
- iii) To review the audit report with the auditors.
- iv) To review the evaluation of the systems of internal accounting control with the auditors.
- v) To review the financial statements of the Company and the Group and thereafter to submit them to the Board.
- vi) To review any related party transactions that may arise within the Company or the Group.
- vii) To recommend the appointment and the remuneration thereon of the external auditors.
- viii) Any such other functions as may be agreed to by the Committee and the Board.

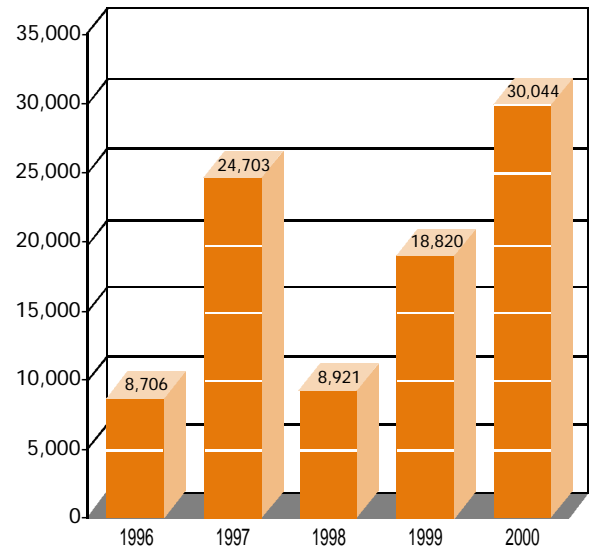
FIVE YEAR GROUP FINANCIAL PROFILE

	Year 31 Dec 1996 RM'000	Year 31 Dec 1997 RM'000	Year 31 Dec 1998 RM'000	Year 31 Dec 1999 RM'000	Year 31 Dec 2000 RM'000
TURNOVER	136,463	156,014	120,655	142,767	134,410
EARNINGS					
Profit from operations	4,094	15,162	11,957	18,633	23,954
Exceptional items	4,741	10,253	(1,899)	2,227	1,870
Share of profit/(loss) of associated companies	(129)	(712)	(1,137)	(2,040)	4,220
Profit before taxation	8,706	24,703	8,921	18,820	30,044
Taxation	(6,771)	(10,286)	(5,673)	318	(9,845)
Profit after taxation	1,935	14,417	3,248	19,138	20,199
Minority interests	1,264	(936)	239	(1,304)	(953)
Retained profits brought forward	3,199	13,481	3,487	17,834	19,246
As Previously Reported	37,623	38,424	48,398	49,417	64,034
Prior Year Adjustment	0	(1,040)	0	0	0
As Restated	37,623	37,384	48,398	49,417	64,034
Profits attributable to members of the Company	40,822	50,865	51,885	67,251	83,280
Net dividends paid and proposed	(2,398)	(2,467)	(2,468)	(3,217)	(3,419)
Retained profits carried forward	38,424	48,398	49,417	64,034	79,861
ASSETS EMPLOYED					
Fixed assets	123,015	141,448	136,569	132,814	144,508
Associated companies	4,175	3,011	2,040	22,252	25,830
Other investments	30,878	34,792	27,235	5,136	3,581
Non current development properties	37,724	44,082	48,882	47,534	47,204
Net current assets	25,310	36,540	35,464	42,531	40,629
Term Loan	(7,777)	(28,388)	(22,213)	(13,538)	(7,500)
Long Term Liabilities	(2,298)	(1,670)	(1,059)	(1,941)	(2,284)
Provision for Retirement Benefits	(403)	(428)	(479)	(516)	(571)
Minority Interests	(8,009)	(3,930)	(3,473)	(2,577)	(3,225)
Unearned Premium Reserve	(9,315)	(15,665)	(12,694)	0	0
Net tangible assets	193,300	209,792	210,272	231,695	248,172
Deferred Expenditure	69	0	0	0	0
Goodwill	10,262	7,998	5,432	0	0
Net Assets	203,631	217,790	215,704	231,695	248,172
FINANCED BY					
Share capital	97,890	97,890	97,955	99,279	99,958
Capital reserves	3,671	7,856	4,686	4,730	4,690
Share premium	63,646	63,646	63,646	63,652	63,663
Retained profits	38,424	48,398	49,417	64,034	79,861
Shareholders' funds	203,631	217,790	215,704	231,695	248,172
FINANCIAL STATISTICS					
(Per ordinary share of RM1 each)					
Earnings before taxation	10.8 sen	25.2 sen	9.1 sen	19.1 sen	30.1 sen
Earnings after taxation	3.9 sen	13.8 sen	3.6 sen	18.1 sen	19.3 sen
Dividends gross	3.5 sen	3.5 sen	3.5 sen	4.5 sen	4.75 sen
Dividend cover (times)	1.33	5.46	1.41	5.54	5.63
Net tangible assets	RM1.97	RM2.14	RM2.15	RM2.33	RM2.48

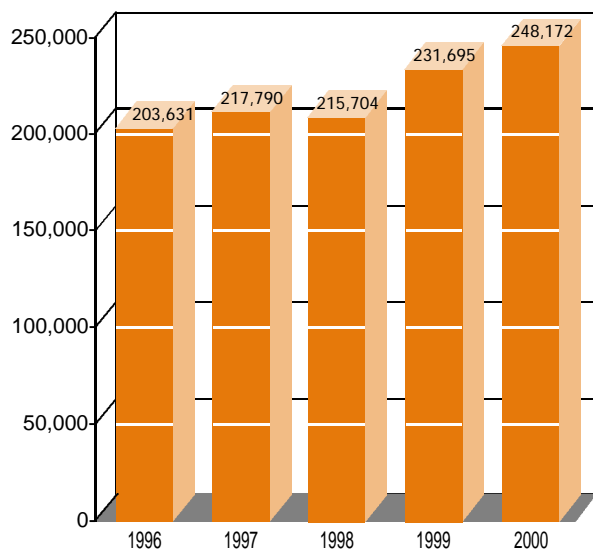
Turnover
(RM'000)



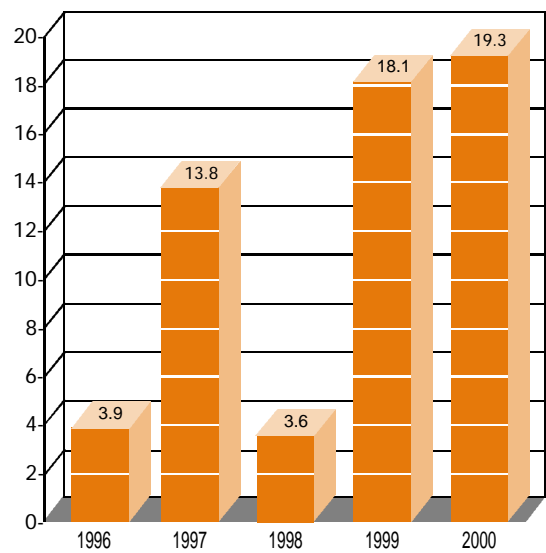
Profit Before Tax
(RM'000)



Shareholders' Funds
(RM'000)



Earnings Per Share
(sen)



On behalf of the Board of Directors, I am delighted to present to you the Thirty-First Annual Report and Audited Accounts of Paramount Corporation Berhad ("PCB" or "the Company") Group ("the Group") for the financial year ended 31 December 2000.

OPERATING BACKGROUND

The year 2000 had been another challenging and satisfying year for the Group. The fiscal and economic measures implemented by the Government had strengthened the overall macroeconomic fundamentals of Malaysia. The rebound in the Malaysian economy lifted market sentiments and consumer spending which had benefited the property market.

FINANCIAL REVIEW

For the year ended 31 December 2000, the Group did extremely well to surpass the RM30 million level in pre-tax profit.

- Revenue for the Group of RM134.41 million was marginally lower than the revenue of RM142.77 million in 1999. Revenue for the year under review would have represented a growth of 14.4%, if the revenue of RM25.28 million generated from the insurance business, which ceased operation in November 1999, was excluded from the 1999 revenue.
- Profit before tax increased by 59.6% to RM30.0 million from RM18.8 million in 1999, while profit attributable to shareholders improved to RM19.2 million from RM17.8 million in 1999, bearing in mind that 1999 was a tax waiver year.
- Earnings per share of 19.3 sen was higher than 18.1 sen in 1999.
- Net tangible assets per share rose 6% to RM2.48 compared to RM2.33 in 1999.



CHAIRMAN'S STATEMENT

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya mengemukakan Laporan Tahunan Ketiga Puluh Satu dan Akaun Teraudit Kumpulan ("Kumpulan") Paramount Corporation Berhad ("PCB" atau "Syarikat") bagi tahun kewangan berakhir 31 Disember 2000.

LATAR BELAKANG OPERASI

Tahun 2000 merupakan tahun yang mencabar dan memuaskan bagi Kumpulan. Langkah-langkah kewangan dan ekonomi yang dilaksanakan oleh Kerajaan telah memperkukuhkan asas keseluruhan makroekonomi Malaysia. Pemulihan ekonomi Malaysia telah meningkatkan sentimen pasaran dan perbelanjaan konsumer yang memanfaatkan pasaran harta.

TINJAUAN KEWANGAN

Bagi tahun berakhir 31 Disember 2000, Kumpulan mencapai prestasi yang amat baik dengan keuntungan sebelum cukai sebanyak RM30 juta.

- *Perolehan Kumpulan sebanyak RM134.41 juta adalah rendah sedikit berbanding dengan perolehan tahun 1999 sebanyak RM142.77 juta. Perolehan pada tahun yang ditinjau sepatutnya meningkat sebanyak 14.4 % sekiranya ditolak perolehan sebanyak RM25.28 juta daripada perniagaan insuran yang telah ditamatkan pada November 1999.*
- *Keuntungan sebelum cukai meningkat sebanyak 59.6% kepada RM30.0 juta daripada RM18.8 juta pada tahun 1999 manakala keuntungan yang boeh diagihkan kepada pemegang saham meningkat ke RM19.2 juta daripada RM17.8 juta pada tahun 1999. Perlu diingatkan bahawa tahun 1999 merupakan tahun bebas cukai.*
- *Pendapatan sesaham sebanyak 19.3 sen adalah lebih tinggi daripada 18.1 sen pada tahun 1999.*
- *Aset ketara bersih sesaham meningkat 6% ke RM2.48 berbanding dengan RM2.33 pada tahun 1999.*

At Company level, turnover was RM17.2 million compared to RM13.8 million in 1999 and pre-tax profit was RM10.74 million compared to RM6.89 million in 1999.

DIVIDEND

We are proposing that a first and final dividend of 4.75 sen per share, less 28% income tax, (1999: 4.5 sen per share, less 28% income tax) be paid to our shareholders.

CORPORATE DEVELOPMENT

On 10 January 2000, Enping Micro Metallic Company Limited ("EMMC"), a company incorporated in the People's Republic of China, ceased to be a subsidiary of PCB following the disposal by PCM (HK) Limited, (a 80.56% subsidiary company), of its entire 85% equity interest in EMMC, to a third party for a total cash consideration of HK\$1.8 million.

CORPORATE GOVERNANCE

The Finance Committee on Corporate Governance had in March 2000 issued the Malaysian Code on Corporate Governance, which sets out the principles of good corporate governance in Malaysia and the best practices for listed companies. Your Directors and senior management subscribe to strengthening corporate governance in the Group. The Group will continue its initiatives to create awareness and raise the effectiveness of its directors and senior management.

MARKET OUTLOOK

Although the Malaysian economy had rebounded in 2000, it is expected to continue its recovery at a slower rate in 2001 due to the recent decline in stock markets globally and the slowdown in U.S.A. and Japan, which could affect the local market sentiments.

Di peringkat Syarikat, jumlah perolehan adalah RM17.2 juta berbanding dengan RM13.8 juta pada tahun 1999 dan keuntungan sebelum cukai adalah RM10.74 juta berbanding dengan RM6.89 juta pada tahun 1999.

DIVIDEN

Kami mencadangkan supaya dividen pertama dan akhir sebanyak 4.75 sen sesaham tolak cukai pendapatan 28% (1999: 4.5 sen sesaham tolak cukai pendapatan 28%) dibayar kepada para pemegang saham.

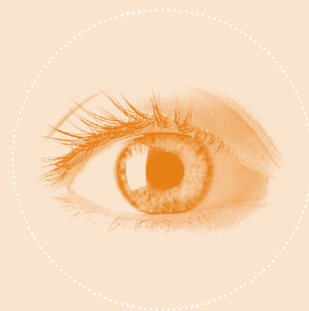
PERKEMBANGAN KORPORAT

Pada 10 Januari 2000, Enping Micro Metallic Company Limited ("EMMC"), sebuah syarikat yang diperbadankan di Republik Rakyat China tidak lagi menjadi subsidiari PCB berikutan penjualan oleh PCM (HK) Limited, (sebuah subsidiari 80.56%) keseluruhan 85% kepentingan ekuiti dalam EMMC, kepada pihak ketiga untuk pertimbangan tunai berjumlah HK\$ 1.8 juta.

PENGUASAAN KORPORAT

Jawatankuasa Kewangan berkenaan Penguasaan Korporat telah mengeluarkan pada Mac 2000 Kod Penguasaan Korporat Malaysia yang mengemukakan prinsip-prinsip penguasaan korporat yang baik untuk Malaysia serta amalan-amalan terbaik bagi syarikat tersenarai. Lembaga Pengarah serta pengurusan kanan memperakukan akan memperkuat penguasaan korporat Kumpulan PCB. Kumpulan akan menyambung inisiatif membina kesedaran serta meningkatkan kekesanan para pengarah dan pengurusan kanan.

We **aim** to be
at the forefront in
all that we do
through a continuous
creation of value.



Kami **berhasrat**
menjadi yang terutama
dalam semua kegiatan
melalui pembinaan nilai
secara berterusan.

The outlook for housing sector should remain positive with sustained demand for affordable and quality homes following the changes made for withdrawals from Employees Provident Fund for purchase of a second house and the availability of cheap financing.

The construction industry is expected to benefit from the government's initiatives on new infrastructure projects.

The education services industry though highly competitive should continue to grow, albeit at a more gradual growth rate. All the initiatives implemented will help to make Kolej Damansara Utama Sdn Bhd ("KDU") the select college for all discerning students.

PROSPECTS

Barring any unforeseen circumstances, the Board of Directors expects the Group's performance for the year 2001 to be comparable with that of the year ended 31 December 2000.

ACKNOWLEDGMENTS

Finally, on behalf of the Board, I would like to express my heartfelt gratitude to the staff for their hard work and commitment towards the achievement of the results.

To our shareholders and business associates, I thank you for your unfailing support and confidence.

TUN DATO' SERI HAJI OMAR YOKE LIN ONG

Chairman

TINJAUAN PASARAN

Walaupun ekonomi Malaysia bertambah pulih pada tahun 2000, adalah dijangka negara akan pulih pada kadar yang perlahan oleh kerana penurunan pasaran saham dunia baru-baru ini serta kemelesetan ekonomi Amerika Syarikat dan Jepun akan mempengaruhi sentimen pasaran tempatan.

Tinjauan untuk sektor perumahan akan kekal positif dengan permintaan yang kuat untuk rumah yang murah dan bermutu setelah perubahan dilakukan kepada keluaran dari Kumpulan Wang Simpanan Pekerja bagi tujuan membeli rumah kedua dan juga kemudahan kewangan yang berpatutan.

Industri pembinaan dijangka akan bermanfaat dari inisiatif kerajaan memulakan projek infrastruktur baru.

Industri perkhidmatan pendidikan walaupun bersaing hebat akan berkembang meskipun pada kadar yang perlahan-lahan. Segala inisiatif yang diambil akan menjadikan Kolej Damansara Utama Sdn. Bhd ("KDU") kolej terpilih bagi pelajar yang bijaksana.

PROSPEK

Berdasarkan tiada sebarang kejadian yang luar jangkaan berlaku, Lembaga Pengarah menjangkakan prestasi Kumpulan bagi tahun 2001 akan setaraf dengan tahun yang berakhir 31 Disember 2000.

PENGHARGAAN

Akhir kata, bagi pihak Lembaga, saya dengan penuh keikhlasan ingin mengucapkan rasa terhutang budi kepada kakitangan atas ketekunan usaha dan komitmen mereka ke arah pencapaian prestasi tahun ini. Kepada para pemegang saham dan rakan-rakan niaga, saya ucapkan ribuan terima kasih atas sokongan dan keyakinan setia anda.

TUN DATO' SERI HAJI OMAR ONG YOKE LIN

Pengerusi

I am pleased to inform members of PCB that the Group entered the new millennium by recording its best ever performance.

PROPERTY DEVELOPMENT

Patani Jaya Sdn Bhd ("PJSB"), the developer of Bandar Laguna Merbok ("BLM"), located 1.5 km from the Sungai Petani Northern Toll Interchange, continued to be the largest contributor to the group's earnings during the year under review.

Improved consumer sentiments together with the availability of attractive end financing packages and more importantly PJSB's reputation as a reputable developer resulted in the sale of 330 units valued at RM56.1 million during the year under review.

Since its launch in 1996, BLM had sold 1,300 units worth RM200 million. A total of 691 homes had been completed and handed over with certificates of fitness for occupation.

The project was officially launched by Kedah Menteri Besar YAB Dato' Seri Syed Razak Syed Zain Barakbah on 29 July 2000.

As testimony of our commitment in providing a healthy and pleasant living environment for residents in our development projects, homeowners of BLM will be given free membership to Kelab Bandar Laguna Merbok, a family recreational club. The construction of the club premises and recreational facilities, estimated at RM4 million, is scheduled for completion in early 2002.



CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

TINJAUAN OPERASI KETUA PEGAWAI EKSEKUTIF

Dengan sukacitanya saya ingin memaklumkan kepada ahli-ahli PCB bahawa Kumpulan memasuki alaf baru dengan mencapai prestasi yang terbaik.

PERKEMBANGAN HARTA

Patani Jaya Sdn Bhd ("PJSB"), pemaju Bandar Laguna Merbok ("BLM"), bertempat 1.5 km dari Interchange Tol Utara Sungai Petani, masih merupakan penyumbang utama kepada perolehan kumpulan pada tahun yang ditinjau.

Sentimen konsumen yang meningkat bersama dengan kemudahan pakej kewangan yang menarik, dan lebih penting lagi, reputasi PJSB, telah menghasilkan jualan sebanyak 330 unit bernilai RM56.1 juta pada tahun yang ditinjau.

Sejak dilancar pada tahun 1996, BLM telah menjual 1,300 unit bernilai RM200 juta. Sejumlah 691 rumah telah dibina dan diserahkan kepada pembeli dengan sijil kelayakan.

Pelancaran BLM ini telah dirasmikan oleh Menteri Besar Kedah YAB Dato' Seri Syed Razak Syed Zain Barakbah pada 29 Julai 2000.

Sebagai tanda komitmen membina persekitaran yang sihat dan nyaman untuk penghuni projek pembinaan, pembeli rumah diberi keahlian percuma Kelab Bandar Laguna Merbok, sebuah kelab rekreasi keluarga. Pembinaan premis dan kemudahan rekreasi kelab tersebut yang bernilai RM4 juta dijangka akan siap pada awal tahun 2002.

Selaras dengan transformasi Malaysia kepada sebuah ekonomi berasaskan pengetahuan, PJSB telah melancarkan website: www.blm.com.my pada September 2000 sebagai perkhidmatan untuk pembeli dan penghuni rumah di BLM.

In line with Malaysia's transformation into a knowledge based economy, PJSB launched its website: www.blm.com.my in September 2000 to provide value-added services to house buyers and homeowners of BLM.

PJSB recently submitted plans to the authorities for conversion of the proposed industrial units to residential houses to cater to market demand. The total number of units upon completion will increase from 3,155 units to 4,056 units.

PJSB will continue to seek and acquire suitable land with immediate development potential to ensure the availability of good development projects to generate continuous earnings in the future.

CONSTRUCTION

Berlian Sakti Sdn Bhd ("BSSB"), which undertakes the construction activities for both in-house and external projects, had performed extremely well in a difficult and highly competitive environment for the year under review.

Contract revenues from external projects increased to RM31.36 million for the year under review from RM6.30 million for the corresponding period in 1999. This contributed significantly to the Group's revenue and earnings respectively.

Attesting to BSSB's quality of its products and services, the company was awarded five new external contracts worth RM24 million during the period under review. In line with BSSB's diversification plans, three out of the five new contracts are non-housing projects. To date BSSB has orders in hand amounting to RM151 million.

BSSB's emphasis on effective management, safety and quality products has lead the Company to embark on a programme organised by the Construction Industry Development Board in its pursuit to gain ISO 9002 certification.



Kebelakangan ini PJSB telah menyerahkan kepada pihak yang berkuasa, rancangan pengubahan unit industri kepada unit kediaman untuk memenuhi permintaan pasaran. Jumlah unit yang dibina akan bertambah dari 3,155 ke 4,056 unit.

PJSB akan meneruskan usaha mencari dan memperolehi tanah yang sesuai dan berpotensi untuk dimajukan agar menjana perolehan untuk masa depan.

PEMBINAAN

Berlian Sakti Sdn Bhd ("BSSB"), yang menjalankan kegiatan pembinaan dalaman dan luaran, telah menunjukkan prestasi yang amat baik dalam persekitaran yang rumit dan bersaing tinggi pada tahun yang ditinjau.

Hasil kontrak dari projek luar meningkat ke RM31.36 juta pada tahun yang ditinjau dari RM6.30 juta untuk jangka masa yang sama pada tahun 1999. Ini telah menyumbang banyak kepada hasil dan perolehan kumpulan.

Sebagai bukti kualiti keluaran dan perkhidmatan BSSB, syarikat kami telah ditawarkan lima kontrak luar baru bernilai RM24 juta pada tahun yang ditinjau. Selaras dengan rancangan diversifikasi, tiga daripada lima kontrak baru tersebut merupakan projek bukan perumahan. Setakat ini BSSB mempunyai tempahan bernilai RM151 juta.

Penekanan BSSB ke atas pengurusan berkesan, keselamatan dan keluaran berkualiti, menggalakkan syarikat memulakan program anjuran Majlis Perkembangan Industri Pembinaan untuk mendapat sijil ISO 9002.

Dengan kejayaan yang ketara dalam semua projek pembinaan, khususnya harta perumahan di negeri Kedah, BSSB akan terus memperolehi projek yang sesuai bukan sahaja di wilayah utara bahkan di kawasan lain di negara ini.

With its proven successes in all its construction projects, particularly residential properties in Kedah, BSSB will continue to secure suitable projects not only in the northern region but in other parts of the country.

Blessed with a competent management team, rich pool of skilled resources and its financial strength, BSSB will seek wider involvement in other ventures such as civil and infrastructure works to increase its contract revenues and earnings contribution.

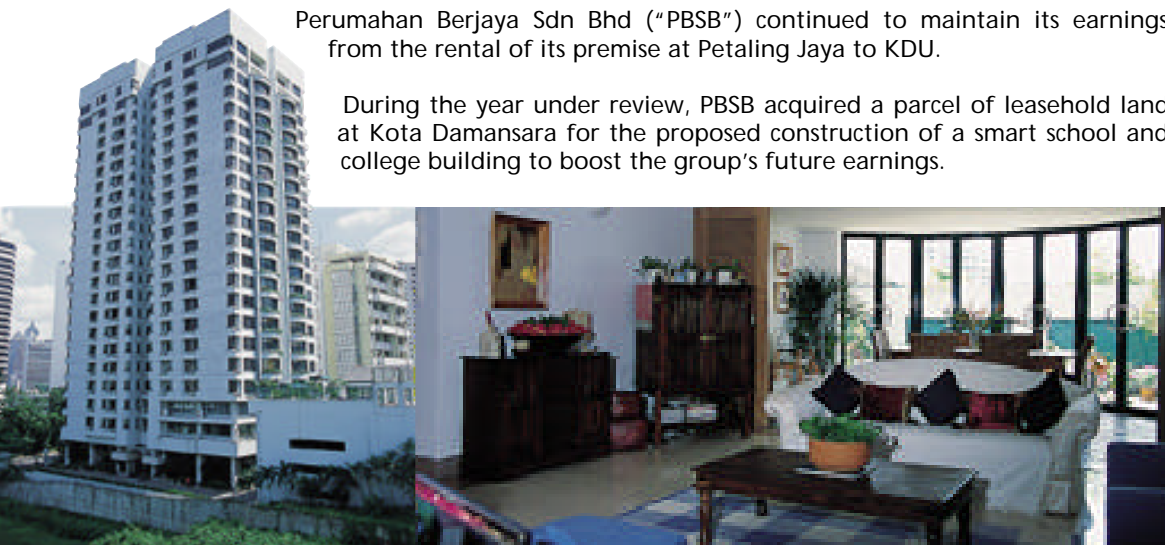
PROPERTY INVESTMENT

Despite the overall poor rental market for condominiums during the year under review, Wangsa Merdu Sdn Bhd's ("WMSB") Regency Tower, a 23 storey condominium comprising 76 units luxury apartment, recorded higher occupancy rates and improved rental rates attributed to its prime location at Jalan Ceylon.

Refurbishment and upgrading of facilities to enhance the comfort of tenants, maintaining efficient service standards and aggressive marketing are undertaken by WMSB to maximise occupancy rates at Regency Tower.

Perumahan Berjaya Sdn Bhd ("PBSB") continued to maintain its earnings from the rental of its premise at Petaling Jaya to KDU.

During the year under review, PBSB acquired a parcel of leasehold land at Kota Damansara for the proposed construction of a smart school and college building to boost the group's future earnings.



BSSB, dengan pasukan pengurusan yang cekap, sumber tenaga yang mahir dan kewangan yang kukuh, akan melibatkan diri dalam projek lain seperti kerja infrastruktur dan sivil untuk meningkatkan hasil kontrak dan sumbangan perolehan.

PELABURAN HARTA

Walaupun penyewaan untuk kondominium pada tahun yang ditinjau adalah rendah, Regency Tower, sebuah kondominium 23 tingkat yang mengandungi 76 unit pangsapuri mewah, kepunyaan Wangsa Merdu Sdn Bhd ("WMSB") telah mencatat kadar penyewaan dan penghunian yang tinggi kerana lokasinya di kawasan terbaik di Jalan Ceylon.

WMSB sentiasa memperbaiki kemudahan untuk keselesaan penghuni, meningkatkan mutu perkhidmatannya dan menjalankan pemasaran yang agresif untuk memaksimumkan kadar penghunian di Regency Tower.

Perumahan Berjaya Sdn Bhd (PBSB) dapat meneruskan pengekalan perolehan melalui penyewaan premisnya di Petaling Jaya kepada KDU.

Pada tahun yang ditinjau, PBSB telah memperolehi sebuah tanah pemegangan pajak di Kota Damansara untuk cadangan pembinaan sekolah bestari dan bangunan kolej supaya dapat meningkatkan perolehan kumpulan pada masa depan.

Through
Teamwork,
we build value-added
Quality
homes



Melalui
kerja
berpasukan
kami membina
kediaman nilai ditambah
yang **bermutu.**

We are an
**efficiency-
driven**
quality education
provider.



Kami mempertengahan
kecekapan
sebagai pembekal
pendidikan yang
bermutu.

PLANTATION

For the year under review, earnings from Dindings Oil Palm Estate continued to be affected by the decline in the price of crude palm oil. The lower yield from its old palms further affected the earnings.

In line therewith the group had timely embarked on a replanting programme to replace the older palms.

EDUCATIONAL SERVICES

Despite the competitive market, KDU's three campuses were able to maintain their student numbers and registered a growth of 8.8% in fee revenue for the period under review. KDU, the second largest contributor to the Group's earnings, continued to perform well and increased its earnings substantially.

In a span of 18 years, KDU has become a household name in private tertiary education not only in Malaysia but also internationally, with students from more than 25 countries pursuing higher education in all its three campuses. This good mix allows all the students the opportunity to have a rich cross-cultural experience apart from the excellent conducive study environment.

During the year under review, all KDU campuses qualified as approved "3+0" colleges that offer students a more cost-effective route to obtaining prestigious degrees from Australian and British universities right here in Malaysia.



PERLADANGAN

Bagi tahun yang ditinjau, perolehan dari Dindings Oil Palm Estate masih dipengaruhi oleh kemerosotan harga minyak mentah kelapa sawit. Kadar hasil dari pokok kelapa sawit tua juga telah mempengaruhi perolehan.

Oleh demikian Kumpulan telah memulakan program menanam semula untuk menggantikan pokok yang tua.

PERKHIDMATAN PENDIDIKAN

Walau pun persaingan pasaran pendidikan amat tinggi, ketiga-tiga kampus KDU dapat mengekalkan bilangan pelajar dan telah merekodkan pertumbuhan 8.8% dalam hasil yuran bagi tahun yang ditinjau. KDU, yang merupakan penyumbang kedua kepada perolehan Kumpulan, telah meneruskan prestasi yang baik serta menambah perolehannya.

Dalam jangka masa 18 tahun, KDU telah menjadi nama terkenal dalam pendidikan tinggi swasta bukan sahaja di Malaysia bahkan juga di luar negeri. Terdapat pelajar dari 25 buah negara yang menuntut di ketiga-tiga kampus KDU. Hal ini memberi peluang kepada pelajar menikmati pengalaman kebudayaan yang kaya selain dari persekitaran yang kondusif untuk pembelajaran.

Pada tahun yang ditinjau, ketiga-tiga kampus KDU mendapat kelayakan sebagai kolej "3+0" yang menawarkan pelajar cara yang kos efektif untuk memperolehi ijazah dari universiti Australia dan Britain di Malaysia.

In April 2000, the School of Computing and Information Systems at the Petaling Jaya campus was granted the much coveted Multimedia Super Corridor ("MSC") status. The recognition stands as a testimony to KDU's sustained academic quality and reputation, particularly in the field of Information and Communication technologies.

KDU's Penang campus is poised for further growth with Phase II being implemented currently. Budgeted at a cost of approximately RM20 million, Phase II will add an additional 170,000 sq.ft. area to the existing campus, making a total of 300,000 sq.ft. with a capacity for 4,500 students. Among the new facilities to be added are a 1,000 seater auditorium, a computer centre, new laboratories, lecture theatres and a host of other amenities for the benefits of the students and staff.

In December 2000, KDU SibU moved to a new and larger premise fitted with excellent facilities to provide quality education in a conducive educational environment. The facilities at the three-storey building include a state-of-art lecture theatre with tele-conferencing facilities, computer and engineering laboratories and lecture rooms.

During the year under review, KDU successfully obtained the ISO 9002 certification for its Petaling Jaya campus. Spurred by this success the Penang campus is embarking on obtaining the same certification.

KDU provides approximately RM1.5 million annually in academic scholarships and assistance to the less fortunate and deserving students. KDU has also contributed in many ways to provide enrichment programmes and computer skill courses to secondary school children and teachers to prepare them for an ever changing study environment in the near future.



Pada April 2000 Sekolah Komputer dan Sistem Maklumat di Kampus Petaling Jaya telah dianugerahkan status Koridor Raya Multi Media (MSC). Pengiktirafan ini membuktikan kualiti akademik dan reputasi KDU khususnya dalam bidang Teknologi Maklumat dan Komunikasi.

Kampus KDU Pulau Pinang akan kian berkembang dengan pelaksanaan Fasa II kini. Dengan perbelanjaan RM20 juta, Fasa II akan menambah 170,000 kaki persegi kepada saiz kampus, menjadikan jumlah 300,000 kaki persegi untuk menampung sebanyak 4,500 pelajar. Antara kemudahan yang akan ditambah ialah sebuah auditorium sebesar 1,000 kerusi, sebuah pusat komputer, makmal baru, dewan kuliah dan pelbagai jenis kemudahan untuk manfaat pelajar dan kakitangan.

Pada Disember 2000, KDU SibU telah berpindah ke premis yang baru dan lebih besar. Kampus baru ini mengandungi kemudahan yang terbaik untuk membekalkan pendidikan berkualiti dalam persekitaran yang kondusif. Kemudahan dalam bangunan tiga tingkat ini termasuklah dewan kuliah berteknologi terkini dengan kemudahan tele-konferens, makmal komputer dan kejuruteraan serta bilik kuliah.

Pada tahun yang ditinjau KDU telah berjaya mendapat pensijilan ISO 9002 untuk kampus Petaling Jaya. Dengan kejayaan ini Kampus Pulau Pinang juga akan turut cuba mendapat pensijilan yang sama.

KDU menawar setiap tahun lebih kurang RM1.5 juta biasiswa dan bantuan akademik untuk pelajar yang layak dari segi kemampuan kewangan dan prestasi akademik. KDU juga menyumbang dalam beberapa cara kepada program pengkayaan dan kursus kemahiran komputer bagi pelajar dan guru sekolah menengah untuk menyediakan mereka menghadapi persekitaran pembelajaran yang sentiasa berubah.

During the year under review, KDU continued to maintain 2-megabit leased lines at its Petaling Jaya and Penang campuses to provide fast Internet access for all its students and staff. The fast leased line facilities provide improved communication and efficient information sharing between the campuses, and KDU's partners world-wide making it the only college in Malaysia with this facility.

KDU continually updates and improves its website: www.kdu.edu.my to provide more comprehensive information, better customer service which includes capabilities for online registration, on-line counselling and Online Public Access Catalogue.

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

KDU has initiated plans to set up primary and secondary Smart Schools in the Klang Valley and other parts of the country. As the Smart School concept is part of the MSC Initiative, this effort will complement the government's plans in transforming the educational system and creating a new generation of knowledge workers to power the K-economy.

Furthermore these smart schools would serve as feeder schools to KDU's colleges. These smart schools together with KDU's colleges would provide a total solution for complete education from primary right up to tertiary qualifications.

The first KDU smart school, to be located at Kota Damansara, is scheduled to be opened in January 2003, which will coincide with the national roll-out of the government smart schools

INVESTMENT

The Group's investment in insurance via a 20% equity in Jerneh Insurance Berhad, contributed positively to the Group's results during the year under review.

Pada tahun yang ditinjau KDU mengekal talian sewa 2-megabit di kampus Petaling Jaya dan Pulau Pinang untuk access Internet yang laju bagi pelajar dan staf. Kemudahan ini meningkatkan komunikasi dan perkongsian maklumat antara kampus serta rakan niaga di seluruh dunia. KDU merupakan kolej tunggal di Malaysia yang mempunyai kemudahan ini.

KDU sentiasa mengemaskini dan membaiki websitenya: www.kdu.edu.my untuk memberi maklumat komprehensif, perkhidmatan pelanggan yang lebih baik seperti pendaftaran on-line, kaunseling on-line dan On-line Public Access Catalogue.

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

KDU telah mula merancang membina Sekolah Bestari di peringkat rendah dan menengah di Lembah Kelang dan kawasan lain di negara ini. Memandangkan Konsep Sekolah Bestari adalah sebahagian dari Inisiatif MSC, usaha ini akan membantu rancangan kerajaan mereka semula sistem pendidikan untuk membina generasi baru pekerja pengetahuan untuk ekonomi-K.

Tambahan lagi sekolah bestari ini akan menjadi sumber pelajar untuk kampus KDU. Sekolah bestari bersama kolej KDU akan menjadi penyelesaian menyeluruh untuk pendidikan yang lengkap dari peringkat sekolah rendah hingga ke kelayakan tertinggi.

Sekolah Bestari KDU yang pertama di Kota Damansara dijangka akan membuka pintu pada Januari 2003 bersamaan dengan permulaan pelaksanaan sekolah bestari kerajaan di seluruh negara.

PELABURAN

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

ENTERPRISE RESOURCE PLANNING (ERP)

In seeking to improve its overall operational efficiency and establish an integrated system to replace and/or to interface with front end systems, an ERP Steering Committee was set up to oversee the implementation of the Group's ERP.

The ERP will further automate operational and financial processes for improved customer service, increased productivity, efficiency and cost control. The enhanced quality of data mining provides accurate and timely financial, operational and human resource information for better management control and leverage in decision making.

Initial phase of the ERP will replace the current financial package systems, streamline the financial processes, interface with existing front-end systems in order to provide better financial management reporting and analysis.

HUMAN RESOURCES

To complement developments in the IT infrastructure and the revamp in work processes, initiatives to prepare our staff for the knowledge-based economy are put in place.

In-house and external training programmes provide the staff exposure to new ideas, technological developments and the necessary IT knowledge and skills to meet the challenges of this ever changing world.

TEO CHIANG QUAN

Group Managing Director & Group Chief Executive Officer

PERANCANGAN SUMBER PERUSAHAAN (ERP)

Dengan tujuan meningkatkan efisiensi operasi menyeluruh serta membina suatu sistem bersepadu menggantikan atau bertembung dengan sistem lain, Jawatankuasa Pemandu ERP telah ditubuhkan untuk mengawal pelaksanaan ERP bagi Kumpulan.

ERP akan mengautomatikan proses operasi dan kewangan bagi meningkatkan perkhidmatan pelanggan, menambah produktiviti, efisiensi serta mengawal kos. Peningkatan kualiti pemprosesan data memberi maklumat kewangan, operasi dan sumber manusia yang lebih tepat dan terkini untuk pengawalan pengurusan dan pembuatan keputusan yang lebih bijak.

Fasa awal ERP akan menggantikan pakej sistem kewangan kini, memurnikan proses kewangan, bertembung dengan sistem lain kini untuk membolehkan pelaporan dan analisis pengurusan kewangan yang lebih baik.

SUMBER MANUSIA

Untuk melengkapkan perkembangan dalam infrastruktur IT dan pengubahsuaian proses kerja, inisiatif telah diambil untuk menyediakan staf kami untuk ekonomi berasaskan pengetahuan.

Program latihan dalaman dan luaran telah mendedahkan staf kepada idea baru, perkembangan teknologi serta pengetahuan dan kemahiran yang diperlu untuk menangani cabaran dunia yang sentiasa berubah ini.

TEO CHIANG QUAN

Pengarah Urusan Kumpulan & Ketua Pegawai Eksekutif Kumpulan

Our **goal** is to be a
financially sound,
efficient and flexible Group
that is geared to take
advantage of
technological
developments.



Matlamat kami
adalah menjadi
Kumpulan yang kukuh,
cekap dan lentur serta
mendapat faedah daripada
perkembangan
teknologi.

STATISTICS OF SHAREHOLDINGS as at 13 April 2001

SHARES CAPITAL

Authorised capital	:	RM200,000,000
Issued and fully paid-up	:	RM99,961,949
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 – 499	134	2.35	26,918	0.03
500 – 5,000	4,562	79.89	9,952,837	9.96
5,001 – 10,000	568	9.95	4,624,111	4.63
10,001 – 100,000	397	6.95	10,840,348	10.84
100,001 – 1,000,000	36	0.63	10,230,594	10.23
Over 1,000,000	13	0.23	64,287,141	64.31
Total	5,710	100.00	99,961,949	100.00

TWENTY (20) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shareholdings	%
1. HSBC Nominees (Tempatan) Sdn Bhd	22,349,783	22.36
2. Serata Kaya Sdn Bhd	10,639,000	10.64
3. Southern Acids (M) Berhad	5,519,000	5.52
4. DB (Malaysia) Nominee (Asing) Sdn Bhd	4,821,750	4.82
5. CIMB Nominees (Tempatan) Sdn Bhd	4,600,000	4.60
6. Asean Malaysia Nominees (Tempatan) Sdn Bhd	3,350,000	3.35
7. Bunga Indah (M) Sdn Bhd	3,309,391	3.31
8. Southern Realty (M) Sdn Bhd	2,999,000	3.00
9. Thye Heng (How Kee) Company Sdn Bhd	2,205,000	2.21
10. Angsana Sutera Sdn Bhd	1,924,000	1.92
11. Glamour Partnership Sdn Bhd	1,466,000	1.47
12. OUB Nominees (Asing) Sdn Bhd	1,191,000	1.19
13. Paramount Equities Sdn Bhd	1,161,467	1.16
14. Yayasan Kelantan Darulnaim	958,000	0.96
15. HDM Nominees (Asing) Sdn Bhd	859,563	0.86
16. Teo Kwee Hock	791,000	0.79
17. Sin Heap Lee Equities Sdn Bhd	765,307	0.77
18. Mayban Securities Nominees (Asing) Sdn Bhd	546,250	0.55
19. RHB Capital Nominees (Tempatan) Sdn Bhd	475,000	0.48
20. Arab-Malaysian Finance Berhad	417,000	0.42
Total	70,347,511	70.38

SUBSTANTIAL SHAREHOLDERS (As shown in the Register of Substantial Shareholders)

Name	No. of Ordinary shares of RM1.00 each		Percentage of issued share capital (%)
	Direct	Indirect	
Paramount Equities Sdn Bhd	31,325,000	–	31.34
Teo Chiang Quan	108,000	31,654,888 (1)	31.77
Southern Acids (M) Berhad	5,519,000	–	5.52
Serata Kaya Sdn Bhd	10,639,000	5,519,000 (2)	16.16
Southern Edible Oil Sdn Bhd	333,000	16,158,000 (3)	16.50
Southern Realty Sdn Bhd	2,999,000	16,491,000 (4)	19.50
Banting Hock Hin Estate Co Sdn Bhd	184,000	19,490,000 (5)	19.68
Dato' Low Mong Hua	67,000	19,674,000 (6)	19.75
Bunga Indah (M) Sdn Bhd	3,309,391	–	3.31
Gemwood Limited	4,821,750	–	4.82
See Hoy Chan Sdn Berhad	–	3,309,391 (7)	3.31
Teo Soo Chew	–	3,309,391 (7)	3.31
Teo Soo Weng	–	3,309,391 (7)	3.31
Teo Soo Kiat	–	3,309,391 (7)	3.31
Teo Chiang Khai	–	3,659,279 (8)	3.66
HSBC Nominees (Tempatan) Sdn Bhd	22,349,783 (9)	–	22.36
<i>Beneficial owners:</i>			
Victor Hoe Eng Sim	7,500	–	
Tan Gek Kee	7,000	–	
Yeo Ngai Lee	1,000	–	
Kamlesh Komari A/P Uttam Chand	1,250	–	
Chua Chai Wu	19,000	–	
Paramount Equities Sdn Bhd	22,213,533	–	
Rajadurai S/O Chelliah	500	–	
Shenyin For Teh Hong Eng	100,000	–	
DB (Malaysia) Nominee (Asing) Sdn Bhd	4,821,750 (9)	–	4.82
<i>Beneficial owner:</i>			
Gemwood Limited	4,821,750	–	
CIMB Nominees (Tempatan) Sdn Bhd	4,600,000 (9)	–	4.60
<i>Beneficial owner:</i>			
Paramount Equities Sdn Bhd	4,600,000	–	
Aseam Malaysia Nominees (Tempatan) Sdn Bhd	3,350,125 (9)	–	3.35
<i>Beneficial owners:</i>			
Paramount Equities Sdn Bhd	3,350,000	–	
Aseambankers Malaysia Berhad	125	–	

NOTE:

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 Sdn Bhd, Serata Kaya Sdn Bhd and Southern Acids (M) Berhad
5. By virtue of its deemed interest in Southern Realty Sdn Bhd, Southern Edible Oil Sdn Bhd, Serata Kaya Sdn Bhd and Southern Acids (M) Berhad
6. By virtue of his deemed interest in Banting Hock Hin Sdn Bhd, Southern Realty Sdn Bhd, Southern Edible Oil Sdn Bhd, Serata Kaya Sdn Bhd and Southern Acids (M) Berhad
7. By virtue of their deemed interest in Bunga Indah (M) Sdn Bhd
8. By virtue of his deemed interest in Bunga Indah (M) Sdn Bhd, Esteem Corporation Sdn Bhd and Teo Soo Pin Sdn Berhad
9. As Bare Trustees.

SCHEDULE OF PROPERTIES held by The Group

Location of Property	Description & Existing Use	Age of Building	Tenure	Land Area (Sq.Ft.)	NBV As at 31.12.2000 (RM'000)
Jalan Ceylon City of Kuala Lumpur Wilayah Persekutuan	23-storey residential condominium block consisting of 76 units of luxury apartment known as Regency Tower Existing use: Tenanted	12 years	Freehold	40,238	49,728
Jalan 3/109C Off Jalan Kelang Lama Wilayah Persekutuan	Office Floor Existing use: Vacant	8 years	99 years lease commencing 21-01-1979	Strata Title	204
Jalan SS22/21, Petaling Jaya Selangor Darul Ehsan	6-storey commercial institute Existing use: KDU Petaling Jaya Campus	18 years	Freehold	123,900	9,195
Lots 2, 3 & 4, Jalan Teknologi PSB 2/1 Kota Damansara, Petaling Jaya Selangor Darul Ehsan	Land Existing use: Vacant	–	30 years lease commencing 02-11-2000	520,543	10,385
A11-1, Bandar Sri Damansara Mukim of Sungai Buluh Petaling Jaya Selangor Darul Ehsan	4-Storey Shopoffice Existing use: Store	4 years	Freehold	1,760	705
Lot 11882 to 11886, HS(D) 13157 to 13161 T/K Jalan Batu Tiga Klang, Selangor Darul Ehsan	Land Existing use: Vacant	–	Freehold	6,698	3
Mukim of Pengkalan Bahru District of Manjung Perak Darul Ridzuan	Oil Palm Plantation Existing use: Dindings Oil Palm Estate	–	Freehold	74,090,932	5,839
Mukim of Sungai Petani and Sungai Pasir District of Kuala Muda Kedah Darul Aman	Land approved for commercial and residential development (Taman Patani Jaya) Existing use: Vacant	–	Freehold	485,695	970
Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land approved for commercial and residential development (Bandar Laguna Merbok) Existing use: Current phases of development	–	Freehold	3,364,849	15,430
Mukim of Sungai Petani District of Kuala Muda Kedah Darul Aman	Land approved for commercial and residential development (Bandar Laguna Merbok) Existing use: Future phases of development	–	Freehold	15,314,624	63,478
Geran 2672, Lot 460 Mukim of Pulau, District of Baling Kedah Darul Aman	Agricultural Land Existing use: Vacant	–	Freehold	758,428	649

Location of Property	Description & Existing Use	Age of Building	Tenure	Land Area (Sq.Ft.)	NBV As at 31.12.2000 (RM'000)
Geran 1711, Lot 1143 Mukim of Semiling, District of Kuala Muda Kedah Darul Aman	Agricultural Land Existing use: Vacant	–	Freehold	644,453	1,668
21 Lorong 20 Taman Patani Jaya 08000 Sungai Petani Kedah Darul Aman	3-storey Shopoffice Existing use: Office Premise	13 years	Freehold	1,540	247
No 19 & 19A Lorong 1 Taman Sutera 08000 Sungai Petani Kedah Darul Aman	2-storey Shopoffice (corner lot) Existing use: Vacant	9 years	Freehold	2,967	265
No 7, Lorong 1 Taman Sutera 08000 Sungai Petani Kedah Darul Aman	2-storey Shopoffice Existing use: Tenanted	9 years	Freehold	1,680	190
Nos 9, 11, 31 & 39, Lorong 1 Taman Sutera 08000 Sungai Petani Kedah Darul Aman	4 units of 2-storey Shopoffice Existing use: Vacant	9 years	Freehold	6,720	760
Jalan Anson Daerah Timur Laut George Town, Penang	5-storey commercial institute Existing use: KDU Penang Campus	4 years	Freehold	90,966	18,349
No 12, Jalan Khaw Sim Bee 10450 Penang	4-storey Apartment Existing use: Hostel	6 years	Freehold	15,565	3,142
No 16, Lorong Binajaya 3 Kawasan Perusahaan Ringan Usahajaya Permatang Tinggi 14000 Bukit Mertajam	2-storey detached factory Existing use: Vacant	2 years	Freehold	1,916	178
Nos 2, 4, 6, 8, 10, 12, 14 & 16 Jalan Pala 12 Kawasan Ind. Ringan Permatang Tinggi 14000 Bukit Mertajam	8 units of 2 storey semi-detached factories Existing use: Vacant	2 years	Freehold	52,000	2,724
Senai 111 Industrial Park Johor Bahru Johor Darul Takzim	Factory Land & Building Existing use: Vacant	4 years	30 years lease commencing 28-02-1996	164,221	7,853
10/F, Parkview Commercial Building, 9-11 Shelter Street Causeway Bay, Hong Kong	Office Floor Existing use: Office Premise	18 years	999 years lease commencing 20-05-1889	1,400	2,091

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December, 2000.

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 35 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	19,246	7,137

DIVIDENDS

Since the end of the previous financial year, the Company paid a final dividend of 4.50% less 28% taxation amounting to RM3,216,638 in respect of dividend declared for the financial year ended 31 December, 1999.

The directors propose and recommend a final dividend of 4.75% less 28% taxation amounting to RM3,418,562 in respect of the current financial year.

SIGNIFICANT EVENT

The significant event is disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENT

The event subsequent to the year end is disclosed in Note 31 to the financial statements.

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Company was increased from RM99,278,949 to RM99,957,949 via the issuance of 679,000 new ordinary shares as disclosed in Note 18 to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the consolidated statement of changes in equity in Note 19 to the financial statements.

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 which would require any amount to be written off as bad debts or render the amounts provided for as doubtful debts in the financial statements of the Company and of the Group 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 their values as shown in the accounting records of the Company and of the Group 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 Company and of the Group 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 methods of valuation of assets or liabilities of the Company and of the Group 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 Company or of the Group 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 Company or of the Group 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 Company or of the Group 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 Company or of the Group which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company and of the Group 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 Company or of the Group for the financial year in which this report is made.

EMPLOYEE SHARE OPTION SCHEME

Under the Group's Employee Share Option Scheme ("ESOS")

- (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.

DIRECTORS

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

Tun Dato' Seri Haji Omar Yoke Lin Ong
Teo Chiang Quan
Ong Keng Siew
Tan Sri Dato' Ahmad Sabki bin Jahidin
Dato' Haji Azlan bin Hashim
Dato' Md. Taib bin Abdul Hamid
Rohana Tan Sri Mahmood
Geh Cheng Hooi

Tun Dato' Seri Haji Omar Yoke Lin Ong retires pursuant to Section 129 of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as a director under the provision of Section 129 (6) of the said Act to hold office until the next Annual General Meeting of the Company.

In accordance with Article 119(a) of the Company's Articles of Association, Rohana Tan Sri Mahmood and Geh Cheng Hooi retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Other than those disclosed in this report and benefits included in Notes 24 and 25 to the financial statements:

- (i) 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.
- (ii) Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with 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 for any benefit which may be deemed to have arisen by virtue of those contracts, agreements and transactions for supply of goods and services, construction, insurance and rental of premises, entered into in the ordinary course of business between the companies in the Group and corporations in which certain directors are deemed to have an interest and a management agreement entered into between a company in the Group and a company in which a director has substantial interest, for the provision of management and consultancy services.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1.00 Each Registered holdings in the name of directors			
	At 1 January y, 2000	Bought	Sold	At 31 December , 2000
The Company				
Teo Chiang Quan	8,000	100,000	–	108,000
Ong Keng Siew	13,000	–	–	13,000

	Other holdings in which directors are deemed to have an interest			
	At 1 January y, 2000	Bought	Sold	At 31 December , 2000
Teo Chiang Quan	31,654,888	–	–	31,654,888
Dato' Md. Taib bin Abdul Hamid	10,000	40,000	–	50,000

Kolej Damansara Utama Sdn. Bhd.

Rohana Tan Sri Mahmood	353,000	–	–	353,000
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	Number of Ordinary Shares of HK1.00 Each Registered holdings in the name of a director			
	At 1 January y, 2000	Bought	Sold	At 31 December , 2000
Paramount Corporation Limited				
Teo Chiang Quan*	1	–	–	1

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

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

Options over Number of Ordinary Shares of RM1.00 Each				
	At 1 January, 2000	Granted	Exercised	At 31 December, 2000
Granted in 1998 at an option price of RM1.00 per share				
Teo Chiang Quan	360,000	–	100,000	260,000
Ong Keng Siew	252,000	–	–	252,000

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.

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.

NUMBER OF EMPLOYEES AND REGISTERED OFFICE

The number of employees in the Company and the Group at the end of the year were 24 (1999 : 26) and 535 (1999 : 486) respectively. The registered office of the Company is located at Level 8, Uptown 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

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
Selangor Darul Ehsan
22 February 2001

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 34 to 63 give a true and fair view of the state of affairs of the Company and of the Group as at 31 December, 2000 and of the results and cash flows of the Company and of the Group for the year then ended, and have been properly drawn up in accordance with 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
Selangor Darul Ehsan
22 February 2001

STATUTORY DECLARATION

I, CHEAM DOW SAI, the officer primarily responsible for the financial management of PARAMOUNT CORPORATION BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 34 to 63 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 CHEAM DOW SAI)
at Petaling Jaya in Selangor Darul Ehsan)
on 22 February 2001) **CHEAM DOW SAI**

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 34 to 63. 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 statements 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 Company and of the Group as at 31 December, 2000 and of the results and cash flows of the Company and of the Group 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;
- (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 35 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 Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for these purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

Arthur Andersen & Co.
No. AF 0103
Public Accountants

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

22 February 2001

CONSOLIDATED BALANCE SHEET

– 31 December, 2000

	Note	2000 RM'000	1999 RM'000
CURRENT ASSETS			
Cash and bank balances		1,004	1,899
Term deposits	3	39,958	39,456
Debtors	4	30,300	32,393
Development properties	5	15,430	9,743
Due from customers	6	524	1,511
Stocks	7	289	347
		<u>87,505</u>	<u>85,349</u>
CURRENT LIABILITIES			
Short term borrowings	8	6,192	14,461
Creditors	9	29,570	23,645
Due to customers	10	1,942	–
Taxation		5,753	1,495
Proposed dividend		3,419	3,217
		<u>46,876</u>	<u>42,818</u>
NET CURRENT ASSETS		40,629	42,531
NON-CURRENT DEVELOPMENT PROPERTIES	13	47,204	47,534
INVESTMENT IN ASSOCIATED COMPANIES	15	25,830	22,252
OTHER INVESTMENTS	16	3,581	5,136
FIXED ASSETS	17	144,508	132,814
		<u>261,752</u>	<u>250,267</u>
FINANCED BY:			
SHARE CAPITAL	18	99,958	99,279
RESERVES	19	148,214	132,416
		<u>248,172</u>	<u>231,695</u>
SHAREHOLDERS' FUNDS		248,172	231,695
LONG TERM LIABILITIES	20	2,284	1,941
TERM LOANS	21	7,500	13,538
PROVISION FOR RETIREMENT BENEFITS		571	516
MINORITY INTERESTS		3,225	2,577
		<u>261,752</u>	<u>250,267</u>

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

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December, 2000

	Note	2000 RM'000	1999 RM'000
Revenue	22	134,410	142,767
Other operating income	23	4,839	8,653
Changes in stocks of finished goods, work in progress & development properties		5,726	(9,690)
Contract costs		(63,247)	(37,208)
Harvesting costs		(1,075)	(1,403)
Staff costs	24	(25,541)	(29,565)
Depreciation		(7,072)	(8,813)
Other operating expenses	25	(21,665)	(46,528)
Profit from operations		26,375	18,213
Finance (costs)/income, net	26	(551)	2,647
Share of profits/(losses) of associated companies		4,220	(2,040)
Profit before taxation		30,044	18,820
Taxation	27	(9,845)	318
		20,199	19,138
Minority interest		(953)	(1,304)
Net profit for the year		19,246	17,834
Basic earnings per share	29	19.29	18.10
Fully diluted earnings per share	29	18.59	17.39

The accompanying notes are an integral part of this statement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December, 2000

	< ————— Non Distributable ————— >Distributable					
	Shar e capital RM'000	Shar e premium RM'000	Revaluation reserves RM'000	Translation reserves RM'000	Retained profit RM'000	Total RM'000
At 1.1.1999	97,955	63,646	3,532	1,154	49,417	215,704
Currency translation differences	—	—	—	44	—	44
Net profit for the year	—	—	—	—	17,834	17,834
Dividends (Note 28)	—	—	—	—	(3,217)	(3,217)
Exercise of option under the Employee Share Option Scheme	1,324	6	—	—	—	1,330
At 1.1.2000	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 28)	—	—	—	—	(3,419)	(3,419)
Exercise of option under the Employee Share Option Scheme	679	11	—	—	—	690
At 31.12.2000	99,958	63,663	3,532	1,158	79,861	248,172

The accompanying notes are an integral part of this statement.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December, 2000

	2000 RM'000	1999 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	30,044	18,820
Adjustments for:		
Depreciation	7,072	8,813
Fixed assets written off	343	585
Bad and doubtful debts	–	118
Gain on disposal of fixed assets	(707)	(369)
Gain on disposal of quoted investments	(1,906)	(5,253)
Gain on sale of a subsidiary	(952)	–
Reserves for unexpired risks	–	117
Foreign exchange reserve	(32)	3
Provision for retirement benefits	110	172
(Profit)/loss retained in associated companies	(4,220)	2,040
Amortisation/write off of goodwill arising on consolidation	–	6,211
Amortisation of premium on Malaysian Government Securities	–	18
Provision for/(writeback of) diminution in value of investments	1,765	(1,032)
Accretion of discount on Malaysian Government Treasury Bill	–	(24)
Interest expenses	1,652	2,729
Interest income	(1,663)	(5,415)
Operating profit before working capital changes	31,506	27,533
Decrease/(increase) in debtors	2,244	(6,156)
Decrease/(increase) in due to/from customer	2,929	(1,623)
(Increase)/decrease in development properties	(5,357)	11,431
Decrease in stocks	58	763
Increase in creditors	7,028	115
Cash generated from operations	38,408	32,063
Tax paid	(5,704)	(6,096)
Retirement benefits paid	(39)	(134)
Interest paid	(1,652)	(2,729)
Interest received	1,663	5,415
Net cash generated from operating activities	32,676	28,519

	2000 RM'000	1999 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of shares from minority interest	–	(2,402)
Purchase of fixed assets	(19,288)	(8,048)
Purchase of other investments	(15,141)	(24,275)
Purchase of shares in associated company net of cash transferred	–	(22,252)
Proceeds from disposal of fixed assets	892	1,921
Proceeds from disposal of other investments	17,717	30,363
Net cash used in investing activities	(15,820)	(24,693)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	690	1,330
Dividend paid	(3,217)	(2,468)
Dividend paid to minority interests	(305)	(577)
Repayment of borrowings	(8,785)	(8,762)
Net cash used in financing activities	(11,617)	(10,477)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,239	(6,651)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	35,569	56,622
NET CASH AND CASH EQUIVALENTS OF GENERAL INSURANCE BUSINESS DISPOSED	–	(14,402)
CASH AND CASH EQUIVALENTS AT END OF YEAR	40,808	35,569
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,004	1,899
Term deposits	39,958	39,456
Overdraft	(154)	(5,786)
	40,808	35,569

The accompanying notes are an integral part of this statement.

BALANCE SHEET

– 31 December, 2000

	Note	2000 RM'000	1999 RM'000
CURRENT ASSETS			
Cash and bank balances		23	186
Term deposits	3	1,700	–
Debtors	4	1,021	1,021
Stocks	7	17	16
Due from subsidiaries		41,577	47,907
		<u>44,338</u>	<u>49,130</u>
CURRENT LIABILITIES			
Short term borrowings	8	5,095	5,000
Other creditors		767	622
Due to subsidiaries	11	34,325	32,171
Proposed dividend		3,419	3,217
		<u>43,606</u>	<u>41,010</u>
NET CURRENT ASSETS		732	8,120
DUE FROM A SUBSIDIARY	12	39,490	39,490
SUBSIDIARIES	14	139,284	131,284
INVESTMENT IN ASSOCIATED COMPANIES	15	–	–
OTHER INVESTMENTS	16	552	1,502
FIXED ASSETS	17	6,869	7,107
		<u>186,927</u>	<u>187,503</u>
FINANCED BY:			
SHARE CAPITAL	18	99,958	99,279
RESERVES	19	79,251	75,522
		<u>179,209</u>	<u>174,801</u>
SHAREHOLDERS' FUNDS			
TERM LOANS	21	7,500	12,500
PROVISION FOR RETIREMENT BENEFITS		218	202
		<u>186,927</u>	<u>187,503</u>

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

INCOME STATEMENT

for the year ended 31 December, 2000

	Note	2000 RM'000	1999 RM'000
Revenue	22	17,206	13,800
Other operating income	23	991	2,231
Harvesting costs		(1,075)	(1,403)
Staff costs	24	(1,614)	(1,672)
Depreciation		(487)	(589)
Other operating expenses	25	(3,050)	(3,649)
		<hr/>	<hr/>
Profit from operations		11,971	8,718
Finance costs, net	26	(1,230)	(1,826)
		<hr/>	<hr/>
Profit before taxation		10,741	6,892
Taxation	27	(3,604)	(1,347)
		<hr/>	<hr/>
Net profit for the year		<hr/> 7,137	<hr/> 5,545

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December, 2000

	< ----- Non Distributable ----- >				Distributable	
	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Translation reserves RM'000	Retained profit RM'000	Total RM'000
At 1.1.1999	97,955	63,646	3,532	2,855	3,155	171,143
Net profit for the year	-	-	-	-	5,545	5,545
Dividends (Note 28)	-	-	-	-	(3,217)	(3,217)
Exercise of option under the Employee Share Option Scheme	1,324	6	-	-	-	1,330
At 1.1.2000	99,279	63,652	3,532	2,855	5,483	174,801
Net profit for the year	-	-	-	-	7,137	7,137
Dividends (Note 28)	-	-	-	-	(3,419)	(3,419)
Exercise of option under the Employee Share Option Scheme	679	11	-	-	-	690
At 31.12.2000	99,958	63,663	3,532	2,855	9,201	179,209

The accompanying notes are an integral part of this statement.

CASH FLOW STATEMENT

for the year ended 31 December, 2000

	2000 RM'000	1999 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,741	6,892
Adjustment for:		
Depreciation	487	590
Fixed assets written off	278	-
Gain on disposal of quoted investments	(883)	(2,227)
Interest expense	1,230	1,826
Interest income	(2,420)	(2,449)
Provision for diminution in value in associated company	-	2,040
Gain on disposal of fixed assets	(101)	-
Provision for retirement benefit	24	39
Provision for diminution in value in investment	1,334	217
Operating profit before working capital changes	10,690	6,928
(Increase)/decrease in debtors	(162)	21
Increase in stock	(1)	(5)
Increase in creditors	145	402
Increase/(decrease) in subsidiaries	7,150	(204)
Cash generated from operations	17,822	7,142
Interest paid	(1,230)	(1,826)
Tax paid	(3,442)	(2,435)
Retirement benefit paid	(8)	-
Net cash generated from operating activities	13,142	2,881
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	2,420	2,449
Increase in cost of investment in subsidiary	(8,000)	(5,122)
Proceeds from sale of fixed assets	101	-
Proceeds from sale of quoted investment	1,833	3,832
Purchase of fixed assets	(527)	(135)
Purchase of quoted investments	-	(395)
Net cash (used in)/generated from investing activities	(4,173)	629

	2000 RM'000	1999 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	690	1,330
Dividend paid	(3,217)	(2,468)
Repayment of borrowings	(5,000)	(5,000)
Net cash used in financing activities	(7,527)	(6,138)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,442	(2,628)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	186	2,814
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	1,628	186
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	23	186
Fixed deposits with financial institutions	1,700	-
Bank overdraft	(95)	-
	1,628	186

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

– 31 December, 2000

1. 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 35.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of an investment in a subsidiary and certain freehold land and buildings and comply with applicable approved accounting standards in Malaysia.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. Inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The excess of the cost of investment over the fair value of the net assets of subsidiaries at the date of acquisition is set off against current year reserve arising on consolidation and is included in the consolidated balance sheet as goodwill arising on consolidation. The amount is amortised over five years.

(c) Investments

- (i) Investment in the subsidiary, Perumahan Berjaya Sdn. Berhad, is stated at directors' valuation.

Investments in the other subsidiary companies are stated at cost less provision for any permanent diminution in value.

- (ii) The Group treats as associated companies those companies in which a long term equity interest of between 20% and 50% is held and where it exercises significant influence through management participation.

Investment in associated companies is stated at cost less provision for any permanent diminution in value. Included in cost of investment is goodwill on acquisition relating to the excess of the cost of investment over the fair value of the net assets of associated companies at the date of acquisition which is not amortised.

The Group's share of results of associated companies is based upon audited or management financial statements as at 31 December. Its share of post acquisition reserves and losses is included in the carrying value of the investments in the consolidated balance sheet.

- (iii) Quoted investments are stated at the lower of cost and market value on an aggregate basis by category of investment except that if the diminution in value of a particular investment is not regarded as temporary, provision is made against the value of that investment.

- (iv) Unquoted investments are stated at cost and provision is made for any permanent diminution in value.

(d) Income from Investment

Interest income is recognised on an accrual basis whilst dividend income is recognised when declared.

(e) Income Recognition

Income from sale of houses and construction contracts are recognised on a percentage of completion method where the outcome of these project or contracts can be determined to a reasonable degree of certainty. Any estimated losses on these projects or contracts are recognised in advance of completion to the extent determinable.

(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) Fixed Assets and Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment loss.

Depreciation is not provided on the freehold land.

Leasehold land, buildings, improvements and renovations are depreciated over the period of the respective leases.

On all other assets, depreciation is computed on the straight-line method based on the estimated useful lives of the assets at the following annual rates:

Freehold buildings	1% – 2%
Estate development expenditure	5%
Plant, equipment, furniture, fixtures and fittings	10% – 33.33%
Motor vehicles	20% – 25%
Renovation	10%

(i) Stocks

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

- Completed properties – on specific identification basis and includes land, all direct building costs and other related development cost
- Stores and consumables – first-in, first-out

(j) Due from/to Customers

Due from/to customers comprise construction expenditure valued at cost plus attributable profits less foreseeable losses and progress billings. Cost includes direct materials, labour, sub-contract sum and attributable overheads paid or payable.

(k) Development Properties

Development properties are stated at cost plus attributable profit less losses and progress billings. Cost include cost of land under development, all direct building costs and other related development costs including interest expenses directly related to the financing of the development.

Development properties categorised within current assets are those properties where significant development work has been undertaken and are expected to be completed within the normal operating cycle. Current development properties are valued at the lower of cost and net realisable value.

(l) Defer red 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 in the foreseeable future.

(m) Currency Conversion and Translation

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those 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 approximating those ruling at that date.

Unrealised gain arising from the translation of long term monetary assets and liabilities are taken to reserves. Translation losses in excess of amounts in reserves are charged to the income statement.

All other exchange gains or losses are dealt with in the income statement.

The assets and liabilities of foreign subsidiaries have been translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. On consolidation, gains arising on translation are taken to reserves. Translation losses in excess of amounts in reserves are charged to the income statement.

The exchange rates ruling at balance sheet date used are as follows:

	2000	1999
Singapore Dollar	2.142	2.261
Hong Kong Dollar	0.482	0.484

(n) 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.

(o) Yayasan KDU

A subsidiary company grants allocation of scholarship, study grants and study loans to deserving students via contributions to Yayasan KDU.

(p) 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. TERM DEPOSITS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Licensed banks	35,061	31,703	1,700	-
Licensed finance companies	4,897	7,443	-	-
Other financial corporations	-	310	-	-
	<u>39,958</u>	<u>39,456</u>	<u>1,700</u>	<u>-</u>

Included in term 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 RM3,908,000 (1999 : RM3,660,000).

Included in the term deposits for the Group is an amount of RM370,000 (1999 : RM441,000) which has been pledged as security for guarantee and overdraft facilities granted by the banks.

4. DEBTORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade debtors	22,857	16,180	80	202
Other debtors	7,825	16,595	941	819
	<u>30,682</u>	<u>32,775</u>	<u>1,021</u>	<u>1,021</u>
Provision for doubtful debts	(382)	(382)	-	-
	<u>30,300</u>	<u>32,393</u>	<u>1,021</u>	<u>1,021</u>

Included in the trade debtors is retention sum of RM2,638,000 (1999 : RM1,587,000).

5. DEVELOPMENT PROPERTIES

	Group	
	2000 RM'000	1999 RM'000
Properties in the course of development:		
Freehold land at cost	13,682	11,097
Development expenditure	121,666	83,354
	<u>135,348</u>	<u>94,451</u>
Attributable profits	45,645	29,380
	<u>180,993</u>	<u>123,831</u>
Progress billings received and receivable	(165,563)	(114,088)
	<u>15,430</u>	<u>9,743</u>

6. DUE FROM CUSTOMERS

	Group	
	2000 RM'000	1999 RM'000
Costs incurred	8,682	31,402
Attributable profits	753	4,895
	<hr/>	<hr/>
	9,435	36,297
Less: Progress billings	(8,911)	(34,786)
	<hr/>	<hr/>
	524	1,511
	<hr/>	<hr/>

7. STOCKS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Estate stores	17	16	17	16
Stationery and consumables	272	331	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	289	347	17	16
	<hr/>	<hr/>	<hr/>	<hr/>

8. SHORT TERM BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unsecured				
Bank overdraft	154	5,786	95	–
Current portion of long-term loans (Note 21)	6,038	8,675	5,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
	6,192	14,461	5,095	5,000
	<hr/>	<hr/>	<hr/>	<hr/>

The above borrowings bear interest at rates of between 7.5% to 7.95% (1999 : 8.3% to 10.55%) per annum.

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

9. CREDITORS

	Group	
	2000 RM'000	1999 RM'000
Trade creditors	10,618	6,939
Other creditors	10,904	9,264
Tuition fees paid in advance	4,814	3,736
Tenants deposits	1,514	1,479
Refundable deposits	1,720	2,227
	<u>29,570</u>	<u>23,645</u>

Included in trade creditors and other creditors are retention sum and deposits received from house purchasers amounting to RM159,000 (1999 : RM141,000) and RM447,000 (1999 : RM546,000) respectively.

10. DUE TO CUSTOMERS

	2000 RM'000	1999 RM'000
Costs incurred	78,676	–
Attributable profits	11,273	–
	<u>89,949</u>	<u>–</u>
Progress billings	(91,891)	–
	<u>(1,942)</u>	<u>–</u>

11. DUE TO SUBSIDIARIES

The advances are unsecured, interest free and repayable on demand.

12. DUE FROM A SUBSIDIARY

The amount due from a subsidiary bears interest at 6% (1999 : 6%) per annum with no fixed terms of repayment. The amount is not repayable within the next twelve months.

13. NON-CURRENT DEVELOPMENT PROPERTIES

	Group	
	2000 RM'000	1999 RM'000
Properties held for future development		
Freehold land at cost	31,739	32,135
Development expenditure including interest capitalised of RM41,894 (1999 : RM41,894)	15,465	15,399
	<u>47,204</u>	<u>47,534</u>

14. SUBSIDIARIES

	Company	
	2000 RM'000	1999 RM'000
Unquoted shares, at cost	127,275	119,275
Write down in value of investment in subsidiary companies	(10,490)	(10,490)
	<hr/>	<hr/>
Unquoted shares, at valuation	116,785	108,785
	22,499	22,499
	<hr/>	<hr/>
	139,284	131,284
	<hr/>	<hr/>

15. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unquoted shares, at cost	25,973	25,973	3,721	3,721
Write down in value of investment	–	–	(3,721)	(3,721)
Share of post-acquisition accumulated losses	(143)	(3,721)	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	25,830	22,252	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Represented by:				
Share of net tangible assets of associated companies	23,582	20,004		
Goodwill on acquisition	2,248	2,248		
	<hr/>	<hr/>		
	25,830	22,252		
	<hr/>	<hr/>		

16. OTHER INVESTMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Quoted at cost:				
– in Malaysia	5,039	4,826	245	1,195
Provision for diminution in value	(1,765)	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	3,274	4,826	245	1,195
	<hr/>	<hr/>	<hr/>	<hr/>
Unquoted, at cost	307	307	307	307
	<hr/>	<hr/>	<hr/>	<hr/>
Unsecured notes	–	3	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	3,581	5,136	552	1,502
	<hr/>	<hr/>	<hr/>	<hr/>
Market value:				
Quoted shares	3,871	6,906	841	2,652
Unsecured notes	–	2	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	3,871	6,908	841	2,652
	<hr/>	<hr/>	<hr/>	<hr/>

17. FIXED ASSETS

Group	<- At Valuation/ Cost -> <----- At Cost ----->			
	Land and buildings** RM'000	Estate development expenditur e RM'000	Plant, equipment, furniture, fixtures, fittings and motor vehicles RM'000	Total RM'000
At 1 January, 2000	130,884	3,349	48,108	182,341
Additions	12,223	142	6,923	19,288
Disposals	-	-	(2,520)	(2,520)
Transfer	-	-	13	13
Write-off	-	-	(663)	(663)
Translation differences	8	-	-	8
At 31 December, 2000	143,115	3,491	51,861	198,467
Accumulated Depreciation				
At 1 January, 2000	9,141	3,281	32,539	44,961
Charge for the year	1,512	28	5,532	7,072
Disposals	-	-	(2,271)	(2,271)
Write-offs	-	-	(385)	(385)
Translation differences	1	-	7	8
At 31 December, 2000	10,654	3,309	35,422	49,385
Write down of fixed assets				
At 1 January, 2000	1,040	-	3,526	4,566
Translation differences	2	-	6	8
At 31 December, 2000	1,042	-	3,532	4,574
Net Book Value				
At 31 December, 2000	131,419	182	12,907	144,508
At 31 December, 1999	120,703	68	12,043	132,814
Depreciation charge for 1999	1,616	165	7,032	8,813

	** Land and Buildings			
	<-At Valuation ->	<-----At Cost ----->		
	Freehold Land RM'000	Leasehold land and buildings RM'000	Freehold land and buildings RM'000	Total RM'000
At 1 January, 2000	1,982	13,242	115,660	130,884
Translation differences	-	8	-	8
Additions	-	10,442	1,781	12,223
At 31 December, 2000	1,982	23,692	117,441	143,115
Accumulated Depreciation				
At 1 January, 2000	-	1,700	7,441	9,141
Charge for the year	-	416	1,096	1,512
Translation difference	-	1	-	1
At 31 December, 2000	-	2,117	8,537	10,654
Write-down of fixed assets				
At 1 January, 2000	-	1,040	-	1,040
Translation difference	-	2	-	2
At 31 December, 2000	-	1,042	-	1,042
Net Book Value				
At 31 December, 2000	1,982	20,533	108,904	131,419
At 31 December, 1999	1,982	10,502	108,219	120,703
Depreciation charge for 1999	-	555	1,061	1,616

Company	< ----- At Cost ----- >			
	Freehold estate land and building RM'000	Estate development expenditur e RM'000	Plant, equipment, furniture, fixtures, fittings and motor vehicles RM'000	Total RM'000
At 1 January, 2000	5,870	3,349	3,175	12,394
Additions	–	142	385	527
Disposals	–	–	(161)	(161)
Write-off	–	–	(663)	(663)
At 31 December, 2000	5,870	3,491	2,736	12,097
Accumulated Depreciation				
At 1 January, 2000	29	3,281	1,977	5,287
Additions	3	28	456	487
Disposals	–	–	(161)	(161)
Write-offs	–	–	(385)	(385)
At 31 December, 2000	32	3,309	1,887	5,228
Net Book Value				
At 31 December, 2000	5,838	182	849	6,869
At 31 December, 1999	5,841	68	1,198	7,107
Depreciation charge for 1999	3	165	422	590

- (a) The freehold land of a subsidiary company was revalued by the directors based on independent professional valuations on 27 May, 1980. The direct comparison method and the contractor's method of valuation were used as the basis of valuation.

The freehold land has not been revalued since they were 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.

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, 2000 would be RM35,000. The surplus arising from the revaluation was credited to capital reserve of the subsidiary company.

- (b) Included in the cost of the Group and of the Company are fully depreciated assets amounting to RM14,304,000 (1999 : RM10,154,000) and RM4,303,000 (1999 : RM749,000) respectively which are still in use.

18. SHARE CAPITAL

	Group and Company 2000 RM'000	1999 RM'000
Ordinary shares of RM1.00 each:		
Authorised	200,000	200,000
Issued and fully paid		
At 1 January	99,279	97,955
Issued under ESOS	679	1,324
At 31 December	99,958	99,279

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 Each Under Option '000	Option Price RM
As at 1 January, 2000	3,927	1.00
Exercised	(645)	1.00
Cancelled	(469)	1.00
At 31 December, 2000	2,813	
As at 1 January, 2000	816	1.31
Exercised	(34)	1.31
Cancelled	(154)	1.31
As at 31 December, 2000	628	
Upon offer	300	1.52
As at 31 December, 2000	300	

19. RESERVES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Non-distributable reserves:				
(a) Share premium				
At 1 January	63,652	63,646	63,652	63,646
Arising from exercise of ESOS	11	6	11	6
At 31 December	63,663	63,652	63,663	63,652
(b) Translation Reserve				
At 1 January	1,198	1,154	2,855	2,855
Translation of foreign subsidiary's financial statements and long-term monetary assets and liabilities	(40)	44	–	–
At 31 December	1,158	1,198	2,855	2,855
(c) Surplus Arising from Revaluation of Investment				
At 1 January and 31 December	3,532	3,532	3,532	3,532
Total non-distributable reserves	68,353	68,382	70,050	70,039
Distributable reserve:				
Retained profits	79,861	64,034	9,201	5,483
	148,214	132,416	79,251	75,522

20. LONG TERM LIABILITIES

	Group	
	2000 RM'000	1999 RM'000
Deferred taxation (Note a)	2,284	1,876
Hire purchase creditors (Note b)	–	65
	2,284	1,941

	Group	
	2000 RM'000	1999 RM'000
(a) Deferred taxation		
At 1 January	1,876	1,391
Transfer from income statement	408	485
At 31 December	<u>2,284</u>	<u>1,876</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.

	Group	
	2000 RM'000	1999 RM'000
(b) Hire purchase creditors		
Hire purchase creditors	-	191
Interest in suspense	-	(44)
	<u>-</u>	<u>147</u>
Amount payable within 12 months included in other creditors	-	(82)
	<u>-</u>	<u>65</u>
Amount repayable after 1 year up to 2 years	-	

21. TERM LOANS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unsecured				
Term loan	13,538	22,213	12,500	17,500
Amount repayable within 12 months (Note 8)	(6,038)	(8,675)	(5,000)	(5,000)
	<u>7,500</u>	<u>13,538</u>	<u>7,500</u>	<u>12,500</u>

The term loan of a subsidiary is secured by way of corporate guarantee from the Company and is repayable by 16 equal quarterly instalments commencing 7 February, 1996 and bears interest ranging from 7.75% to 7.95% (1999 : 8.05% to 9.30%) per annum.

The term loan of the Company is repayable by 20 equal quarterly instalments commencing 1 July, 1999 and bears interest rate at 8.0% to 8.8% (1999 : 8.80% to 10.05%) per annum.

22. REVENUE

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

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Progress payment received	49,722	61,662	–	–
Revenue from projects	31,367	6,295	–	–
Fees	45,191	40,281	–	–
Sales of goods	1,927	3,607	1,927	3,607
Others	5,510	30,554	–	–
Interest – third party	552	80	51	80
– subsidiary	–	–	2,369	2,369
Dividends (gross) from:				
Subsidiaries	–	–	12,830	7,707
Quoted investment in Malaysia	141	288	29	37
	<u>134,410</u>	<u>142,767</u>	<u>17,206</u>	<u>13,800</u>

Revenue for the Company represents gross dividends from investments, interest income and proceeds from sale of oil palm fresh fruit bunches.

Revenue for the Group represents progress billings received and receivable from development properties sold net of discounts and rebates, gross dividends from investments, interest and rental receivable, tuition and registration fees, proceeds from sale of oil palm fresh fruit bunches, direct and reinsurance inwards premiums less returns and reinsurance outwards premiums and the value of work certified for progress billings from completed and uncompleted contracts.

23. OTHER OPERATING INCOME

Included in the other operating income are the following:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Gain on sale of fixed assets	707	369	101	–
Rental income	698	867	–	–
Bad debt recovered	–	1,309	–	–
Accretion of discount on Malaysian Government Treasury bill	–	24	–	–
Gain on disposal of a subsidiary	952	–	–	–
Gain on disposal of quoted investments	1,906	5,253	883	2,227
	<u>1,906</u>	<u>5,253</u>	<u>883</u>	<u>2,227</u>

24. STAFF COSTS

Included in the staff costs of the Group and the Company are salaries paid to directors amounting to RM2,079,000 (1999 : RM2,292,000) and RM198,000 (1999 : RM194,000) respectively.

25. OTHER OPERATING EXPENSES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Included in other operating expenses are:				
Amortisation of goodwill arising on consolidation	-	988	-	-
Goodwill arising on consolidation written off	-	5,223	-	-
Rental of premises	1,138	2,049	639	631
Loss on foreign exchange	-	5	-	-
Directors' remuneration:				
Directors of the Company:				
Fees*	116	146	68	81
Consultancy fees	180	156	-	-
Directors of subsidiaries:				
Fees	16	16	-	-
Audit fees	140	156	39	36
Bad and doubtful debts	-	118	-	-
Provision for retirement benefit	110	172	24	39
Hire of plant and machinery	-	36	-	-
Lease rental	1,214	571	-	-
Amortisation of premium on Malaysian				
Government Securities	-	18	-	-
Fixed assets written off	343	585	278	-
Management fees paid to a firm in which				
a director has an interest	-	68	-	-
Net claims incurred	-	16,502	-	-
Net commission	-	2,592	-	-
Increase in reserves for unexpired risks	-	117	-	-
Provision for /(write back of) diminution in value:				
- Investment and advances to subsidiary				
companies	-	-	1,334	217
- Investment in associated company	-	-	-	2,040
- Other investment	1,765	(1,032)	-	-

* The estimated monetary value of benefits not included in the above provided to directors during the financial year by way of usage of the Company's assets and similar benefits amounted to RM18,600 (1999 : RM18,600).

26. FINANCE (COSTS)/INCOME, NET

Included in finance costs of the Group and the Company are interest expense of RM1,652,000 (1999 : RM2,729,000) and RM1,230,000 (1999 : RM1,826,000) respectively and interest income of the Group of RM1,111,000 (1999 : RM5,335,000).

27. TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current year's provision	8,236	79	3,604	1,660
Transfer from deferred Taxation	408	485	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	8,644	564	3,604	1,660
Under/(Over) provision in previous years	559	(882)	-	(313)
Share of associated company's taxation	642	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,845	(318)	3,604	1,347
	<hr/>	<hr/>	<hr/>	<hr/>

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, 2000, the Company has unutilised capital allowances of approximately RM1,930,000 (1999 : RM1,693,000), which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board.

There is no tax charge for the previous financial year other than the tax on dividend income as the amount payable is waived in accordance with the Income Tax (Amendment) Act, 1999. The chargeable income of the Company amounting to RM1,887,000 on which the tax is waived shall be credited to an exempt account from which tax exempt dividend can be declared, 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, 2000.

As at 31 December, 2000, the Company has a potential deferred tax benefit of approximately RM493,000 (1999 : RM426,000), arising principally from unutilised capital allowances, the effects of which were not included in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefit to be realised.

28. DIVIDENDS

Group and Company	Amount		Dividend per share	
	2000 RM'000	1999 RM'000	2000 Sen	1999 Sen
Dividend of 4.75% (1999 : 4.50%)	3,419	3,217	3.42	3.24
	<hr/>	<hr/>	<hr/>	<hr/>

29. EARNINGS PER SHARE - GROUP

The basic earnings per share for current year and prior year are calculated based on the profit after taxation and minority interest of RM19,246,274 (1999 : RM17,833,485) on the weighted average number of 99,786,616 (1999 : 98,506,782) 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 RM19,246,274 (1999 : RM17,953,008) by 103,698,949 (1999 : 104,321,949) that would be in issue as at 31 December, 2000 had all the share options been exercised as at that date.

30. SIGNIFICANT EVENT

During the financial year, the Company through its 80.56% subsidiary, PCM (HK) Limited, disposed the entire 85% equity interest in Enping Micro Metallic Company Limited, a company incorporated in the People's Republic of China, to a third party for a total cash consideration of HKD1.8 million.

31. SUBSEQUENT EVENT

Subsequent to the year end, the issued and fully paid-up share capital of the Company was increased from RM99,957,949 to RM99,961,949 as at 12 February, 2001 via the issuance of 4,000 new ordinary shares of RM1.00 each under the ESOS by the eligible employees.

32. COMMITMENTS

	Group	
	2000 RM'000	1999 RM'000
Capital expenditure		
– approved and contracted for	3,849	7,507
– approved but not contracted for	20,092	5,908
Leasing commitments		
– due within 12 months	1,025	1,015
– due after 12 months	448	803
	<u>25,414</u>	<u>15,233</u>

33. CONTINGENT LIABILITIES

	Company	
	2000 RM'000	1999 RM'000
Unsecured:		
Guarantees extended in support of banking and other credit facilities granted to subsidiaries	<u>16,776</u>	<u>24,863</u>

34. SEGMENT REPORTING

The analysis of Group operations for the year ended 31 December are as follows:

(a) Analysis by Activity

Group	Revenue RM'000	Profit/(loss) before taxation RM'000	Total asset Employed RM'000
2000			
Plantation	1,927	599	6,180
Property investment	5,512	1,661	75,672
Property development	49,722	12,044	110,368
Construction	31,367	4,337	21,921
Education	45,191	9,096	37,423
Investment and Others	691	2,307	57,064
	<u>134,410</u>	<u>30,044</u>	<u>308,628</u>

Group	Revenue RM'000	Profit/(loss) before taxation RM'000	Total asset Employed RM'000
1999			
Plantation	3,607	1,967	6,177
Property investment	5,525	3,270	70,157
Property development	61,662	12,949	103,650
Construction	6,295	(4,308)	13,499
Education	40,281	7,940	32,677
Investment and Others	25,397	(2,998)	66,925
	<u>142,767</u>	<u>18,820</u>	<u>293,085</u>

(b) Analysis by Geographical Location

2000

Within Malaysia	134,410	29,293	306,380
Outside Malaysia	–	751	*2,248
	<u>134,410</u>	<u>30,044</u>	<u>308,628</u>

1999

Within Malaysia	142,767	20,524	290,676
Outside Malaysia	–	(1,704)	*2,409
	<u>142,767</u>	<u>18,820</u>	<u>293,085</u>

* Total assets employed is stated net of write-down of assets.

35. SUBSIDIARY COMPANIES

Incorporated in Malaysia	Effective Interests		Paid-up Capital '000	Principal Activities
	2000 %	1999 %		
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	Building and engineering contractor
Zenbilt Sdn. Bhd.	100	100	RM150	Building and engineering contractor

Incorporated in Malaysia	Effective Interests		Paid-up Capital '000	Principal Activities
	2000 %	1999 %		
Bilsys Sdn. Bhd.	100	100	RM250	Building and engineering contractor
Current Connection Sdn. Bhd.	100	100	RM500	Inactive
Kolej Damansara Utama Sdn. Bhd.	85	85	RM2,353	Educational services
Janahasil Sdn. Bhd.	100	100	RM100	Inactive
Rajinas Intelek Sdn. Bhd.	51	51	RM1,000	Educational services
Maju Gading Development Sdn. Bhd.	100	100	RM1,579	Inactive
Perumahan Berjaya Sdn. Berhad	100	100	RM10,000	Property investment and development
Patani Jaya Sendirian Berhad	100	100	RM3,000	Property development
Adegan Dinamik Sdn. Bhd.	70	70	RM100	Property development
Wangsa Merdu Sdn. Bhd.	100	100	RM10,000	Property investment
Paramount Global Assets Sdn. Bhd. (formerly known as Paramount Assurance Berhad)	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
Incorporated in The People's Republic of China				
* Enping Micro Metallic Company Limited	–	68.48	#USD2,628	Inactive

* Not audited by Arthur Andersen & Co.
S\$ represents currency denoted in Singapore dollars
HK\$ represents currency denoted in Hong Kong dollars
#USD represents currency denoted in United States dollars

36. ASSOCIATED COMPANIES

Incorporated in Malaysia	Effective Interests		Paid-up Capital '000	Principal Activities
	2000 %	1999 %		
Suci Teguh Holdings Sdn. Bhd.	27.00	27.00	RM14,122	Inactive
ASMC Sdn. Bhd.	21.60	21.60	RM11,250	Inactive
Jerneh Insurance Berhad	20.00	20.00	RM75,000	General insurance business

37. RELATED PARTY TRANSACTIONS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 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	1,127	141	145	10
Repairs and maintenance charged by Syarikat Ong Yoke Lin Sdn Bhd, a company in which Tun Dato' Seri Haji Omar Yoke Lin Ong, a director of the Company, has substantial interests	353	240	–	–
Insurance premium charged by Paramount Global Assets Sdn. Bhd. (formerly known as Paramount Assurance Berhad), a subsidiary company	–	–	–	25
Insurance premium charged by Jerneh Insurance Berhad, an associated company	481	–	22	–

The directors are of the opinion that the above transactions are entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with third parties.

38. COMPARATIVE FIGURES

The presentation of the financial statements for the current year has been changed to adopt the format as prescribed by Malaysian Accounting Standards Board Standard 1: Presentation of Financial Statements. Comparative figures have been reclassified to conform with this presentation, where necessary.

39. CURRENCY

All amounts are stated in Ringgit Malaysia unless otherwise stated.

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-First 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, 41200 Subang, Selangor Darul Ehsan on Wednesday, 23 May 2001 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 First and Final Dividend		
Resolution 3 Directors' Fees		
Re-election of Directors:		
Resolution 4 Rohana Tan Sri Mahmood		
Resolution 5 Geh Cheng Hooi		
Resolution 6 Re-election of YABhg Tun Dato' Seri Haji Omar Yoke Lin Ong		
Resolution 7 Appointment of Auditors and to fix their remuneration		
Resolution 8 Special Business		

Dated this _____ day of _____ 2001.

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)