



B o l t o n B e r h a d

(5572-H) Established Since 1964

L A P O R A N T A H U N A N

2002

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

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Bolton Berhad (5572-H)

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting of the Company will be held at the Board Room, 6th Floor, Campbell Complex, 98, Jalan Dang Wangi, 50100 Kuala Lumpur on Wednesday, June 25, 2003 at 11.00 a.m. for the following purposes:-

AGENDA

1. To receive and consider the Directors' Report and Audited Accounts for the year ended December 31, 2002.
2. To approve a First and Final dividend of 1 sen per share less tax for the year ended December 31, 2002. The dividend if approved, will be paid on August 7, 2003 to depositors registered in the Records of Depositors at the close of business on July 10, 2003.
3. To re-elect the following Directors retiring under the provision of Article 84 of the Company's Articles of Association:-
 - a) Lim Yen Haat
 - b) Dato' Zakaria Bin Dato' Ahmad
4. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-
 "THAT, Tan Sri Dato' Lim Thiam Leong, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."
5. To re-appoint Messrs. Yoong Siew Wah & Company as Auditors of the Company and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**
 "THAT, pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and

upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. Proposed Renewal of Authority for Purchase of Own Shares by the Company

"THAT, subject to the Companies Act, 1965 ("the Act"), the rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE") and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital through the KLSE subject further to the following:-

- (a) the maximum number of shares which may be purchased by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company of 310,721,460 ordinary shares of RM1.00 each as at May 10, 2003;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits and the share premium account of the Company of RM82.27 million and RM244.82 million respectively as at December 31, 2002;

Notice of Annual General Meeting

(c) the authority conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next Annual General Meeting (“AGM”) of the Company (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of the KLSE or any other relevant authority;

(d) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with by the Directors in any manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of the KLSE and any other relevant authority for the time being in force;

AND THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares.”

8. **Proposed Shareholders’ Mandate For Recurrent Related Party Transactions (“RRPT”) Of A Revenue Or Trading Nature (“Shareholders’ Mandate”)**

(a) Shareholders’ Mandate for RRPT with Kejora Group

“THAT, pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into recurrent transactions of a revenue or trading nature as mentioned under item 3.1 of the Circular to Shareholders dated June 3, 2003 with Kejora Group (“Related Party”) mentioned therein, which are necessary for the Group’s day-to-day operations and are in

the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public, AND THAT such authority shall commence immediately upon the passing of this resolution until:-

- i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless authority is renewed by a resolution passed at the next AGM; or
- ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (“CA”) (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of CA); or
- iii) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting

whichever is the earlier.”

(b) Shareholders’ Mandate for RRPT with MPlant Group

Proposed Resolution same as resolution 8 (a) above except that the “Related Party” is “MPlant Group.”

(c) Shareholders’ Mandate for RRPT with Silverlake Group

Proposed Resolution same as resolution 8 (a) above except that the “Related Party” is “Silverlake Group.”

(d) Shareholders’ Mandate for RRPT with SGI Edu-Centre

Proposed Resolution same as resolution 8 (a) above except that the “Related Party” is “SGI Edu-Centre.”

9. To transact any other business of an Annual General Meeting.

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN that the First and Final Dividend if approved, will be paid on August 7, 2003 to depositors registered in the Records of Depositors at the close of business on July 10, 2003.

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 July 8, 2003 (in respect of shares which are exempted from mandatory deposits);
- b. Shares transferred to the depositor's securities account before 4.00 p.m. on July 10, 2003 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

YEO KIM LAY
LIM SENG YON
Secretaries

Kuala Lumpur
June 3, 2003

NOTES:-

A member entitled to attend the Meeting may appoint a proxy who need not be a member, but, unless he is a member, must be a qualified legal practitioner, an approved company auditor or a person approved by the Companies Commission of Malaysia in a particular case, to attend and, on a poll to vote in his stead. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 5th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur, not less than (48) forty-eight hours before the time for holding the meeting.

Explanatory Notes on Special Business Ordinary Resolution No. 6

Subject to the exception provided in the aforesaid section of the Companies Act, 1965, the Directors would have to call for a General Meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital. In order to avoid any

delay and costs involved in convening a General Meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company.

Ordinary Resolution No. 7

The resolution if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilizing the funds allocated which shall not exceed the total retained earning and shares premium of the Company.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company are set out in the Circular dated June 3, 2003 which is despatched together with the Company's 2002 Annual Report.

Ordinary Resolution Nos. 8 (a), (b), (c) and (d)

The resolutions if passed, will enable the Company and/or any of its subsidiaries to enter into recurrent related party transactions with the respective Related Party, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular dated June 3, 2003 which is despatched together with the Company's 2002 Annual Report.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of the Kuala Lumpur Stock Exchange

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE 40TH ANNUAL GENERAL MEETING OF THE COMPANY

Pursuant to Article 84 of the Company's Articles of Association

- a) Lim Yen Haat
- b) Dato' Zakaria Bin Dato' Ahmad

Pursuant to Section 129 of the Companies Act, 1965

- a) Tan Sri Dato' Lim Thiam Leong

Details of Directors who are standing for re-election are set out in the Directors' profiles appearing on pages 8 to 11 of the Annual Report.

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

There were six Board meetings held during the financial year ended December 31, 2002. Details of attendance of the Directors are set out as follows:-

	Board of Directors' Meeting	
	Number of Board Meetings Held During the year	Number of Board Meetings Attended by Directors
1. Tan Sri Dato' Lim Thiam Leong	6	6
2. Tan Sri Dato' Lim Yan Hai	6	6
3. Lim Yen Haat	6	6
4. Chin Jit Pyng	6	6
5. Lim Yen Kong	6	4
6. Lim Wee Kiat	6	5
7. Goh Peng Ooi	6	4
8. Dato' Zakaria Bin Dato' Ahmad	6	5
9. Abdul Sani Bin Busu	6	6
10. Loh Yeow Boo	6	6

3. DATE, TIME & VENUE OF THE 40TH ANNUAL GENERAL MEETING

Date : June 25, 2003

Time : 11.00 a.m.

Venue : Board Room, 6th Floor, Campbell Complex, 98, Jalan Dang Wangi, 50100 Kuala Lumpur

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Lim Thiam Leong (Non-Independent Executive Director - Chairman)

Tan Sri Dato' Lim Yan Hai (Non-Independent Executive Director - Managing Director)

Lim Yen Haat (Non-Independent Executive Director - Senior Executive Director)

Chin Jit Pyng (Non-Independent Executive Director - Senior Executive Director)

Lim Yen Kong (Non-Independent Executive Director)

Lim Wee Kiat (Non-Independent Executive Director)

Goh Peng Ooi (Non-Independent Non-Executive Director)

Dato' Zakaria Bin Dato' Ahmad (Independent Non-Executive Director)

Abdul Sani Bin Busu (Independent Non-Executive Director)

Loh Yeow Boo (Independent Non-Executive Director)

AUDIT COMMITTEE

Dato' Zakaria Bin Dato' Ahmad (Chairman)

Lim Yen Kong

Abdul Sani Bin Busu

Loh Yeow Boo

SECRETARIES

Yeo Kim Lay

Lim Seng Yon

AUDITORS

Yoong Siew Wah & Company Chartered Accountants

12C, Jalan Tun H.S. Lee,

50000 Kuala Lumpur

SHARE REGISTRAR

Malaysian Share Registration Services Sdn Bhd (378993-D)

7th Floor, Exchange Square,

Bukit Kewangan,

50200 Kuala Lumpur

BANKERS

OCBC Bank (Malaysia) Berhad

United Overseas Bank (Malaysia) Berhad

Affin Bank Berhad

Southern Bank Berhad

REGISTERED OFFICE

5th Floor, Campbell Complex,

98, Jalan Dang Wangi,

50100 Kuala Lumpur

Tel: (03) 2698 1366

Fax: (03) 2692 7707

BUSINESS ADDRESS

6th Floor, Campbell Complex,

98, Jalan Dang Wangi,

50100 Kuala Lumpur

Tel: (03) 2698 1366

Fax: (03) 2692 7707



Board of Directors

Seated:

Tan Sri Dato' Lim Thiam Leong (**Non-Independent Executive Director - Chairman**)

Standing From Left to Right:

Abdul Sani Bin Busu (**Independent Non-Executive Director**)

Lim Wee Kiat (**Non-Independent Executive Director**)

Dato' Zakaria Bin Dato' Ahmad (**Independent Non-Executive Director**)

Tan Sri Dato' Lim Yan Hai (**Non-Independent Executive Director - Managing Director**)

Lim Yen Haat (**Non-Independent Executive Director - Senior Executive Director**)

Chin Jit Pyng (**Non-Independent Executive Director - Senior Executive Director**)

Loh Yeow Boo (**Independent Non-Executive Director**)

Goh Peng Ooi (**Non-Independent Non-Executive Director**)

Lim Yen Kong (**Non-Independent Executive Director**)

Directors' Profiles

Tan Sri Dato' Lim Thiam Leong (Non-Independent Executive Director - Chairman)

Tan Sri Dato' Lim Thiam Leong, a Malaysian, aged 88, was appointed Director and Chairman of the Company since July 18, 1964. He has more than 50 years experience in property development and other related businesses. He was also a Director of Kedah Cement Holdings Berhad from 1958 to 1999.

Tan Sri Dato' Lim Thiam Leong is the father of Tan Sri Dato' Lim Yan Hai, Mr Lim Yen Haat and Mr Lim Yen Kong and grandfather of Mr Lim Wee Kiat. He has a direct shareholding of 990,311 ordinary shares and 58,385 warrants respectively in the Company. He does not hold any shares in the subsidiary companies of Bolton Berhad. Tan Sri has no conflict of interest with the Company.

Tan Sri Dato' Lim Yan Hai (Non-Independent Executive Director - Managing Director)

Tan Sri Dato' Lim Yan Hai ("Tan Sri LYH"), a Malaysian, aged 64, was appointed Director of the Company on December 16, 1972 and subsequently as Managing Director of the Company on June 25, 1973. A Civil Engineer by profession, Tan Sri LYH obtained a Diploma in Civil Engineering from Plymouth College of Technology, England in 1965.

Tan Sri LYH was the Chairman of the Social Lottery Welfare Board from 1988 to 1992 and a Director and Deputy Chairman of Kedah Cement Holdings Berhad from 1967 to 1999. He is also the Chairman of Malaysian Plantations Berhad ("MPlant") and Alliance Finance Berhad, a subsidiary of MPlant. Tan Sri LYH is a member of the Executive Committee and the Remuneration Committee of the Company.

Tan Sri LYH is the son of Tan Sri Dato' Lim Thiam Leong, brother of Mr Lim Yen Haat and Mr Lim Yen Kong and father of Mr Lim Wee Kiat. Tan Sri LYH has a direct shareholding of 3,676,000 ordinary shares and 1,085,000 warrants in the Company. He has an indirect shareholding of 105,045,927 ordinary shares and 1,037,863 warrants in the Company. He has a direct shareholding of 1,359,000 ordinary shares (44.4%) in Bcom Holdings Sdn Bhd, a related corporation. Tan Sri LYH by virtue of his interest in Bolton Berhad, is deemed to have interest in the subsidiaries and associate companies to the extent that the Company has an interest. He has no conflict of interest with the Company.

Directors' Profiles

Lim Yen Haat (Non-Independent Executive Director - Senior Executive Director)

Mr Lim Yen Haat, a Malaysian, aged 47, was appointed Director of the Company on August 22, 1981. Mr Lim graduated with a degree in Mechanical Engineering from University of Surrey, England in 1977.

Mr Lim was the Deputy Managing Director of the Company since August 1977 and was re-designated as Senior Executive Director in charge of Property & Investment Division on April 26, 2002. He is a member of the Executive Committee of the Company. Mr Lim was a Director and then Joint Managing Director of Kedah Cement Holdings Berhad from 1990 to 1999. He also sits on the Board of Kejora Harta Bhd.

Mr Lim Yen Haat is the son of Tan Sri Dato' Lim Thiam Leong, brother of Tan Sri Dato' Lim Yan Hai and Mr Lim Yen Kong and uncle of Mr Lim Wee Kiat. He has a direct shareholding of 14,781,383 ordinary shares and 750 warrants in the Company. He also has an indirect shareholding of 4,143,615 ordinary shares and 1,037,035 warrants in Bolton Berhad. Mr Lim does not hold any shares in the subsidiary companies of Bolton Berhad and he has no conflict of interest with the Company.

Chin Jit Pyng (Non-Independent Executive Director - Senior Executive Director)

Mr Chin Jit Pyng, a Malaysian, aged 47, was appointed Director of the Company on March 28, 2001. Since April 26, 2002, Mr Chin is the Senior Executive Director, in charge of Information Technology Division of the Company. He is also a member of the Executive Committee of the Company. Mr Chin obtained his Bachelor of Science degree majoring in Computer Studies from Brighton Polytechnic (UK) and is a member of the British Computer Society, a prestigious and world-renowned computer professional body incorporated by the Royal Chartered in 1984.

Mr Chin was with IBM for more than thirteen (13) years where he was responsible for a number of strategic project implementations, including projects for the national telecommunication company as well as the biggest commercial bank in Malaysia. He has gained an in-depth knowledge of electronic banking services and branch automation specifically and the banking and finance applications software sector generally. Mr Chin is the Chief Executive Officer of Global Innovative Management Partners-ACT Sdn Bhd, a wholly-owned subsidiary of Bolton Berhad. Currently, he also sits on the Board of PanGlobal Bhd.

Mr Chin does not have any family relationship with any Director and/or major shareholder of the Company. He has a direct shareholding of 5,033,704 ordinary shares in Bolton Berhad and also 16,000 ordinary shares (16%) in Peringkat Alam Sdn Bhd, a sub-subsidiary company of Bolton Berhad. Mr Chin has no conflict of interest with the Company.

Directors' Profiles

Lim Yen Kong (Non-Independent Executive Director)

Mr Lim Yen Kong, a Malaysian, aged 49, was appointed Director of the Company on October 12, 1977. Mr Lim graduated with a Bachelor of Science degree in Biochemistry from University College of Northwales, Bangor in 1971 and obtained a Diploma in Town Planning from Kingston Polytechnic, England in 1974.

Mr Lim was a Director of Kedah Cement Holdings Berhad between 1991 and 1999. He was with Kenneison Brothers Group from 1975 to 2000 and was responsible for the operations of the quarry and its related activities as well as general construction activities. Mr Lim is also a member of the Audit Committee of the Company.

Mr Lim Yen Kong is the son of Tan Sri Dato' Lim Thiam Leong, brother of Tan Sri Dato' Lim Yan Hai and Mr Lim Yen Haat and uncle of Mr Lim Wee Kiat. He has a direct shareholding of 600,000 ordinary shares and an indirect shareholding of 4,146,409 ordinary shares and 1,037,035 warrants in the Company. Mr Lim does not hold any shares in the subsidiary companies of Bolton Berhad and has no conflict of interest with the Company.

Lim Wee Kiat (Non-Independent Executive Director)

Mr Lim Wee Kiat, aged 36, graduated with a Bachelor of Science (Honours) degree in Economics from University College, London in 1988. He joined the Company as the Corporate Finance Manager in 1994. Prior to joining the Company, Mr Lim held an executive position with Wardley Limited of Singapore, an investment bank (now known as HSBC Investment Bank Asia Ltd.), for five (5) years. He was appointed Director of the Company on February 28, 2000. Currently, Mr Lim is the Group Executive Director of Kenneison Brothers Group of Companies, a subsidiary of Kejora Harta Bhd, which is involved in quarry operations and construction activities.

Mr Lim Wee Kiat is the grandson of Tan Sri Dato' Lim Thiam Leong, son of Tan Sri Dato' Lim Yan Hai, nephew of Mr Lim Yen Haat and Mr Lim Yen Kong. He has a direct shareholding of 941,000 ordinary shares and an indirect shareholding of 105,045,927 ordinary shares and 1,037,863 warrants in the Company. Mr Lim by virtue of his interest in Bolton Berhad, is deemed to have interest in the subsidiaries and associate companies to the extent that the Company has an interest. Mr Lim has no conflict of interest with the Company.

Directors' Profiles

Goh Peng Ooi (Non-Independent Non-Executive Director - Senior Executive Director)

Mr Goh Peng Ooi, a Malaysian, aged 49, was appointed Director of the Company on March 28, 2001. Mr Goh obtained his Bachelor of Engineering degree (major in Electronic) from Tokyo University. Upon graduation, he worked at the Mitsubishi headquarters in Japan before joining IBM, Malaysia. Mr Goh left IBM in 1989 to set up Silverlake System Sdn Bhd ("Silverlake") and within a span of about ten (10) years, Silverlake has carved a niche in the banking and finance software applications market. Mr Goh is the Executive Chairman of the Silverlake Group of Companies. In 1996, Mr Goh set up Global Innovative Management Partners-ACT Sdn Bhd, which is now a wholly-owned subsidiary company of Bolton Berhad, together with three (3) other partners to cater for the networking, non-AS/400 business and IT infrastructure integration business to expand the Silverlake business operations.

Mr Goh does not have any family relationship with any Director and/or major shareholder of the Company. He has a direct shareholding of 9,083,164 ordinary shares in Bolton Berhad and also 8,000 ordinary shares (8%) in Peringkat Alam Sdn Bhd, a sub-subsiary company of Bolton Berhad. Mr Goh has no conflict of interest with the Company.

Dato' Zakaria Bin Dato' Ahmad (Independent Non-Executive Director)

Dato' Zakaria Bin Dato' Ahmad, a Malaysian, aged 69, was appointed to the Board and as Audit Committee Chairman of the Company on December 4, 2000. Dato' Zakaria holds a certificate from the Institute of Management (Intan) Kuala Lumpur and passed the Federal Law in 1970. He was attached to the Ministry of Defence from year 1961 to 1970 and has served as a Private Secretary to the Prime Minister from year 1970 to 1975 before being appointed as Head of the Ceremonial & Protocol for the Prime Minister Department from year 1975 to 1978. He also held various positions with the Government.

Dato' Zakaria does not have any family relationship with any Director and/or major shareholder of the Company. He does not hold any shares or warrants in Bolton Berhad and its subsidiary companies and has no conflict of interest with the Company.

Directors' Profiles

Abdul Sani Bin Busu (Independent Non-Executive Director)

Encik Abdul Sani Bin Busu, a Malaysian, aged 52, was appointed Director of the Company on September 24, 1998. He graduated with a Diploma in Banking Studies from Institute Teknologi MARA in 1975 and proceeded to pursue his degree in Bachelor of Science (Finance) from Syracuse University, U.S.A. in 1977 and Master in Business Administration (Finance) from Central Michigan University, U.S.A., in 1979. He started his career as a lecturer in Institute Teknologi MARA in 1979. He left the teaching profession in 1980 to pursue a career in merchant banking and joined Asian International Merchant Bankers Berhad (the present Public Merchant Bank Bhd) as Banking Officer. He remained at Public Merchant Bank Bhd, in the Corporate Banking Department, for slightly more than 17 years and left the organisation in 1997. His last position at the merchant bank was that of General Manager, Corporate Banking where his main responsibility was to manage the Corporate Banking and Capital Market Divisions.

Currently Encik Abdul Sani sits on the Boards of Gadek (Malaysia) Berhad, Malaysian Plantations Berhad and Alliance Merchant Bank Berhad.

He is a member of the Audit Committee, Remuneration Committee and Nominating Committee of the Company. Encik Abdul Sani does not have any family relationship with any Director and/or major shareholder of the Company. He does not hold any shares or warrants in Bolton Berhad and its subsidiary companies. Encik Abdul Sani has no conflict of interest with the Company.

Loh Yeow Boo (Independent Non-Executive Director)

Mr Loh Yeow Boo, a Malaysian, aged 54, was appointed Director of the Company on May 10, 2001. He holds a Bachelor of Commerce (Accounting), Nanyang University, Singapore. Mr Loh is a member of the Malaysian Institute of Accountants and Australian Society of CPAs. He has served as a Director and an Executive Committee member of International Bank Malaysia Bhd from December 1997 to September 2001. He sits on the Boards of Kejora Harta Bhd, UCM Bhd and Kuala Lumpur City Corporation Bhd. Mr Loh is also a member of the Audit Committee, Remuneration Committee and Nominating Committee of the Company.

Mr Loh does not have any family relationship with any Director and/or major shareholder of the Company. He does not hold any shares or warrants in Bolton Berhad and its subsidiary companies and has no conflict of interest with the Company.



Management

From Left to Right:

Lee Hock Keat (**Group Finance Director**)

Wing Kwong @ Chan Wing Kwong (**Chief Operating Officer**)

Tan Sri Dato' Lim Yan Hai (**Managing Director**)

Lim Yen Haat (**Senior Executive Director - Property & Investment Division**)

Chin Jit Pyng (**Senior Executive Director - Information Technology Division**)

Chairman's

On behalf of the Board of Directors, it is my pleasure to present the annual report and accounts of the Bolton Group for the financial year ended December, 31 2002.

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan laporan tahunan dan akaun Kumpulan Bolton bagi tahun kewangan berakhir 31 Disember 2002.

GROUP PERFORMANCE

The Group achieved a revenue of RM149.364 million, an increase of 50.37% compared to RM99.33 million recorded in the previous year.

Group operating profits more than doubled to RM36.89 million from RM18.29 million and more significantly, after tax and minority interests, we are back in the black with a profit of RM11.386 million. This compares favorably to a loss of RM88.99 million in the previous year and enables us to return with basic earnings per share of 3.83 sen.

The financial results are encouraging considering the slowdown in the global economy, which have an impact on the already difficult business environment. However, we managed to turn in good results largely due to our twin engines of growth, namely property and IT, which broadened our earnings base and propelled our growth. Our liquid bulk business carried out by Stolthaven (Westport) Sdn Bhd turned in a very impressive set of results – a four-fold increase in profits – and it holds great promise of becoming another pillar of strength that will contribute significantly towards the group's future earnings.

PROPERTY

For the period under review, the Property Division generated revenue of RM76.08 million compared with RM76.32 million previously. While there has been no significant change in revenue, pre-tax profit before interest expense increased by 38.23 per cent to RM33.12 million from RM23.96 million previously.

Good demand and sales of our property projects accounted for the better profits.

PRESTASI KUMPULAN

Kumpulan mencatat perolehan sebanyak RM149.364 juta, peningkatan 50.37% berbanding RM99.33 juta yang dicatat pada tahun sebelumnya.

Keuntungan operasi Kumpulan bertambah lebih sekali ganda kepada RM36.89 juta daripada RM18.29 juta dan apa yang lebih penting adalah, selepas menolak cukai dan kepentingan minoriti, Kumpulan kembali mencatat keuntungan sebanyak RM11.385 juta. Ini merupakan pencapaian baik berbanding kerugian sebanyak RM88.99 juta pada tahun sebelumnya dan membolehkan kami mencapai pendapatan asas sesaham sebanyak 3.83 sen.

Keputusan kewangan adalah memberangsangkan memandangkan kelembapan ekonomi global, yang menjejaskan persekitaran perniagaan yang sememangnya mencabar. Namun, kami berjaya mencatat keputusan baik disebabkan terutamanya dua enjin pertumbuhan kami, iaitu perniagaan hartanah dan IT, yang meluaskan asas pendapatan dan mendorong pertumbuhan kami. Perniagaan pukal cecair kami yang dikendalikan oleh Stolthaven (Westport) Sdn Bhd mencatat keputusan yang sangat membanggakan - peningkatan keuntungan sebanyak empat kali ganda - dan perniagaan ini mempunyai harapan besar untuk menjadi sebuah lagi tunggak kekuatan yang akan memberi sumbangan besar kepada pendapatan masa depan Kumpulan.

HARTANAH

Bagi tempoh yang ditinjau, Bahagian Hartanah menjana perolehan sebanyak RM76.08 juta berbanding RM76.32 juta sebelumnya. Meskipun perolehan tidak menunjukkan perubahan ketara, keuntungan sebelum cukai dan perbelanjaan faedah meningkat sebanyak 38.23 peratus kepada RM33.12 juta berbanding RM23.96 juta sebelumnya.

Permintaan dan penjualan baik bagi projek hartanah kami menghasilkan keuntungan yang lebih baik.

STATEMENT

Penyata Pengerusi



Projek utama kami, **Tijani**, yang terletak di kawasan Bukit Tunku yang terkemuka, telah berjaya disiapkan dan lot banglo telah diserahkan kepada para pemilik pada bulan Oktober 2002. Didorong oleh kejayaan ini, kami yakin bahawa pembangunan fasa kedua yang melibatkan kira-kira 20 ekar bersebelahan **Tijani** akan menerima kejayaan yang sama apabila dilancarkan. Mengikut rancangan, fasa kedua menawarkan rumah berkembar dan banglo dengan reka bentuk yang istimewa. Rumah kediaman ini dijangka akan dilancarkan menjelang akhir tahun 2003 dan akan disusuli dengan pembangunan rumah duplex dan kondominium.

Our flagship project, **Tijani**, located in the prime locality of Bukit Tunku, has been successfully completed and the bungalow lots were handed over to owners in October 2002. Buoyed by this success, we are confident that the second phase of development involving about 20 acres next to **Tijani** would meet with similar success when launched. Plans for the second phase include superbly designed semi-detached houses and bungalows. These are expected to be launched in the later part of 2003 and followed by the development of duplex houses and condominiums.

Lavender Heights, Senawang, is the first conceptualised development in Negri Sembilan which stands out for its well-planned layout, offering the very best in English country living. The 25 attractive bungalow designs together with practical floor layouts, lush green landscaping and its exclusivity as in an enclave have made Lavender Heights a popular choice. More than 500 units of single-storey terrace, semi-detached units and bungalows have been sold and handed over to purchasers ahead of schedule in 2002. We also introduced special custom built bungalows in the third quarter of 2002 and these too have been well received with more than 70 per cent of the 89 units sold.



Lavender Heights, Senawang, merupakan pembangunan dikonsepsikan yang pertama di Negeri Sembilan yang menonjol berikutan susun atur yang dirancang rapi, dengan menawarkan yang terbaik dalam kehidupan desa Inggeris. Sebanyak 25 reka bentuk banglo yang menarik berserta susun atur lantai yang praktikal, landskap hijauan dan subur serta sifat eksklusif kawasan tersebut telah menjadikan Lavender Heights satu pilihan popular. Sebanyak lebih daripada 500 unit rumah teres satu tingkat, berkembar dan banglo telah dijual dan diserahkan kepada pembeli terdahulu dari jadual pada tahun 2002. pada suku ketiga tahun 2002, kami turut memperkenalkan banglo istimewa yang dibina mengikut tempahan khas yang telah menerima sambutan baik dengan lebih 70 peratus daripada 89 unit yang ditawarkan telah dijual.

Chairman's Statement

PENYATA PENERUSI



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Another of Bolton's established projects is our 261-acre Taman Seri Teluk Emas, which is the largest mixed development located along the main road from Melaka to Muar. The success of the earlier phases spurred the company to convert some industrial land for residential development. About 75 per cent of the first parcel of 80 single-storey houses launched in October has been sold.

Taman Tasik Prima, Puchong, is fast developing to be a fine example of a well-planned lakeside suburb. Located in the fast growing area of Puchong, it is the only property development of its kind in the entire Puchong vicinity with a resort living concept. Developed around a 120-acre lake, Taman Tasik Prima features safe, secure and beautifully designed homes with a central park for each phase.

A total of 2,300 units of double-storey terrace and semi-detached houses, waterfront bungalows, apartments and condominiums, shop offices and a commercial centre will be built in this multi-phased development.

The initial launch of 189 units of 20' X 70' double storey Link houses in Taman Tasik Prima has met with very good response, with a more than 80 per cent take-up rate. The new phase of 22' x 75' double-storey **Andaman** houses, which provide a new dimension in living with its unconventional floor layout and generous landscaped greenery, was launched in October 2002. Andaman offers the security of a gated community and the uniqueness of a dual frontage — one facing the street and the back facing a beautifully landscaped walkway, which leads to a park.

Sebuah lagi projek terkemuka Bolton ialah Taman Seri Teluk Emas seluas 261 ekar, yang merupakan pembangunan bercampur terbesar yang terletak sepanjang jalan utama dari Melaka ke Muar. Kejayaan fasa terdahulu mendorong syarikat untuk menukar sebahagian tanah perindustrian bagi pembangunan kediaman. Sekitar 75 peratus daripada pakej pertama yang terdiri daripada 80 rumah satu tingkat yang dilancarkan pada bulan Oktober telah dijual.

Taman Tasik Prima, Puchong, sedang pesat membangun sebagai contoh baik bagi subbandar pinggir tasik yang dirancang rapi. Ia terletak di Puchong, sebuah kawasan yang sedang pesat membangun, dan merupakan satu-satunya pembangunan hartanah di sekitar Puchong yang menawarkan konsep gaya hidup tempat peranginan. Taman Tasik Prima dibangunkan sekeliling tasik seluas 120 ekar dan menawarkan rumah-rumah yang selamat, terjamin dan mempunyai reka bentuk indah dengan taman berasingan bagi setiap fasa.

Sebanyak 2,300 unit rumah teres dua tingkat dan berkembar, banglo menghadap tasik, apartmen dan kondominium, pejabat kedai dan pusat komersial akan dibina dalam pembangunan pelbagai fasa ini.

*Pelancaran awal bagi 189 unit rumah berangkai dua tingkat berukuran 20' X 70' di Taman Tasik Prima telah mendapat sambutan yang sangat menggalakkan, dengan jualan melebihi 80 peratus. Fasa baru bagi **Andaman** iaitu rumah dua tingkat berukuran 22' X 75', yang membuka dimensi baru dalam gaya hidup dengan susun atur lantainya yang tidak konvensional dan kehijauan landskap yang subur, dilancarkan pada bulan Oktober 2002. Andaman menawarkan ciri keselamatan sebuah komuniti berpagar dan keunikan dua laman depan - satu menghadap ke jalan dan bahagian belakang menghadap ke laluan pejalan kaki yang dilandskap indah, yang menuju ke taman.*

Chairman's Statement

PENYATA PENERUSI



Sales of the subdivided commercial plots totalling about 8.6 acres located along Jalan Cheras, opposite Taman Midah, have been good with more than 75 per cent sold. To-date, it has generated sales of RM21.11 million.

The property division has over the years developed several high-quality condominiums in exclusive localities within Kuala Lumpur as well as shopping complexes and office buildings for rent. With an average occupancy of over 80 per cent, the Group continued to enjoy rental income from these investment properties.

INFORMATION TECHNOLOGY

At the beginning of the year under review, Global Innovative Management Partners-ACT Sdn Bhd (GI) became a wholly-owned subsidiary of Bolton Berhad. GI is a leader in system integration for the banking and finance sector and a value-added 'solutions gateway'. It specialises in IT infrastructure consultancy and systems and networking services in addition to system integration services and application know-how.

The global economic situation resulted in a rather lack lustre performance of the IT sector. But despite the cut back in IT spending, which was also prevalent in the banking and finance industry, GI achieved a consolidated revenue of RM52.86 million and contributed a pre-tax profit of RM14.895 million to the Group's results.

Plot komersial yang dipecah bagi di kawasan seluas kira-kira 8.6 ekar yang terletak sepanjang Jalan Cheras, berhadapan dengan Taman Midah mencatat jualan yang baik iaitu lebih 75 peratus. Sehingga kini, projek ini telah mencatat jualan sebanyak RM21.11 juta.

Bahagian hartanah telah sekian lama membangunkan beberapa kondominium berkualiti tinggi di lokasi eksklusif dalam kawasan Kuala Lumpur serta kompleks membeli-belah dan bangunan pejabat untuk disewa. Dengan penghunian purata melebihi 80 peratus, Kumpulan terus menikmati pendapatan sewa daripada hartanah pelaburan tersebut.

TEKNOLOGI MAKLUMAT (IT)

Pada permulaan tahun yang ditinjau, Global Innovative Management Partners-ACT Sdn Bhd (GI) menjadi syarikat subsidiari milik penuh Bolton Berhad. GI merupakan peneraju dalam sistem integrasi bagi sektor perbankan dan kewangan dan sebuah 'gerbang penyelesaian' yang menambah nilai. Ia mengkhusus dalam bidang khidmat rundingan dan sistem infrastruktur IT serta perkhidmatan menghubungkan kepada rangkaian di samping perkhidmatan integrasi sistem dan kepakaran aplikasi.

Situasi ekonomi global menyebabkan prestasi yang kurang memberangsangkan bagi sektor IT. Namun, meskipun dengan pemotongan perbelanjaan berhubung IT, yang turut dihadapi oleh industri perbankan dan kewangan, GI mencatat perolehan yang disatukan sebanyak RM52.86 juta dan menyumbangkan keuntungan sebelum cukai sebanyak RM14.895 juta kepada keputusan Kumpulan.

Chairman's Statement

PENYATA PENERUSI



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The strong earnings by GI was a result of the consolidation of its strength in the banking and finance sector on one hand and its diversification into the non-banking and finance sector on the other.

GI was appointed by SAP Malaysia Sdn Bhd (SAP) as its sole value-added reseller for the banking sector. With this appointment, GI will be able to provide banks with complete, integrated, open solutions from the mySAP.com platform. While this further strengthened GI's position as a comprehensive solutions provider for the banking and finance industry, it also took the initiative to reduce its dependence on one particular segment of the economy. This move to bring its resources and expertise to other sectors of the economy opened up new horizons for enhanced earnings.

LIQUID BULK

Stolthaven (Westport) Sdn Bhd registered further improvement in performance and established itself as the premier liquid bulk storage facility operator in West Port. For the year ended December 31, 2002, Stolthaven reported a turnover of RM12.80 million and a net profit before tax of RM2.30 million. This represents a 42.22 per cent increase in turnover and more than 300 per cent increase in pre-tax profit from the previous year.

This significant improvement in performance is attributed to major efforts to further strengthen its business competitive position through the diversification into a wider range of liquid product storage. This strategy has resulted in tank utilisation in excess of 100 per cent capacity and necessitated the need to further expand its storage capacity by another 36,300 cubic metre or 54 per cent.

Pendapatan kukuh GI didorong oleh penggabungan kelebihannya dalam sektor perbankan dan kewangan, dengan tindakannya menceburi sektor bukan perbankan dan kewangan untuk mempelbagaikan aktiviti.

GI telah dilantik oleh SAP Malaysia Sdn Bhd (SAP) sebagai penjual semula ditambah nilai tunggal bagi sektor perbankan. Dengan pelantikan ini, GI berupaya menawarkan penyelesaian yang lengkap, bersepadu dan terbuka menggunakan platform mySAP.com kepada pelanggan banknya. Sambil ini mengukuhkan lagi kedudukan GI sebagai penyedia penyelesaian menyeluruh bagi industri perbankan dan kewangan, GI juga mengambil inisiatif untuk mengurangkan kebergantungannya kepada hanya satu segmen ekonomi tertentu. Langkah untuk menawarkan sumber dan kepakarannya kepada sektor-sektor ekonomi yang lain membuka horizon baru bagi mempertingkatkan pendapatan.

PUKAL CECAIR

Stolthaven (Westport) Sdn Bhd terus mencatat peningkatan prestasi dan menonjolkan diri sebagai pengendali kemudahan penyimpanan pukat cecair yang terunggul di Pelabuhan Barat. Pada tahun berakhir 31 Disember 2002, Stolthaven mencatat perolehan sebanyak RM12.80 juta dan keuntungan bersih sebelum cukai sebanyak RM2.30 juta. Ini merupakan peningkatan sebanyak 42.22 peratus bagi perolehan dan peningkatan melebihi 300 peratus bagi keuntungan sebelum cukai berbanding tahun sebelumnya.

Peningkatan prestasi yang ketara ini disebabkan usaha-usaha utama untuk mengukuhkan lagi kedudukan daya saing perniagaannya dengan mempelbagaikan perniagaannya untuk merangkumi tempat penyimpanan rangkaian produk cecair yang lebih meluas. Strategi ini menyebabkan penggunaan tangki melebihi 100 peratus kapasiti dan memaksanya meningkatkan lagi kapasiti penyimpanan sebanyak 36,300 meter padu atau 54 peratus. Fasa pertama



Chairman's Statement

PENYATA PENERUSI

This first phase of the expansion of 21,300 cubic metre is expected to be commissioned in June 2003 and the remaining capacity by August 2003. Upon completion of this RM20 million expansion, the total available capacity will be 102,600 cubic metre, making Stolthaven one of the largest independent operators in Malaysia.

HOSPITALITY

The 198-room Hotel Midah recorded revenue of RM4.20 million (2001: RM4.07 million) and a pre-tax net profit of RM64,000 compared to a loss of RM327,000 in 2001.

The hotel achieved an increase in occupancy to 65 per cent, up from 54 per cent recorded in the previous year. This improvement in performance was mainly due to the reduced reliance on the tourism sector. The tourism sector contributed about 50 per cent of the total revenue achieved while the remaining contribution came from the corporate and government sector.

FOOD SERVICES

The Skyline Concept Group reported a turnover of RM16.14 million (2001: RM15.77 million) and a net loss before tax of RM5.39 million (2001 net loss: RM5.20 million).

In its efforts to further rationalise operation and reduce losses, the management decided to close the Mississippi Slims flagship restaurant in December 2002. With this closure, the group now operates only the Baker Bros Brand. Currently, five restaurants are operating in Dallas and one in Kuala Lumpur.

pengembangan sebanyak 21,300 meter padu dijangka akan mula beroperasi pada bulan Jun 2003 dan kapasiti selebihnya pada bulan Ogos 2003. Selepas pengembangan bernilai RM20 juta ini siap, jumlah kapasiti yang tersedia adalah sebanyak 102,600 meter padu, menjadikan Stolthaven antara pengendali bebas yang terbesar di Malaysia.

PERHOTELAN

Hotel Midah yang mempunyai 198 bilik mencatat perolehan sebanyak RM4.20 juta (2001: RM4.07 juta) dan keuntungan sebelum cukai sebanyak RM64,000 berbanding kerugian sebanyak RM327,000 pada tahun 2001.

Hotel ini mencatat peningkatan penghunian kepada 65 peratus berbanding 54 peratus yang dicatat pada tahun sebelumnya. Prestasi yang lebih baik ini disebabkan terutamanya oleh kebergantungan yang berkurang kepada sektor pelancongan. Sektor pelancongan menyumbangkan sekitar 50 peratus daripada jumlah perolehan yang dicatat manakala sektor korporat dan kerajaan menyumbangkan yang selebihnya.

PERKHIDMATAN MAKANAN

Kumpulan Skyline Concept mencatat perolehan sebanyak RM16.14 juta (2001: RM15.77 juta) dan kerugian sebelum cukai bersih sebanyak RM5.39 juta (2001: kerugian bersih: RM5.20 juta).

Dalam usahanya untuk merasionalkan operasi dan mengurangkan kerugian, pengurusan telah membuat keputusan untuk menutup restoran utama Mississippi Slims pada bulan Disember 2002. Selepas penutupan ini, kumpulan kini hanya mengendalikan jenama Baker Bros. Pada masa ini, lima restoran beroperasi di Dallas dan satu di Kuala Lumpur.

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PENYATA PENERUSI

INVESTMENT

The Group's 32 percent owned associated company, Kejora Harta Bhd, recorded an improved performance for the year under review. Pre-tax loss was reduced to RM6.79 million compared with RM9.26 million previously due to higher investment income.

The property market in Kedah, where Kejora's principal property development is located, remains soft, particularly in respect to commercial properties such as shop-offices. In line with market demand, new launches remained focussed on low and medium-cost residential properties.

In Kejora's other investments in quarrying, pre-mix and construction, it has also been a difficult year with keen competition and this has resulted in lower gross margins. This affected efforts in securing additional projects.

The Kejora Group is looking to diversify into the specialty retail sector through its proposed acquisition of Rampai-Niaga Sdn Bhd, which holds the Body Shop franchise for Peninsular Malaysia. The proposed acquisition, which will provide a stable source of cashflow, is expected to be completed in the current financial year.

PROSPECTS

The uncertainty caused by the Iraqi war, Severe Acute Respiratory Syndrome (SARS) and the economic slowdown in US is expected to have a negative effect on our local economy. Against such a scenario, and despite our Government's efforts in prime pumping the local economy, the economy is expected to grow at a slower rate. However, there will always be pockets of opportunities even in such uncertain times. We are therefore confident that the Group will be able to ride on these opportunities to further improve our financial performance.

Demand for properties is expected to be subdued with the exception of properties located in prime locations. However, we are confident of our property sales in the current financial year as we are growing in reputation as a developer with a niche in building lifestyle. We bring value and create lifestyle in our developments rather than mere 'brick and mortar' projects.

PELABURAN

Kejora Harta Bhd, syarikat bersekutu milik 32 peratus Kumpulan mencatat prestasi yang lebih baik pada tahun dalam tinjauan. Kerugian sebelum cukai menurun kepada RM6.79 juta berbanding RM9.26 juta sebelumnya berpunca daripada pendapatan pelaburan yang lebih tinggi.

Pasaran hartanah di Kedah, lokasi pembangunan hartanah utama Kejora, kekal lemah, terutamanya bagi hartanah komersial seperti pejabat kedai. Seiring dengan permintaan pasaran, pelancaran baru terus tertumpu kepada hartanah kediaman kos rendah dan rendah-sederhana.

Pelaburan lain Kejora dalam aktiviti perkuarian, pracampuran dan pembinaan, turut menghadapi tahun yang mencabar dengan persaingan yang sengit dan ini telah menyebabkan keuntungan kasar yang lebih rendah. Ini telah menjejaskan usaha-usaha untuk mendapatkan projek tambahan.

Kumpulan Kejora berhasrat untuk menceburi sektor runcit khas melalui cadangan pengambilalihan Rampai-Niaga Sdn Bhd, yang memiliki francais Body Shop bagi Semenanjung Malaysia. Cadangan pengambilalihan ini, yang akan mewujudkan sumber aliran tunai yang stabil, dijangka akan disempurnakan pada tahun kewangan semasa.

PROSPEK

Ketidaktentuan yang berpunca daripada peperangan di Iraq, wabak Sindrom Pernafasan Akut yang Teruk (SARS) dan kelembapan ekonomi Amerika Syarikat dijangka menjejaskan ekonomi tempatan. Berdasarkan senario ini, dan meskipun usaha-usaha Kerajaan untuk merangsang ekonomi tempatan, ekonomi negara dijangka akan tumbuh pada kadar yang lebih rendah. Namun, peluang-peluang tertentu sentiasa wujud meskipun dalam masa ketidaktentuan ini. Oleh itu, kami yakin Kumpulan akan dapat mengambil kesempatan daripada peluang-peluang ini untuk mempertingkatkan prestasi kewangan kami.

Permintaan bagi hartanah dijangka lembap kecuali bagi hartanah yang terletak di kawasan pilihan. Namun, kami mempunyai keyakinan terhadap penjualan hartanah kami pada tahun kewangan semasa memandangkan reputasi baik kami sebagai pemaju dengan pengkhususan dalam mewujudkan gaya hidup semakin menonjol. Kami menawarkan nilai dan mewujudkan gaya hidup dalam projek pembangunan kami, bukan setakat mendirikan bangunan daripada batu-bata.

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PENYATA PENERUSI

In the IT division, we expect to see more alliances with leaders in various business segments. We also have plans to make further inroads into non-banking and finance segments. By further diversification into the public and telecommunications sectors, just to name a few, we will broaden our earnings base. From this stems the confidence that GI will be able to make substantial contributions towards the Group in the future.

As for liquid bulk, Stolthaven remains confident of its business and has forecasted stronger earnings for the current financial year. This is based on the completion of the additional storage capacity and the expectation of the demand being maintained at its present level.

CORPORATE DEVELOPMENT

During the year, your company undertook a private placement exercise of 29,122,000 new ordinary shares of RM1.00 each ("Private Placement") of which 19,500,000 shares were placed out at an average price of RM1.10 per share. In view of the current unfavourable market condition, your company was unable to place the remaining 9,622,000 shares and has sought the Securities Commission's approval for an extension of time to complete the Private Placement.

DIVIDEND

The Board of Directors has recommended a first and final dividend of one per cent (1%), less 28 percent income tax, for the year ended December 31, 2002.

APPRECIATION

On behalf of the board, I wish to express our sincere appreciation and gratitude to our clients, business partners and shareholders for their continued support and to our management and staff, for their commitment and dedication. Our Executive Director, Mr Lim Wee Kiat has expressed his intention not to seek for re-election at the forthcoming Annual General Meeting and on behalf of the Board of Directors, I would like to thank him for his contributions during his tenure. Finally, to my fellow Directors on the Board, my sincere thanks for their invaluable contribution and support.

Tan Sri Dato' Lim Thiam Leong
Chairman / Pengerusi

May 12, 2003 / 12 Mei 2003

Dalam Bahagian IT, kami menjangka akan mewujudkan lebih banyak lagi perikatan dengan peneraju pelbagai segmen perniagaan. Kami juga mempunyai rancangan untuk terus menembusi segmen bukan perbankan dan kewangan. Dengan mempelbagaikan aktiviti kepada sektor awam dan telekomunikasi, antaranya, kami akan meluaskan asas pendapatan kami. Ini menjadi asas keyakinan kami bahawa GI akan dapat memberi sumbangan ketara kepada Kumpulan pada masa depan.

Bagi pukal cecair pula, Stolthaven mengekalkan keyakinan terhadap perniagaannya dan telah mensasarkan pendapatan yang lebih kukuh pada tahun kewangan semasa. Ini berdasarkan siapnya kapasiti penyimpanan tambahan dan jangkaan permintaan kekal pada paras kini.

PERKEMBANGAN KORPORAT

Pada tahun ini, syarikat anda melaksanakan tawaran persendirian melibatkan 29,122,000 saham biasa baru berharga RM1.00 sesaham ("Tawaran Persendirian") yang mana daripada itu, sebanyak 19,500,000 saham ditawarkan pada harga RM1.10 sesaham. Memandangkan keadaan pasaran semasa yang kurang baik, syarikat anda tidak mendapat langganan bagi baki 9.622,000 saham dan telah memohon kelulusan Suruhanjaya Sekuriti bagi melanjutkan tempoh untuk menyelesaikan Tawaran Persendirian.

DIVIDEN

Lembaga Pengarah telah mengesyorkan dividen pertama dan akhir sebanyak satu peratus (1%), tolak 28 peratus cukai pendapatan, bagi tahun berakhir 31 Disember 2002.

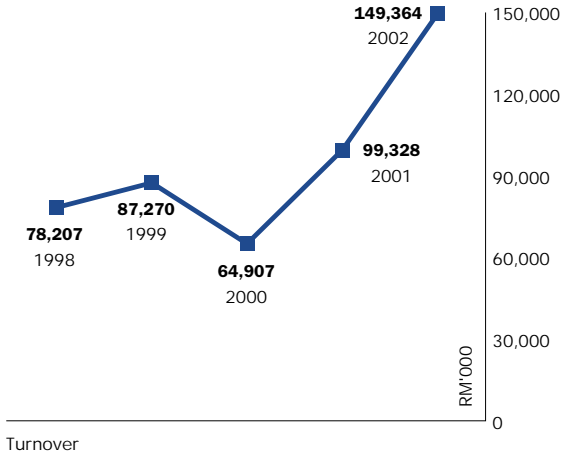
PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan dan rasa terutang budi kami kepada para pelanggan, rakan kongsi perniagaan dan pemegang saham kami atas sokongan berterusan mereka, dan kepada pengurusan dan kakitangan kami atas komitmen dan dedikasi mereka. Pengarah Eksekutif kami, Encik Lim Wee Kiat telah menyatakan hasratnya untuk tidak menawarkan diri untuk pemilihan semula di Mesyuarat Agung Tahunan akan datang dan bagi pihak Lembaga Pengarah, saya ingin mengucapkan ribuan terima kasih atas sumbangan beliau semasa dalam tempoh perkhidmatan. Akhir sekali, kepada rakan-rakan ahli Lembaga Pengarah, setinggi-tinggi penghargaan saya atas sumbangan tidak ternilai dan sokongan mereka.

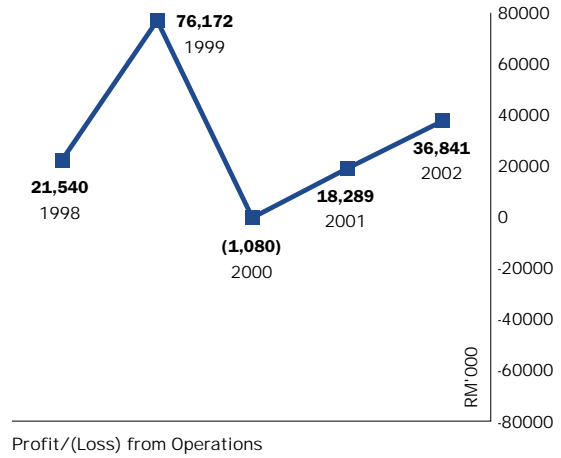
Five-Year Financial Highlights

RM'000	1998	1999	2000	2001	2002
Turnover	78,207	87,270	64,907	99,328	149,364
Profit/(loss) before tax	(36,252)	43,241	(26,639)	(84,498)	19,473
Profit/(Loss) after taxation attributable to shareholders of the company	(44,098)	40,542	(29,504)	(88,999)	11,386
Total assets	1,092,869	1,085,642	1,011,167	861,880	1,091,061
Shareholders' funds	702,067	737,621	699,218	607,792	640,121
Paid-up capital	289,193	290,440	291,221	291,221	310,721
Earnings/(Loss) per share (sen)	(19.16)	13.99	(10.14)	(30.56)	3.83
Gross dividend per share					
– Interim (sen)	–	–	–	–	–
– Final (sen)	1.00	3.00	3.00	1.00	1.00
Net dividend proposed/paid	2,082	6,280	6,303	2,089	2,235
Return on Shareholders' funds (%)	(6.28)	5.50	(4.22)	(14.64)	1.78
Dividend cover	(21.18)	6.46	(4.68)	(42.60)	5.09
Net tangible assets per share (RM)	2.23	2.34	2.19	1.86	1.00

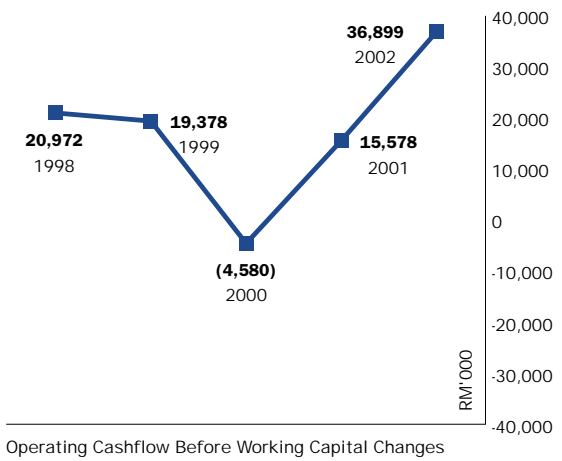
Five-Year Financial Highlights



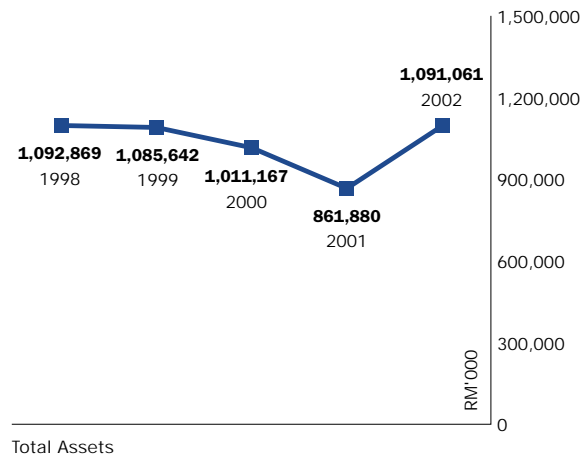
Turnover



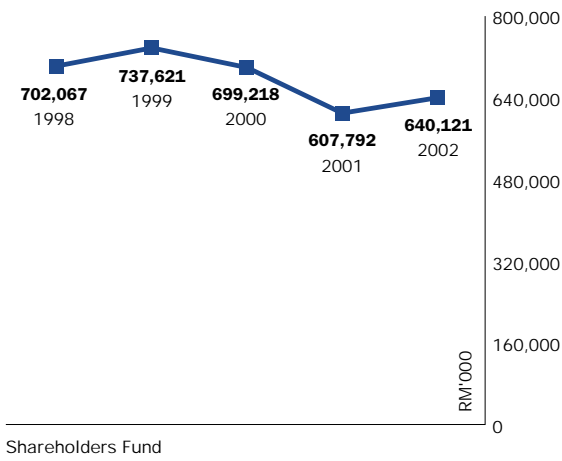
Profit/(Loss) from Operations



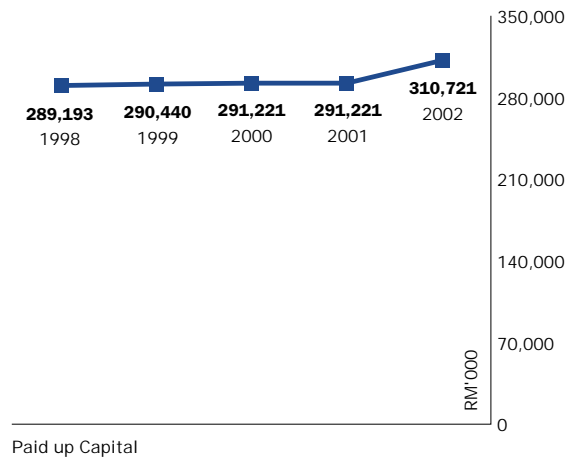
Operating Cashflow Before Working Capital Changes



Total Assets



Shareholders Fund



Paid up Capital

Corporate Structure

Principal Subsidiaries and Associates

PROPERTY DEVELOPMENT	Bcom Holdings Sdn Bhd	51%
	Bolton LYL Sdn Bhd	100%
	Cochrance Indah Sdn Bhd	40%
	Continental Estates Sdn Bhd	15.8%
	Kejora Harta Berhad - Main Board	32%
	Ketapang Realty Sdn Bhd	100%
	* Pele Development Limited	100%
	* Pele Investment Holdings Limited	100%
	Prima Nova Harta Development Sdn Bhd	50% + 1 share
	Senawang Mewah Sdn Bhd	100%
	Vista Prisma Sdn Bhd	52.7%
	Winmin Builders Sdn Bhd	100%

PROPERTY INVESTMENT	Beribu Nikmat Sdn Bhd	100%
	Beribu Sukma Sdn Bhd	100%
	Goldenprop Management Sdn Bhd	100%
	Keat Ann Realty Sdn Bhd	100%
	Langkawi Fair Sdn Bhd	100%
	Lim Thiam Leong Realty Sdn Bhd	100%
	Midah Jaya Realty Sdn Bhd	100%
	Midah Management Sdn Bhd	100%
	Midahmas Realty Sdn Bhd	100%
	Parkrose Holdings Sdn Bhd	100%
	Prestige Capital Sdn Bhd	100%
	Prima Panorama (M) Sdn Bhd	100%

INFORMATION TECHNOLOGY	Global Innovative Management Partners-ACT Sdn Bhd	100%
	GI Solutions Gateway Sdn Bhd	100%
	Tactical Imp-Act Software Sdn Bhd	100%
	Silver Imp-Act Bhd	100%
	SN Solutions Sdn Bhd	51%

LIQUID BULK TERMINAL	Stolthaven (Westport) Sdn Bhd	60%
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HOSPITALITY & FOOD SERVICES	Hotel Midah - Noble Accord Sdn Bhd	100%
	Skyline Concepts Sdn Bhd	80%
	BakersBrosCorp Sdn Bhd	80%
	Multivenuue Sdn Bhd	64%
	* BB Franchising Inc - USA	38.4%
	Skyline Concepts Restaurants Sdn Bhd	80%
	SilmsCorp Sdn Bhd	80%

INVESTMENT HOLDINGS	Beribu Tekad Sdn Bhd	100%
	Cahadinar Sdn Bhd	100%
	Campbell Shopping Complex Sdn Bhd	100%
	khazamesra Sdn Bhd	100%
	Knoxfield Sdn Bhd	100%
	Majestic Focus Sdn Bhd	100%
	Marak Unggul Sdn Bhd	20%
	Menara Ampang Sdn Bhd	49%
	Noble Midah Sdn Bhd	100%
	Noble Senawang Sdn Bhd	100%
	Prima Istimewa Sdn Bhd	100%
	Prima Kenny Sdn Bhd	100%
	Primtrax Sdn Bhd	100%
	Progresif Setia Sdn Bhd	40%
	Vista Wirama Sdn Bhd	100%

* Foreign Company

Corporate Governance

The Board of Bolton Berhad (the Board) is committed to ensuring that the highest standards of corporate governance are practiced through out the Company and its group of companies (the Group) with the ultimate objective of realizing long term shareholder value while taking into account the interest of other stakeholders. In line with this commitment, the Board has taken and is continuously reviewing, where appropriate, the necessary steps to comply with the requirements on standard of corporate responsibility, integrity and accountability and provide greater disclosure and transparency in the business of the Group. In compliance with the Listing Requirements of Kuala Lumpur Stock Exchange (KLSE Listing Requirements), the Board is pleased to set out below a statement of how the Group has applied the principles and complied with the best practices provisions laid down in the Code during the financial year ended December 31, 2002.

BOARD OF DIRECTORS

In cognizance with its responsibility to lead and control the Group, the Board has adopted specific responsibilities. The Directors together represent a wide blend of business experiences with strong expertise in the Group's core business activities. A brief write-up of the background of each Director is represented from pages 8 to 12.

The Board meets at least four times a year and when necessary, additional meetings are convened. For the financial year ended December 31, 2002, the Board met six times and a majority of the Directors attended all the meetings held during the period.

The Board has delegated specific responsibilities to three subcommittees (Nomination, Remuneration and Audit Committees), the details of which are set out below. These Committees have the authority to examine particular issues and report back to the Board with their respective recommendations. The ultimate responsibility for the final decision on all matters, however, rest with the Board.

BOARD BALANCE

The Board currently has ten members, comprising six executive Directors and four non-executive Directors. Of the four non-executive, three are independent Directors. There is clear division of responsibilities between the running of the Board and the executive responsibility for the running of the Group's businesses.

Encik Abdul Sani Bin Busu has been appointed by the Board as the Senior Independent Non-Executive Director of the Board to whom any concerns may be conveyed.

SUPPLY OF INFORMATION

The Board has reserved for itself power in respect of certain specific area including the approval of the annual budgets, announcement on the quarterly results, acquisitions and disposals, major investments and financial decisions, appointments to the Board and changes in control and structure within the Group. All Board meetings are scheduled well in advance and a Board report is issued in sufficient time prior to a Board meeting to enable the Directors to review and consider the agenda items to be discussed at the Board meeting.

All directors have access to the advice and service of the Joint Company Secretaries.

Corporate Governance

APPOINTMENTS TO THE BOARD

As a formal procedure for the appointment to the Board, the Board has constituted a nomination committee with clear terms of reference. The Nomination Committee comprises two Non-Executive Directors, namely, Encik Abdul Sani Bin Busu and Mr Loh Yeow Boo with Mr Loh Yeow Boo as the Chairman of the Committee.

As an integral element of the process of appointing new directors, the Nomination Committee ensures that there is an orientation program for the new Board members.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association (Articles), all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting (AGM) subsequent to their appointment. The Articles also provide that at least one third of the remaining Directors be subject to re-election by rotation at each AGM provided always that all Directors including the Managing Director retire from office at least once every three years but shall be eligible for re-election.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

DIRECTORS' REMUNERATION

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure the Company attracts and retains the Directors needed to run the Group successfully. The remuneration package and or level is linked to the corporate and individual performance in the case of Executive Directors and in the case of Non-Executive Directors, the experience and level of responsibilities undertaken by the individual concerned.

A Remuneration Committee comprising two Non-Executive Directors, namely Encik Abdul Sani Bin Busu and Mr Loh Yeow Boo and one Executive Director, namely Tan Sri Dato' Lim Yan Hai has been set up with defined terms of reference. The Committee which is chair by Encik Abdul Sani, is responsible for establishing a formal and transparent procedure on executive remuneration and recommending to the Board the remuneration of the executive directors and senior management in all its forms, drawing from outside advice as necessary.

The aggregate remuneration of Directors received/receivable from the Company and the subsidiaries for the financial year ended December 31, 2002 are as follows:-

	Fees (RM)	Salaries & Others Emoluments (RM)	Total (RM)
Executive Directors	-	2,352,520	2,352,520
Non-Executive Directors	-	90,000	90,000

Corporate Governance

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

Range of Remuneration (RM)	Executive	Non-Executive
50,000 & below	–	3
50,001 - 100,000	–	–
100,001 - 150,000	1	–
150,001 - 300,000	–	–
300,001 - 350,000	2	–
350,001 - 450,000	–	–
450,001 - 500,000	1	–
500,001 - 1,100,000	–	–
1,100,001 - 1,150,000	1	–

(for security and confidentiality reasons, the details of Directors' remuneration are not shown with reference to each Director individually)

INVESTOR RELATION AND SHAREHOLDER COMMUNICATION

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and the Group. Announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations.

Where appropriate, presentations will be made by the executive directors to explain the Group's strategy, performance and major development, if any, with the members of the press and analysts.

At each Annual General Meeting, the Board takes pleasure in presenting the progress and performance of the Group Business and encourages shareholders' participation. The executive directors and the chairman of the Nomination, Remuneration, Audit Committees respectively and the External Auditors are available to respond to the shareholders' questions during the meeting.

In addition, shareholders can obtain up-to-date information on the Group's various activities by accessing its website at www.bolton.com.my. The latest quarterly announcement of the Company can also be found on this site.

FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Board aim to present a clear, balanced and understandable assessment of the Group's position and prospects. This also applies to other price sensitive public reports and reports to regulators respectively.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 41 of the annual report.

Corporate Governance

AUDIT COMMITTEE

The Audit Committee of the Board comprises three Independent Non-Executive Directors and one Executive Director with Dato' Zakaria Bin Dato' Ahmad as Chairman. The composition of the Audit Committee can be found on page 30 of the annual report.

The Audit Committee met five times during the period and a majority of the members attended all the meetings. The duties carried out by the Committee are as set out on pages 30 to 31 of the annual report.

RELATIONSHIP WITH THE AUDITORS

The role of the Audit Committee in relation to the external auditors is stated on page 30.

INTERNAL CONTROL

The Board acknowledges their responsibilities for the Group's systems of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. The internal control system involves each business and key management from each business and is designed to identify and manage risks to which the business is exposed. The systems can therefore only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group's internal audit provides independent and objective reports on the Group's management, record, accounting policies and controls to the Audit Committee. The internal audit include evaluation of the processes by which the risks are identified, assessed and managed and ensure that controls which are instituted are appropriate and can effectively address acceptable risk exposure. The Group's internal audit also ensures that recommendations to improve controls are followed through by management.

This Statement is made in accordance with a resolution of the Board of Directors dated April 16, 2003.

Statement on Internal Control

The Board of Directors acknowledges their overall responsibilities for the Group's system of internal control that covers all aspects of the business including strategic, commercial and financial areas. In recognition of their responsibilities, the Directors have set up an Operations Risk Committee, to provide assistance in support and efficacy of risk management frameworks.

The Directors further acknowledges that a sound system of internal control provides reasonable protection and is designed to ensure that risks are managed at known and acceptable levels. Notwithstanding this, on going reviews shall be carried out continuously to ensure effectiveness of the internal control system and that risk are mitigated, as they cannot be eliminated completely.

The principal features of the Group's system of internal control are:

Risk Assessment Activities

The Board has adopted the risk management policy that formalizes the Board's direction in managing risks across the Group. These policies deals with the structured process in which risks assessment activities are identified and embedded in the Group's annual budgeting process and business strategy.

Control Environment

The Operations Risk Committee is entrusted to provide support and shall be responsible to clearly ascertain risk management principles and standard operating procedures for all operational risks identified for the Group. The Operations Risk Committee together with the respective division heads are:

- to identify and quantify all business and operational risks;
- to evaluate internal management capabilities to manage these risks;
- to review for standard policies and procedures to be in place for all identified risks;
- to recommend and quantify favorable or unfavorable factors identified with each risk factor; and
- to feedback to Board Of Directors with information on the risk profiles of the entire Group.

Performance Reporting and Information

Business Planning

Business plans and budgets are prepared and reviewed at various levels of management, such as subsidiary boards and divisional levels before they are subject to review at the Finance Committee chaired by the Senior Executive Director, Property & Investment Division. The Group Business Plan and Budget is then presented to the Exco members and the Board for approval. In preparing these business plans, management will identify and report on the key potential risks faced and it's strategic imperatives.

Performance Monitoring

Monthly performance reports are produced by respective subsidiaries and divisions and the comparison with the approved budget are reviewed. Reports are then consolidated for overall review by the Management Committee, and the Exco members.

Further, quarterly reporting of the Group's performances is reviewed by the Board of Directors.

Monitoring and Review Activities

The processes for reporting and monitoring the system of internal controls are subject to continuous review from the Board of Directors, Management Committees and Group Internal Auditors. The Board has also implemented half yearly reviews by the Operation Risk Committee to obtain feedback from the divisions on the adequacy and completeness of the systems. Also, responsibilities for monitoring compliance with policies and guidelines rest with the respective division heads and with senior management.

During the year, the Group has engaged external consultants to study the internal control frameworks, covering readiness in current state of the Group's risk management practices and internal control system. Following the study, various initiatives focusing on interviews with key executives, current processes and improvement opportunities have been identified to enhance the overall internal control. Implementation of these recommendations will be developed detailing the responsibilities, timeframes and their status monitored by Operations Risk Committee, the Exco members and the Board of Directors.

The Group Internal Audit Department, reporting directly to the Board Audit Committee will monitor and verify the necessary compliances to risk management principles in all key activities of the Group.

Review of Effectiveness

The Directors believe that the Group's system of internal control, on an overall basis has good number of characteristics of a sound system of internal control and that issues are identified on a timely basis and dealt with appropriately.

However, the review does not include associate companies for which the Group does not have management control over the operations.

The statement is made in accordance with a resolution of the Board of Directors dated April 16, 2003.

Audit Committee Report

The Board of Directors of the Company is pleased to present the report of the Audit Committee for the financial year ended December 31, 2002.

A. MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee at the date of this report are as follows:-

1. Dato' Zakaria Bin Dato' Ahmad
(Independent Non-Executive Director - Chairman)
2. Abdul Sani Bin Busu
(Independent Non-Executive Director)
3. Loh Yeow Boo (Independent Non-Executive Director)
4. Lim Yen Kong (Non-Independent Executive Director)

B. TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

1. Membership

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three members, a majority of whom shall be independent directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or possess such other qualifications and experience as approved by the Kuala Lumpur Stock Exchange.

The Chairman of the Committee shall be an independent director appointed by the Board. He shall report on each meeting of the Committee to the Board.

The quorum shall consist of two members and a majority of the members present must be independent directors.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. Reporting Procedure

The Company Secretary shall be the Secretary responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to the meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board.

3. Frequency of Meetings

Meetings shall be held not less than four times a year and representatives of the internal and external auditors shall normally attend such meetings. Other members of the Board and employees may also attend upon the invitation of the Committee. At least once a year, the Committee shall meet the external auditors without the presence of the executive board members.

4. 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.

5. Duties

The duties of the Committee are:-

- (i) to consider the appointment or re-appointment of external auditors, the audit fee and any question of resignation or dismissal.
- (ii) to review and discuss with the external auditors:-
 - (a) the nature and scope of the audit;
 - (b) the external auditors' evaluation of the system of internal controls, their management letter and audit report;
 - (c) problems and reservations arising from the interim and final audits and any matter the external auditors may wish to discuss (in the absence of management where necessary);
 - (d) the external auditors' management letter and management's response.
- (iii) to review and discuss with the internal auditors:-
 - (a) the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - (b) the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function.
- (iv) to review and assess the performance of the internal audit function as a whole.

Audit Committee Report

- (v) to approve any appointment or termination of senior staff members of the Internal Audit Department, and review any appraisal or assessment of the performance of members, of the internal audit function and to keep itself informed of any resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning.
- (vi) to review the quarterly and year-end financial statements, prior to the approval by the Board, focusing particularly on:-
- (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events;
 - (c) the going concern concept; and
 - (d) compliance with accounting standards and other legal requirements.
- (vii) to review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (viii) to report to the Kuala Lumpur Stock Exchange where the Committee is of the view that a matter reported by it to the board of directors of the Company has not been satisfactorily resolved resulting in a breach of the KLSE Listing Requirements.

C. NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR

Name of No. Directors	Audit Committee Meeting	
	Number of Audit Committee Meetings held	Number of Audit Committee Meetings attended
1. Dato' Zakaria Bin Dato' Ahmad	5	4
2. Lim Yen Kong	5	2
3. Abdul Sani Bin Busu	5	5
4. Loh Yeow Boo	5	5

In addition to the above meetings, the independent members of the Committee also met once during the year with the External Auditors without the presence of the Executive Director.

D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

During the year, the Audit Committee carried out its duties as set out in the terms of reference. In addition, the Audit Committee has also reviewed and discussed the following main issue:-

- The Group's procedures in respect of recurrent related party transactions (RPTs) to satisfy itself that the procedures were sufficient to ensure that the RPTs were not more favourable to the Related Parties than those generally available to the public.

E. INTERNAL AUDIT FUNCTIONS

The Company has established an Internal Audit Department. The role of the Internal Audit function is to assist the Audit Committee in discharging its function as well as providing the Audit Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

During the financial year, the Internal Audit Department conducted independent reviews and evaluated risk exposures relating to the Group's governance and operations, highlighting weaknesses and making appropriate recommendations for improvements. The Internal Audit activities have been carried out based on the Internal Audit Plan which have been approved by the Audit Committee.

Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

The breakdown of the aggregate value of RRPT conducted pursuant to the shareholders' mandate during the financial year 2002.

Related Party	Nature of transactions	Value (RM)	Interested Parties
Kejora Harta Bhd Group	1. Income received/ receivable		<u>Interested Major Shareholders</u> LYH Holdings Sdn Bhd ("LYH Holdings") Forum Equity Sdn Bhd ("Forum Equity") Tan Sri Dato' Lim Yan Hai ("Tan Sri LYH") Lim Yen Haat ("LYH") Lim Wee Kiat ("LWK")
	• Secretarial Fees	56,000	
	• Rental of Premises	117,000	
	• Internal Audit Fees	22,800	
	2. Construction contracts awarded to Kenneison Brothers Construction Sdn Bhd ("KBC"), a sub-subsidiary of Kejora Harta Bhd	42,077,139	Lim Wee Lin ("LWL") Lim Bin Jong ("LBJ") <u>Interested Directors</u> Lim Yen Haat Loh Yeow Boo Lim Wee Kiat
	3. Project management fees receivable from KBC	800,000	
Malaysian Plantations Berhad Group	1. Office rental income received from Alliance Banking Group, a subsidiary of Malaysian Plantations Berhad	676,657	<u>Interested Major Shareholders</u> LYH Holdings Forum Equity Tan Sri LYH LWK LWL LBJ
	2. License fees received/ receivable in respect of IT consultation services, maintenance, support and upgrading of system software by Global Innovative Management Partners-ACT Sdn Bhd ("Global Impact"), a wholly-owned subsidiary of Bolton	34,054,800	<u>Interested Directors</u> Tan Sri LYH Abdul Sani Bin Busu
Silverlake System Sdn Bhd	1. Licensing fee payable by Global Impact in respect of the provision of services relating to implementation, customization and integration of the Silverlake Integrated Banking System ("SIBS")	22,177,000	<u>Interested Major Shareholder</u> Goh Peng Ooi <u>Interested Director</u> Goh Peng Ooi
	2. Renting of office space from Global Impact	854,100	
	3. Office maintenance payable to Global Impact	70,000	
	4. License fees receivable by Global Impact in respect of integration of the SIBS	3,200,000	
Axis Systems Sdn Bhd (a subsidiary of Silverlake System Sdn Bhd)	1. Provision of Branch Delivery System (Bank Branch Teller Software) to Global Impact	2,875,500	<u>Interested Major Shareholder</u> Goh Peng Ooi <u>Interested Director</u> Goh Peng Ooi

Additional Compliance Information

To comply with the Listing Requirements of the Kuala Lumpur Stock Exchange, the following additional information is provided:-

i) Material Contracts

There were no other material contracts entered into by the Company and its subsidiary companies, involving directors and major shareholders.

ii) Utilisation of Proceeds

During the financial year, the Company issued 19,500,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share through private placement. The proceeds were utilised to repay bank borrowings, for working capital purpose and to defray cost incidental to the placement.

iii) Share Buybacks

During the financial year, the Company repurchased 15,000 shares of RM1.00 each from the open market at an average price of RM1.18 per share. The shares repurchased were retained as treasury shares.

iv) Options, Warrants or Convertible Securities

The Company has not issued any options, warrants or convertible securities in respect of the financial year ended December 31, 2002. The number of unexercised warrants since the end of last financial year is 45,495,958 and there has been no warrant exercised during the financial year under review.

v) American Depository Receipt (ADR) or Global Depositor Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

vi) Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

vii) Non-audit Fees

The amount of non-audit fees paid or payable to the external auditors, Messrs Young Siew Wah & Co by the Company for the financial year ended December 31, 2002 is RM3,000.

viii) Profit Estimate, Forecast or Projection

There is no material variance between the results for the financial year and the unaudited results previously announced by the Company. The Company did not issue any profit estimate, forecast or projections for the financial year.

ix) Profit Guarantee

On February 28, 2001, the Company completed the acquisition of 321,500 ordinary shares of RM1.00 each representing 32.15% of the issued and paid up capital of Global Innovative Management Partners-ACT Sdn Bhd ("Global Impact") for a total cash consideration of RM90 million ("the Acquisition") through a wholly owned subsidiary company, Noble Midah Sdn Bhd ("NMSB"). On March 1, 2002, NMSB completed the purchase of the remaining 678,500 ordinary shares of RM1.00 each upon exercise of the Call Option for a total consideration of RM190 million.

The vendors of Global Impact had warranted for the Acquisition and the Call Option, an accumulated profit before tax of RM33.7575 million and RM71.2425 million respectively ("Warranted PBT") for a duration of 3 years commencing on the financial year ended December 31, 2001 with a minimum guarantee for each financial year as follows:

Guaranteed Period Financial Year	Minimum Warranted PBT		
	The Acquisition RM	Call Option RM	Total RM
Ended December 31, 2001	8,037,500	16,962,500	25,000,000
Ended December 31, 2002	8,841,250	18,658,750	27,500,000
Ended December 31, 2003	16,878,750	35,621,250	52,500,000
	<u>33,757,500</u>	<u>71,242,500</u>	<u>105,000,000</u>

The Warranted PBT is secured by setting aside a retention sum on the purchase consideration amounting to RM33,757,500 and RM71,242,500 respectively and such retention sum will only be released to the vendors on a yearly basis based on the audited PBT of Global Impact.

Global Impact achieved PBT of RM28,795,124 for the financial year ended December 31, 2001 and RM15,018,599 for the financial year ended December 31, 2002.

x) Revaluation of Landed Properties

The Company does not adopt a policy on regular revaluation. However, certain land and buildings have been revalued in 1983 and the surplus on revaluation has been incorporated in the financial statements.

Statement of Directors' Responsibilities in Respect of the Audited Financial Statements

The Directors are required to prepare financial statements which gives a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flow of the Group and of the Company of the financial year then ended.

In the preparation of the financial statements, the Company's Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are prudent and reasonable;
- Ensured applicable approved accounting standards have been followed.

The Directors are responsible for ensuring that the Group keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

Financial Statements

B o l t o n B e r h a d (5 5 7 2 - H)

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Directors' Report

We have pleasure in submitting our report and audited financial statements of the Group and of the Company for the year ended December 31, 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of property development, rental of property, investment holding and money lending.

The principal activities of the subsidiary companies and associated companies are described in Note 6 and 7 to the financial statements.

Other than subsidiary companies acquired as stated in Note 6 to the financial statements, there have been no significant changes in these principal activities during the year.

TRADING RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation	9,410	3,357
Minority interests	1,976	-
Net profit for the year	11,386	3,357

DIVIDENDS

A first and final dividend of 1% less 28% income tax, amounting to RM2,094,656 in respect of the financial year ended December 31, 2001 was paid on August 28, 2002.

The directors proposed a first and final dividend of 1% less 28% income tax, amounting to RM2,235,020 in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included in the financial statements.

PROVISIONS AND RESERVES

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

INFORMATION REGARDING THE GROUP AND THE COMPANY DURING AND AS AT THE END OF THE FINANCIAL YEAR

Before the income statement and balance sheets were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts;
- (b) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business, were written down to an amount which they might be expected so to realise.

In the opinion of the directors, the results of the Group's and the Company's operations during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, apart from those items disclosed in Note 36 to the financial statements and this report.

Directors' Report**INFORMATION REGARDING THE GROUP AND THE COMPANY FROM THE END OF ITS FINANCIAL YEAR TO THE DATE OF THIS REPORT**

The directors are not aware of any circumstances which would render:

- (a) the amounts written off or provided for bad and doubtful debts inadequate to any material extent;
- (b) the values attributed to current assets in the financial statements misleading; and
- (c) adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen which would affect substantially the results of the Group's and the Company's operations for the financial year in which this report is made.

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 affect the ability of the Group and the Company to meet their obligations as and when they fall due.

INFORMATION REGARDING THE GROUP AND THE COMPANY DURING AND AS AT THE DATE OF THIS REPORT

There are no charges on the assets of the Group and the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

There are no contingent liabilities which have arisen since the end of the financial year other than those arising out of the normal course of business.

The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

ISSUE OF SHARE CAPITAL AND DEBENTURE

During the financial year, the issued and paid-up share capital of the Company was increased from RM291,221,460 to RM310,721,460 by way of private placements of 19,500,000 new ordinary shares of RM1.00 each at an issue price at RM1.10 per share for cash.

The premium arising upon the issue of shares, net of share issue expenses, amounting to RM1,459,902 has been credited to Share Premium Account.

The above ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

The Group and the Company has not issued any debentures during the financial year.

SHARES REPURCHASED

During the financial year, the Company repurchased 15,000 of its issued shares of RM1 each from the open market at an average price of RM1.18 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

Directors' Report

INFORMATION REGARDING THE DIRECTORS

Directorate

The names of the directors since the date of last report are:

Tan Sri Dato' Lim Thiam Leong

Tan Sri Dato' Lim Yan Hai

Lim Yen Haat

Chin Jit Pyng

Lim Yen Kong

Lim Wee Kiat

Goh Peng Ooi

Dato' Zakaria Bin Dato' Ahmad

Abdul Sani Bin Busu

Loh Yeow Boo @ Lok Bah Bah

DIRECTORS' INTERESTS IN SHARES

Particulars of beneficial interests of directors who held office at the end of the financial year in shares and warrants of the Company and its related corporation according to the register kept by the Company for the purposes of Section 134 of the Companies Act, 1965 are as follows:

The Company	← Number of ordinary shares of RM1 each →			
	As at 1-1-2002	Bought	Sold	As at 31-12-2002
Tan Sri Dato' Lim Thiam Leong				
– direct interest	990,311	–	–	990,311
– indirect interest	17	–	–	17
Tan Sri Dato' Lim Yan Hai				
– direct interest	67,000	3,102,000	–	3,169,000
– indirect interest	133,746,507	–	27,764,997	105,981,510
Lim Yen Haat				
– direct interest	14,611,383	170,000	–	14,781,383
– indirect interest	5,079,198	–	–	5,079,198
Chin Jit Pyng				
– direct interest	–	5,203,704	170,000	5,033,704
Lim Yen Kong				
– direct interest	600,000	–	–	600,000
– indirect interest	5,081,992	–	–	5,081,992
Lim Wee Kiat				
– direct interest	1,921,000	–	1,000,000	921,000
– indirect interest	133,746,507	–	27,764,997	105,981,510
Goh Peng Ooi				
– direct interest	–	9,083,164	–	9,083,164
– indirect interest	18,747,500	–	18,747,500	–

Directors' Report

DIRECTORS' INTERESTS IN SHARES (Cont'd)

The Company	Warrants 1996/2003			
	As at 1-1-2002	Bought	Sold	As at 31-12-2002
Tan Sri Dato' Lim Thiam Leong				
- direct interest	58,385	-	-	58,385
Tan Sri Dato' Lim Yan Hai				
- direct interest	1,085,000	-	-	1,085,000
- indirect interest	1,037,863	-	-	1,037,863
Lim Yen Haat				
- direct interest	750	-	-	750
- indirect interest	1,037,035	-	-	1,037,035
Lim Yen Kong				
- indirect interest	1,037,035	-	-	1,037,035
Lim Wee Kiat				
- indirect interest	1,037,863	-	-	1,037,863
	Number of ordinary shares of RM1 each			
Related Companies:	As at 1-1-2002	Bought	Sold	As at 31-12-2002
Bcom Holdings Sdn. Bhd.				
Tan Sri Dato' Lim Yan Hai				
- direct interest	1,359,000	-	-	1,359,000
Peringkat Alam Sdn. Bhd.				
Chin Jit Pyng				
- direct interest	16,000	-	-	16,000
Goh Peng Ooi				
- direct interest	8,000	-	-	8,000

By virtue of their interests in shares in the Company, Tan Sri Dato' Lim Yan Hai and Lim Wee Kiat are deemed to have an interest in the shares of all the subsidiaries to the extent the Company has an interest.

Apart from those disclosed above, no directors had interest in any shares and warrants of the Company as recorded in the Register of Directors' Shareholdings.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit other than those disclosed as directors' remuneration in the financial statements by reason of a contract made by the Company or its related companies with a 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 those benefits which may be deemed to have arisen by virtue of those contracts, agreements and transactions entered into in the ordinary course of business between the Company and companies in which the directors are deemed to have a substantial financial interest and as disclosed in Note 43 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

There were no share options granted during the financial year or unissued shares under option at the end of the financial year in respect of shares in the Company other than the 46,663,083 Warrants 1996/2003 issued on February 17, 1997 which entitles the holders to subscribe the shares of the Company. At December 31, 2002, there were 45,495,958 Warrants remained outstanding.

AUDITORS

The auditors, Messrs. Yoong Siew Wah & Company have indicated their willingness to continue in office.

Signed in accordance with a resolution of the
Board of Directors dated April 16, 2003

LIM YEN HAAT

Director

CHIN JIT PYNG

Director

Kuala Lumpur

Statement by Directors

We, LIM YEN HAAT and CHIN JIT PYNG, being two of the directors of BOLTON BERHAD, do hereby state that in our opinion, the financial statements set out on pages 43 to 98 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards issued or approved by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2002 and of the results of the operations, changes in equity and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Board of Directors dated April 16, 2003.

LIM YEN HAAT

Director

CHIN JIT PYNG

Director

Kuala Lumpur

Statutory Declaration

I, KOAY BENG HOCK, being the officer primarily responsible for the accounting records and financial management of BOLTON BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 43 to 98 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 KOAY BENG HOCK)
 at KUALA LUMPUR in the)
 FEDERAL TERRITORY this April 16, 2003) **KOAY BENG HOCK**

Before me,

NO. W. 354

S. MASOHOOD OMAR

Commissioner for Oaths

Report of the Auditors to the Members of Bolton Berhad

We have audited the financial statements set out on pages 43 to 98, comprising of the balance sheet of the Group and of the Company and the notes to the financial statements as at December 31, 2002 and of the income statement, the changes in equity statement and the cash flow statement of the Group and of the Company for the year ended on that date.

The preparation of the financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements which have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards issued or approved by Malaysian Accounting Standards Board so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at December 31, 2002 and of the results of the operations, changes in equity and the cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 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 said Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 6 to the financial statements. We have considered the financial statements of the subsidiaries and the auditors' reports thereon.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection(3) of Section 174 of the Companies Act, 1965.

YOONG SIEW WAH & COMPANY

No. AF: 0097
Chartered Accountants

Kuala Lumpur,
April 16, 2003

CHONG SAY WOON

No. 1681/12/03(J)
Partner

Consolidated Balance Sheet as at December 31, 2002

	Note	2002 RM'000	2001 RM'000
ASSETS EMPLOYED:			
PROPERTY, PLANT AND EQUIPMENT	5	181,482	175,167
SUBSIDIARY COMPANIES NOT CONSOLIDATED	6	6	6
ASSOCIATED COMPANIES	7	147,116	249,156
JOINT VENTURE COMPANY	8	44,965	45,337
OTHER INVESTMENTS	9	69,522	34,945
GOODWILL ARISING ON CONSOLIDATION	10	319,202	64,429
CONCEPT DEVELOPMENT	11	1,512	1,969
INTANGIBLE ASSET	12	9,060	117
LAND HELD FOR DEVELOPMENT	13	54,670	57,032
CURRENT ASSETS			
Development properties	14	106,292	104,037
Short term investments	15	2,592	3,216
Stocks	16	22,663	20,042
Amount due from customers on contracts	17	5,245	-
Trade debtors	18	35,165	23,233
Other debtors	19	49,425	47,400
Amount due from subsidiary companies	20	3,366	3,328
Amount due from associated companies	21	9,987	16,844
Deposits with financial institutions	22	18,112	7,730
Cash and bank balances	23	10,679	7,892
		263,526	233,722
Less:			
CURRENT LIABILITIES			
Trade creditors		27,906	34,486
Other creditors	24	32,430	29,515
Bank borrowings	25	146,494	133,875
Bank overdrafts	26	33,481	12,073
Provision for taxation		53	737
		240,364	210,686
NET CURRENT ASSETS		23,162	23,036
		850,697	651,194
FINANCED BY:			
SHARE CAPITAL	28	310,721	291,221
RESERVES		329,755	319,003
		640,476	610,224
Less: TREASURY SHARES, AT COST		(355)	(337)
SHAREHOLDERS' FUNDS		640,121	609,887
MINORITY INTERESTS		14,973	14,404
LONG TERM AND DEFERRED LIABILITIES			
Other creditors	24	61,186	24,500
Bank borrowings	25	131,433	3,125
Hire purchase and lease creditors	29	2,666	67
Deferred taxation	30	318	(789)
		195,603	26,903
		850,697	651,194

The annexed notes form an integral part of and should be read in conjunction with the above balance sheet.

Consolidated Income Statement for the year ended December 31, 2002

	Note	2002 RM'000	2001 RM'000
REVENUE	31	149,364	99,328
OTHER OPERATING INCOME	32	7,669	2,594
DEVELOPMENT COST RECOGNISED AS EXPENSE		(35,915)	(33,521)
CHANGES IN INVENTORIES AND CONSUMABLES USED		(35,092)	(5,525)
STAFF COST	33	(21,010)	(17,320)
DEPRECIATION AND AMORTISATION EXPENSES	34	(7,581)	(5,291)
OTHER OPERATING EXPENSES	35	(20,546)	(21,976)
PROFIT FROM OPERATIONS		36,889	18,289
OTHER INVESTING ACTIVITIES RESULTS	36	6,087	(94,433)
FINANCE COST	37	(20,457)	(12,120)
SHARE OF RESULTS OF ASSOCIATED COMPANIES		(2,652)	5,156
SHARE OF RESULTS OF JOINT VENTURE		(394)	(1,390)
PROFIT/(LOSS) BEFORE TAXATION		19,473	(84,498)
TAXATION	38	(10,063)	(5,631)
PROFIT/(LOSS) AFTER TAXATION		9,410	(90,129)
MINORITY INTERESTS		1,976	1,130
NET PROFIT/(LOSS) FOR THE YEAR		11,386	(88,999)
		Sen	Sen
EARNINGS/(LOSS) PER SHARE	39		
– basic		3.83	(30.56)

The annexed notes form an integral part of and should be read in conjunction with the above statement.

Consolidated Changes in Equity Statement for the year ended December 31, 2002

	Note	← Non-distributable →			◀ Distributable ▶		Total RM'000
		Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Exchange Reserve RM'000	Accumulated Profit RM'000	
BALANCE AT JANUARY 1, 2001							
- AS PREVIOUSLY REPORTED		291,221	243,369	30,396	(8)	134,240	699,218
- PRIOR YEAR ADJUSTMENT	41	-	-	-	-	6,290	6,290
- AS RESTATED		291,221	243,369	30,396	(8)	140,530	705,508
NET LOSS FOR THE YEAR		-	-	-	-	(88,999)	(88,999)
DIVIDENDS FOR THE FINANCIAL YEAR ENDED							
DECEMBER 31, 2000	40	-	-	-	-	(6,284)	(6,284)
CURRENCY TRANSLATION DIFFERENCES	#	-	-	-	(1)	-	(1)
BALANCE AT DECEMBER 31, 2001 AS RESTATED		291,221	243,369	30,396	(9)	45,247	610,224
BALANCE AT DECEMBER 31, 2001							
- AS PREVIOUSLY REPORTED		291,221	243,369	30,396	(9)	43,152	608,129
- PRIOR YEAR ADJUSTMENT	41	-	-	-	-	2,095	2,095
- AS RESTATED		291,221	243,369	30,396	(9)	45,247	610,224
NET PROFIT FOR THE YEAR		-	-	-	-	11,386	11,386
DIVIDENDS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2001	40	-	-	-	-	(2,095)	(2,095)
PRIVATE PLACEMENTS OF 19,500,000 ORDINARY SHARES AT RM1.10 EACH		19,500	1,950	-	-	-	21,450
SHARE ISSUE EXPENSES		-	(490)	-	-	-	(490)
CURRENCY TRANSLATION DIFFERENCES	#	-	-	-	1	-	1
BALANCE AT DECEMBER 31, 2002		310,721	244,829	30,396	(8)	54,538	640,476

Net gains and losses not recognised in the income statement.

The annexed notes form an integral part of and should be read in conjunction with the above statement.

Consolidated Cash Flow Statement for the year ended December 31, 2002

	2002	2001
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	19,473	(84,498)
Adjustments for:		
Amortisation of intangible asset	769	75
Amortisation of concept development	415	413
Amortisation of goodwill	42	-
Reversal of Group gain on disposal arising from dilution of shareholding in subsidiary companies in prior years	1,402	-
Bad debts written off	1	35
Concept development written off	42	5,500
Gain on disposal of associated companies	-	(214)
(Gain)/loss on disposal of investments	(344)	4,281
Gain on disposal of property, plant and equipment	(2,511)	(201)
Depreciation	6,355	4,803
Dividend received from investments	(77)	(3,148)
Exchange adjustment on consolidation	1	(1)
Interest expense	16,763	12,120
Interest income	(635)	(5,481)
Property, plant and equipment written off	361	679
Impairment losses on		
- associated company	4,800	61,280
- other investments	-	28,897
- property, plant and equipment	372	-
- short term investments	183	-
Write back of impairment losses		
- other investments	(12,432)	(5,311)
- short term investments	(110)	-
Allowance for doubtful debts	1,225	182
Allowance for doubtful debts written back	(67)	(67)
Share of results of associated companies	2,652	(5,156)
Share of results of joint venture	394	1,390
Write back of prior years' over-accruals/provision of expenses	(77)	-
Operating profit before working capital changes	38,997	15,578
(INCREASE)/DECREASE IN WORKING CAPITAL		
Development properties	(2,255)	(12,642)
Stocks	(1,934)	143
Amount due from customers on contract	(5,107)	-
Debtors	27,303	42,475
Creditors	(35,220)	21,369
Subsidiary companies	(38)	-
Associated companies	(156)	(1,833)
Cash generated from operations	21,590	65,090

Consolidated Cash Flow Statement for the year ended December 31, 2002

	2002	2001
	RM'000	RM'000
Concept development	–	(986)
Intangible asset	(1,307)	–
Land held for development	2,362	2,135
Tax refunded	37	–
Taxation paid	(15,548)	(4,536)
Interest income	635	5,481
Interest expense	(16,763)	(12,120)
Net cash generated from/(used in) operating activities	(8,994)	55,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Buildings under construction	(364)	(1,651)
Contingent consideration paid	(9,258)	–
Dividend received from investments	77	3,148
Dividend received from associated company	–	972
Investment in associated companies	(918)	(61,964)
Net cash paid for acquisition of subsidiary companies (Note A)	(128,866)	(11,512)
Net proceeds from disposal of property, plant and equipment	9,729	1,510
Proceeds from disposal of associated company	–	3,599
Proceeds from disposal of investments	3,262	9,944
Purchase of property, plant and equipment	(2,237)	(5,730)
Purchase of investments	(24,512)	(4,203)
Shares repurchased	(18)	(337)
Net cash used in investing activities	(153,105)	(66,224)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,095)	(6,284)
Issue of shares	21,450	–
Loan raised	196,033	66,000
Payment of hire purchase and lease creditors	(1,413)	(18)
Repayment of loans	(59,625)	(79,125)
Share issue expenses	(490)	–
Net cash generated from/(used in) financing activities	153,860	(19,427)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,239)	(30,587)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,549	34,136
CASH AND CASH EQUIVALENTS AT END OF YEAR	(4,690)	3,549
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Deposits with financial institutions	18,112	7,730
Cash and bank balances	10,679	7,892
Bank overdrafts	(33,481)	(12,073)
	(4,690)	3,549

Consolidated Cash Flow Statement for the year ended December 31, 2002**NOTES TO CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2002**

(A) SUMMARY OF EFFECTS ON ACQUISITION OF SUBSIDIARY COMPANIES

	2002	2001
	RM'000	RM'000
Property, plant and equipment	17,150	-
Intangible assets	8,447	-
Development expenditure	-	940
Amount due from customer on contracts	138	-
Debtors	43,570	2,872
Stocks	687	-
Deposit with licensed banks	2,215	-
Cash and bank balances	7,762	16
Creditors	(26,987)	(2,836)
Associated company	(7,013)	-
Related companies	(3)	-
Term loan	(4,519)	-
Taxation	(7,412)	-
Minority interests	(2,545)	(500)
Long term and deferred liabilities	(3,639)	-
Less: Amount accounted as associate	(2,488)	-
Group's share of net assets acquired	25,363	492
Group's gain on disposal when entities became associated companies in prior years	2,750	-
Goodwill on consolidation	254,773	11,036
Total purchase consideration	282,886	11,528
Less:		
Amount due from associated investor	(1,177)	-
Cash and cash equivalents acquired	(9,977)	(16)
Cost of investments previously held as associated company	(91,161)	-
Contingent consideration payable	(51,705)	-
Cash flow on acquisition, net of cash and cash equivalent acquired	128,866	11,512

The annexed notes form an integral part of and should be read in conjunction with the above statement.

Balance Sheet as at December 31, 2002

	Note	2002 RM'000	2001 RM'000
ASSETS EMPLOYED:			
PROPERTY, PLANT AND EQUIPMENT	5	10,730	10,796
SUBSIDIARY COMPANIES	6	306,598	306,598
ASSOCIATED COMPANIES	7	6,045	6,045
JOINT VENTURE COMPANY	8	42,876	42,876
OTHER INVESTMENTS	9	69,522	34,945
LAND HELD FOR DEVELOPMENT	13	41,381	-
CURRENT ASSETS			
Development properties	14	2,984	5,457
Stocks	16	9,078	9,078
Trade debtors	18	3,116	3,832
Other debtors	19	30,410	37,080
Amount due from subsidiary companies	20	492,431	382,740
Amount due from associated companies	21	8,819	9,431
Deposits with financial institutions	22	9,500	7,500
Cash and bank balances	23	3,017	1,416
		559,355	456,534
Less:			
CURRENT LIABILITIES			
Trade creditors		3,027	2,740
Other creditors	24	2,739	1,184
Amount due to subsidiary companies	20	82,041	59,461
Bank borrowings	25	145,875	133,875
Bank overdrafts	26	30,689	8,039
Provision for taxation		197	731
		264,568	206,030
NET CURRENT ASSETS		294,787	250,504
		771,939	651,764
FINANCED BY:			
SHARE CAPITAL	28	310,721	291,221
RESERVES		360,360	357,638
		671,081	648,859
Less: TREASURY SHARES, AT COST		(355)	(337)
SHAREHOLDERS' FUNDS		670,726	648,522
BANK BORROWINGS	25	100,625	3,125
HIRE PURCHASE AND LEASE CREDITORS	29	471	-
DEFERRED TAXATION	30	117	117
		771,939	651,764

The annexed notes form an integral part of and should be read in conjunction with the above balance sheet.

Income Statement for the year ended December 31, 2002

	Note	2002 RM'000	2001 RM'000
REVENUE	31	7,236	14,510
OTHER OPERATING INCOME	32	14,925	13,023
DEVELOPMENT COST RECOGNISED AS EXPENSE		(3,633)	(3,006)
STAFF COST	33	(4,210)	(5,161)
DEPRECIATION AND AMORTISATION EXPENSES	34	(1,042)	(944)
OTHER OPERATING EXPENSES	35	(5,514)	(5,482)
PROFIT FROM OPERATIONS		7,762	12,940
OTHER INVESTING ACTIVITIES RESULTS	36	12,432	(28,683)
FINANCE COST	37	(16,365)	(11,828)
PROFIT/(LOSS) BEFORE TAXATION		3,829	(27,571)
TAXATION	38	(472)	(600)
NET PROFIT/(LOSS) FOR THE YEAR		3,357	(28,171)

Changes in Equity Statement for the year ended December 31, 2002

	Note	Share Capital RM'000	← Non-distributable →		← Distributable →	Total RM'000
			Share Premium RM'000	Capital Reserve RM'000	Accumulated Profit RM'000	
BALANCE AT JANUARY 1, 2001						
- AS PREVIOUSLY REPORTED		291,221	243,369	33,256	109,178	677,024
- PRIOR YEAR ADJUSTMENT	41	-	-	-	6,290	6,290
- AS RESTATED		291,221	243,369	33,256	115,468	683,314
NET LOSS FOR THE YEAR		-	-	-	(28,171)	(28,171)
DIVIDENDS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2000	40	-	-	-	(6,284)	(6,284)
BALANCE AT DECEMBER 31, 2001 AS RESTATED		291,221	243,369	33,256	81,013	648,859
BALANCE AT DECEMBER 31, 2001						
- AS PREVIOUSLY REPORTED		291,221	243,369	33,256	78,918	646,764
- PRIOR YEAR ADJUSTMENT	41	-	-	-	2,095	2,095
- AS RESTATED		291,221	243,369	33,256	81,013	648,859
NET PROFIT FOR THE YEAR		-	-	-	3,357	3,357
DIVIDENDS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2001	40	-	-	-	(2,095)	(2,095)
PRIVATE PLACEMENTS OF 19,500,000 ORDINARY SHARES AT RM1.10 EACH		19,500	1,950	-	-	21,450
SHARE ISSUE EXPENSES		-	(490)	-	-	(490)
BALANCE AT DECEMBER 31, 2002		310,721	244,829	33,256	82,275	671,081

The annexed notes form an integral part of and should be read in conjunction with the above statement.

Cash Flow Statement for the year ended December 31, 2002

	2002	2001
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	3,829	(27,571)
Adjustments for:		
Depreciation	1,042	944
Dividend income	-	(2,999)
Gain on disposal of property, plant and equipment	(77)	(95)
Gain on disposal of associated company	-	(214)
Impairment losses on other investments	-	28,897
Impairment losses on other investments written back	(12,432)	-
Interest expense	12,692	11,828
Interest income	(14,899)	(16,828)
Operating loss before working capital changes	(9,845)	(6,038)
(INCREASE)/DECREASE IN WORKING CAPITAL		
Development properties	2,473	13,743
Debtors	7,386	46,324
Creditors	1,738	(1,159)
Subsidiary companies	(87,111)	(70,443)
Associated companies	612	(1,538)
Cash used in operations	(84,747)	(19,111)
Land held for development	(41,381)	-
Interest income	14,899	16,828
Interest expense	(12,692)	(11,828)
Taxation paid	(1,006)	(1,807)
Net cash used in operating activities	(124,927)	(15,918)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income	-	2,999
Investment in associated company	-	(4,020)
Proceeds from disposal of property, plant and equipment	89	100
Proceeds from disposal of associated company	-	3,599
Proceeds from disposal of subsidiary company	-	4,000
Purchase of property, plant and equipment	(388)	(771)
Purchase of other investments	(22,145)	-
Shares repurchased	(18)	(337)
Net cash generated from/(used in) investing activities	(22,462)	5,570

Cash Flow Statement for the year ended December 31, 2002

	2002	2001
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,095)	(6,284)
Issue of shares	21,450	-
Loan raised	167,000	66,000
Repayment of loans	(57,500)	(79,125)
Share issue expenses	(490)	-
Payment of hire purchase and lease creditors	(25)	-
Net cash generated from/(used in) financing activities	128,340	(19,409)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,049)	(29,757)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	877	30,634
CASH AND CASH EQUIVALENTS AT END OF YEAR	(18,172)	877
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Deposits with financial institutions	9,500	7,500
Cash and bank balances	3,017	1,416
Bank overdrafts	(30,689)	(8,039)
	(18,172)	877

Notes to the Financial Statements December 31, 2002

1. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of property development, rental of property, investment holding and money lending.

The principal activities of the subsidiary companies and associated companies are described in Note 6 and 7 to the financial statements.

Other than the subsidiary companies acquired as stated in Note 6 to the financial statements, there have been no significant changes in these principal activities during the year.

2. BASIS OF PREPARATION

The financial statements were authorised for issue by the Board of Directors on April 16, 2003.

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards issued or approved by the Malaysian Accounting Standards Board.

3. SIGNIFICANT GROUP ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention (as modified for the revaluation of land and buildings, and investment properties), unless otherwise indicated.

3.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the same reporting date, which have been prepared in accordance with the Group's accounting policies. Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of their acquisition/incorporation or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries net assets are determined and these values are reflected in the Group financial statements. All significant inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are also eliminated unless cost cannot be recovered.

Goodwill or reserve on consolidation represents the difference between the consideration paid for shares in subsidiaries and the fair value of attributable net assets acquired at date of acquisition. Goodwill on consolidation is review at each balance sheet date and will be written down for impairment where it is considered necessary.

Notes to the Financial Statements December 31, 2002**1. SIGNIFICANT GROUP ACCOUNTING POLICIES (Cont'd)****3.3 Associated Companies**

The Group treats as associated companies those companies in which it has a beneficial interest of 20% or more of the equity capital and in which it exercises significant influence over the financial and operating policies through board representation.

The Group used equity method of accounting for investment in associated companies. Under this method, the Group's share of results of associated companies acquired or disposed of are included in the Group financial statements from the date of acquisition or the date of dilution in interest from subsidiary company to associated company to the date of disposal. For this purpose, audited or management financial statements to December 31, 2002 are used.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Premium or discount arising on acquisition represents the difference between the cost of investment and the Group's share of the value of net assets of the associated company at the date of acquisition.

3.4 Joint Venture Company

A company in which the Group has joint control over its financial and operating policy decisions and not being a subsidiary or an associated company is treated as a joint venture company.

The Group's share of results of the joint venture is included in the Group financial statements from the date of formation of the joint venture up to the date of completion of the projects.

In the consolidated financial statements, the results of joint venture company is accounted for under the equity method based on the latest audited or management financial statements of the Company concerned.

3.5 Investments

- (a) Investments in subsidiaries, associated companies, joint venture company and other investments comprising both quoted and unquoted investments are stated at cost and at directors' valuation less accumulated impairment losses. Impairment loss on investments is made when there is a decline other than temporary in the value of investments and is recognised as an expense in the period in which the decline occurred.
- (b) Short term investments in quoted securities are stated at the lower of cost and market value determined on an aggregate portfolio basis. Cost is derived at the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Changes in the carrying amount of quoted securities are taken to the income statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

Notes to the Financial Statements December 31, 2002**1. SIGNIFICANT GROUP ACCOUNTING POLICIES (Cont'd)****3.6 Property, Plant and Equipment and Depreciation**

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

Depreciation is not provided on freehold land. Long leasehold land is amortised over the remaining period of the lease. On other assets, depreciation is provided on a straight line basis calculated to write off the cost or valuation of the assets over their estimated useful lives at the following annual rates:

Long leasehold land	78 years
Buildings	2.0% – 10%
Buildings improvements	10%
Furniture, fittings and equipment	10% – 20%
Motor vehicles	20%
Plant, machinery and equipment	10% – 20%
Renovation	10% – 16 ² / ₃ %
Crockeries, glassware and linen	20%
Restaurant equipment	10%

No depreciation is provided for small wares and materials, except for the small wares of an overseas subsidiary company, which are depreciated at 33¹/₃% per annum only on the initial purchases. The cost of replacing these assets is charged against revenue as and when incurred.

Depreciation on buildings under construction will commence when the asset is ready for its intended use.

Hotel property comprise land, the hotel building thereon. It is the Group's practice to maintain its hotel property to a high standard and condition in order to maintain residual value at least equal to its book value such that depreciation would be insignificant. Accordingly, no depreciation is provided on freehold hotel property. The related maintenance expenditure is dealt with in the income statement.

It is the Group's policy to appraise the hotel property at least once in every five years. Revaluation surpluses, if considered by the Directors to be permanent in nature, are incorporated in the financial statements through the Asset Revaluation Reserve after approval has been obtained from the relevant authorities. Any reduction in the value of hotel property below their respective original costs is dealt with in the changes in equity statement.

3.7 Borrowing Costs

Interest incurred on borrowing related to property, plant and equipment and development properties are capitalised until the asset is ready for its intended use.

3.8 Concept Development

Concept development is stated at cost less accumulated amortisation and impairment losses and is amortised over a period of twenty years from the date of completion of development. Concept development is written off when their probable future economic benefits are uncertain.

1. SIGNIFICANT GROUP ACCOUNTING POLICIES (Cont'd)**3.9 Intangible Asset**

Intangible asset is stated at cost less accumulated amortisation and impairment losses and is amortised over three to ten years using the straight line method.

Franchise fee

Franchise fee of a subsidiary represents an amount paid to a company connected with a director for exclusive rights granted to the subsidiary to market and distribute Silverlake Integrated Banking System products in Malaysia.

Development Expenditure

Development expenditure represents costs incurred in developing system to be marketed. The cost will be amortised once it is available for commercial use.

3.10 Land Held for Development

Land held for development is stated at cost. Cost includes land cost, incidental costs of acquisition, capitalised interest cost and development expenditure.

Land held for development comprises land banks which are being prepared for development and will be transferred to development properties at carrying value when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

3.11 Development Properties

Development properties is stated at cost and include profits accrued to date less progress billings and provision for anticipated losses. Cost comprises cost of land, materials, labour and attributable overheads including interest charges directly related to the financing of development.

3.12 Amount Due from Customers on Contract

Amount due from customers on contract are stated at cost plus attributable profits less applicable progress billings and provision for foreseeable losses, if any. Cost includes direct staff costs and overhead. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in current liabilities as amount due to contract customers.

3.13 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving items. Cost is determined on first-in first-out or average cost basis whichever is appropriate. The cost of finished goods comprises expenditure that has been incurred in the normal course of business in bringing the inventories to their present location and condition.

Stocks of completed properties includes the relevant cost of land, development expenditure and capitalised interest cost.

3.14 Trade and Other Receivables

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

Notes to the Financial Statements December 31, 2002**1. SIGNIFICANT GROUP ACCOUNTING POLICIES (Cont'd)****3.15 Shares Repurchased**

Shares repurchased are held as treasury shares and are accounted for by the cost method. Should such shares be cancelled, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves as appropriate.

3.16 Leased Assets

Assets acquired under finance lease and hire purchase agreements are capitalised and depreciated according to the basis set out in Note 3.6.

Outstanding obligations due under the lease and hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. Finance charges are allocated to the income statement over the period of the respective agreements using "sum of digits" method.

3.17 Recognition of Income

- (a) Profit on sale of development properties is recognised on a percentage of completion method on the proportion of development cost incurred to date against total estimated cost where the outcome of the projects can be reliably estimated. Provision is made for all foreseeable losses, if any.
- (b) Contract revenue and contract costs are recognised on the percentage of completion method. When the outcome of the contracts cannot be estimated reliably, revenue are recognised only to the extent of contract costs incurred that is probable to be recovered and contract costs are recognised as an expense in the financial year in which they are incurred. Provision is made for all foreseeable losses on contracts.
- (c) Rental income is recognised on the accrual basis except where rent due remains outstanding for more than six months and are therefore doubtful in recovery, in which case rental income is recognised on the receipt basis.
- (d) Revenue from services rendered in respect of sale of hotel rooms, food and beverages and other ancillary services is recognised net of discounts in the income statement as and when services are rendered.
- (e) Dividends from subsidiary companies, associated companies and other investments are recognised when the right to receive has been established.
- (f) Interest income is recognised on accrual basis unless collectibility is in doubt in which case the recognition of such income is on the receipt basis.
- (g) Property management fees are recognised on the accruals basis whereas revenue from project management services is recognised as and when the services are performed.
- (h) Franchise fee is non-refundable. Franchise fee income is recognised upon the opening of the franchised restaurant. Franchised royalties are recognised when earned.

Notes to the Financial Statements December 31, 2002**1. SIGNIFICANT GROUP ACCOUNTING POLICIES (Cont'd)****3.18 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. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the income statement.

Assets, liabilities and profit and loss items of foreign subsidiary company are translated into Ringgit Malaysia at the year end exchange rates. The translation differences arising therefrom are taken to reserves.

The principal closing rate used in translation of foreign currency amounts is as follows:-

	2002	2001
	RM	RM
Foreign currency		
1 USD	3.8	3.8

3.19 Provisions

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

3.20 Deferred Taxation

The provision for deferred taxation is based on the liability method for taxation deferred in respect of all timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

3.21 Cash and Cash Equivalents

Cash equivalents are short term, highly liquid investments and are readily convertible to cash with insignificant risk of changes in value.

3.22 Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of accumulated profit in the period in which they are declared.

Notes to the Financial Statements December 31, 2002**1. SIGNIFICANT GROUP ACCOUNTING POLICIES (Cont'd)****3.23 Impairment of Assets**

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

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

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

3.24 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivable, payable and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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

3.25 Segmental Information

Segment result is segment revenue less segment expense and is determined before any adjustments for minority interest. Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segments assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances, accumulated depreciation, accumulated impairment losses and amortisation. Most segment assets can be directly attributed to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of payables, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes and borrowings.

3.26 Intersegment Transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length transactions. These transfers are eliminated on consolidation.

Notes to the Financial Statements December 31, 2002**4. FINANCIAL RISK MANAGEMENT POLICIES**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are summarised as follows:

Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-Group where the currency denomination differs from the local currency, Ringgit Malaysia (RM).

The main foreign currency exposure to the Group is US Dollar which is pegged at exchange rate approximately RM3.80 per US Dollar. There are no other foreign currencies exposure to any effects of foreign currency exchange rate fluctuations.

However, the Group's policy is to manage all its foreign financial assets and liabilities using the best available foreign currency exchange rates where applicable. Transactional exposures in currencies other than the entity's functional currency, if any, are kept at a minimal level.

Interest rate risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The Group's exposure to market risk for changes in the interest rate environment principally relates to its debt obligations. The debt obligation pertaining to bank overdraft, term loans and revolving credits, hire purchase and lease obligations are disclosed in Notes 25, 26 and 29. The Group does not hedge interest rate risk but ensures that it had obtained borrowings at competitive interest rates under the most favourable terms and conditions.

Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. This is done through reference to published credit ratings by prime financial institutions. In the absence of published ratings, an internal credit review is conducted if the credit risk is material.

It is the Group's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. The trade and other receivables represent the Group's maximum exposure to credit risk in the event the counter parties fail to perform their obligations.

Market risk

The Group's principal exposure to market risk arises mainly from the changes in equity prices. Equity investments classified as current assets are available for sale and the Group manages disposal of its investments to optimise returns on realisation.

Notes to the Financial Statements December 31, 2002**4. FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)****Liquidity and Cash Flow risk**

The Group's seeks to achieve a balance between certainty of funding even in difficult times for the markets or the Group and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

Fair values

The carrying amounts of trade and other receivables, cash and bank balances and trade and other payables approximately their fair values due to their short term maturity. The fair value of the term loans are not materially different from the carrying values as at December 31, 2002.

5. PROPERTY, PLANT AND EQUIPMENT

	Balance at	Property, Plant and Equipment of		Impairment	Written off/	Balance at
	1-1-2002	Subsidiaries	Acquired	Losses	Disposal	31-12-2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP						
Cost/Valuation:						
At 1983 valuation –						
Freehold land	33,900	–	–	–	–	33,900
Buildings	28,511	–	–	–	–	28,511
At cost –						
Freehold land	23,755	–	–	–	2,648	21,107
Freehold hotel property	26,506	–	89	–	60	26,535
Long leasehold land	2,111	–	–	–	–	2,111
Buildings and improvements	42,697	11,013	336	–	844	53,202
Furniture, fittings and equipment	6,378	3,814	913	–	93	11,012
Motor vehicles	5,702	4,927	1,110	–	715	11,024
Plant, machinery and equipment	17,448	489	256	–	83	18,110
Renovation	6,262	–	187	–	–	6,449
Buildings under construction	6,557	–	364	–	4,030	2,891
Crockeries, glassware and linen	158	–	145	–	–	303
Restaurant equipment and utensils	3,731	1,742	71	–	–	5,544
Small wares and materials	209	153	–	–	–	362
	203,925	22,138	3,471	–	8,473	221,061

Notes to the Financial Statements December 31, 2002

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Property, Plant and Equipment of					Balance at 31-12-2002 RM'000
	Balance at	Subsidiaries	Addition	Impairment Losses	Written off/ Disposal	
	1-1-2002 RM'000	Acquired RM'000				
Accumulated Depreciation:						
Cost/Valuation:						
At 1983 valuation –						
Freehold land	–	–	–	–	–	–
Buildings	3,651	–	192	–	–	3,843
At cost –						
Freehold land	–	–	–	–	–	–
Freehold hotel property	–	–	–	–	–	–
Long leasehold land	297	–	27	–	–	324
Buildings and improvements	2,274	1,354	709	–	293	4,044
Furniture, fittings and equipment	4,193	768	1,255	–	53	6,163
Motor vehicles	4,412	1,120	1,410	–	480	6,462
Plant, machinery and equipment	10,258	231	1,463	–	68	11,884
Renovation	2,646	–	679	–	–	3,325
Buildings under construction	–	–	–	–	–	–
Crockeries, glassware and linen	32	–	61	–	–	93
Restaurant equipment and utensils	912	1,393	509	358	–	3,172
Small wares and materials	83	122	50	14	–	269
	28,758	4,988	6,355	372	894	39,579
Net Book Value	175,167					181,482

	Balance at	Addition	Disposal	Balance at
	1-1-2002			31-12-2002
	RM'000	RM'000	RM'000	RM'000
COMPANY				
Cost/Valuation:				
At 1983 valuation –				
Freehold land	3,900	–	–	3,900
Buildings	3,309	–	–	3,309
At cost –				
Freehold land	–	–	–	–
Long leasehold land	2,111	–	–	2,111
Buildings	1,280	–	–	1,280
Furniture, fittings and equipment	3,358	133	15	3,476
Motor vehicles	4,671	855	160	5,366
Plant, machinery and equipment	994	–	–	994
Renovation	49	–	–	49
	19,672	988	175	20,485

Notes to the Financial Statements December 31, 2002

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Balance at 1-1-2002 RM'000	Addition RM'000	Disposal RM'000	Balance at 31-12-2002 RM'000
COMPANY				
Accumulated Depreciation:				
Cost/Valuation:				
At 1983 valuation –				
Freehold land	–	–	–	–
Buildings	1,257	66	–	1,323
At cost –				
Freehold land	–	–	–	–
Long leasehold land	297	27	–	324
Buildings	284	26	–	310
Furniture, fittings and equipment	2,610	291	3	2,898
Motor vehicles	3,480	604	160	3,924
Plant, machinery and equipment	899	28	–	927
Renovation	49	–	–	49
	8,876	1,042	163	9,755
Net Book Value	10,796			10,730

Depreciation charge for the
year ended December 31, 2001:

	Group RM'000	Company RM'000
At 1983 valuation –		
Freehold land	–	–
Buildings	192	66
At cost –		
Freehold land	–	–
Freehold hotel property	–	–
Long leasehold land	27	27
Buildings and improvements	609	26
Furniture, fittings and equipment	627	355
Motor vehicles	542	442
Plant, machinery and equipment	1,389	28
Renovation	799	–
Buildings under construction	–	–
Crockeries, glassware and linen	32	–
Restaurant equipment and utensils	535	–
Small wares and materials	51	–
	4,803	944

Notes to the Financial Statements December 31, 2002

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Net book value of revalued buildings, had these assets been carried at cost less accumulated depreciation:				
- buildings	15,212	15,339	1,437	1,487
Net book value of assets pledged as security for bank borrowings facilities:				
- freehold land	54,305	36,512	3,900	3,900
- freehold hotel property	26,535	26,506	-	-
- long leasehold land	1,786	1,814	1,786	1,814
- buildings and improvements	25,748	26,186	2,956	3,048
- buildings under construction	2,440	-	-	-
	110,814	91,018	8,642	8,762
Details of assets under hire-purchase and lease arrangements:				
Motor vehicles				
- addition during the year	870	-	600	-
- net book value at year end	5,527	81	681	-

Certain freehold land and buildings were revalued by directors in 1983 based on value expressed by firms of independent professional valuers using the 'fair market value' basis.

6. SUBSIDIARY COMPANIES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(a) Investment in subsidiary companies:				
Unquoted shares:				
Ordinary shares, at cost	6	6	253,904	253,904
Ordinary shares, at directors' valuation	-	-	52,694	52,694
	6	6	306,598	306,598

The shares held in a subsidiary company has been revalued to reflect the revaluation of its land and building in order to incorporate the revaluation in the financial statements. The surplus of RM33,874,178 arising thereon has been credited to capital reserve.

Notes to the Financial Statements December 31, 2002

6. SUBSIDIARY COMPANIES (Cont'd)

(b) Details of the subsidiary companies are as follow:-

Incorporated in Malaysia	Paid-up capital RM	Group's effective interest		Principal activities
		2002 %	2001 %	
Bcom Holdings Sdn. Bhd.	3,061,000	51	51	Property development
Beribu Nikmat Sdn. Bhd.	2	100	100	Property investment
Beribu Sukma Sdn. Bhd.	2	100	100	Project management services
Beribu Tekad Sdn. Bhd.	2	100	100	Investment holdings
Bolton LYL Sdn. Bhd.	4,000,002	100	100	Property development
Bolton Management Services Sdn. Bhd.	2	100	100	Dormant
Cahadinar Sdn. Bhd.	50,004	100	100	Investment holdings
Crest Trend Sdn. Bhd.	100	100	100	Exhibition business and related activities including rental of exhibition booth
Goldenprop Management Sdn. Bhd.	2	100	100	Property management
Hungryagain Sdn. Bhd.	2	100	100	Investment holdings
Ikram Indera Sdn. Bhd.	100	100	100	Investment holdings
Keat Ann Realty Sdn. Bhd.	1,150,108	100	100	Property development
Ketapang Realty Sdn. Bhd.	423,658	100	100	Property development
Khazamesra Sdn. Bhd.	2	100	100	Investment holdings
Knoxfield Sdn. Bhd.	2	100	100	Investment holdings
Langkawi Fair Sdn. Bhd.	500,000	100	100	Property management
Lim Thiam Leong Realty Sdn. Bhd.	17,102,883	100	100	Rental of property
Majestic Focus Sdn. Bhd.	2	100	100	Investment holdings
Midah Istimewa Sdn. Bhd.	100,000	100	100	Project management services
Midah Jaya Realty Sdn. Bhd.	65,029	100	100	Property investment
Midah Management Sdn. Bhd.	2	100	100	Property management
Midahmas Realty Sdn. Bhd.	2	100	100	Property investment
Noble Accord Sdn. Bhd.	1,500,002	100	100	Hotel operation
Noble Midah Sdn. Bhd.	2	100	100	Investment holdings
Noble Senawang Sdn. Bhd.	2	100	100	Investment holdings
Parkrose Holdings Sdn. Bhd.	1,600,002	100	100	Property investment and property development
Prestige Capital Sdn. Bhd.	2	100	100	Property investment
Prima Istimewa Sdn. Bhd.	2	100	100	Investment holdings
Prima Kenny Sdn. Bhd.	2	100	100	Dormant
Prima Panorama (M) Sdn. Bhd.	2	100	100	Property investment
Primtrax Sdn. Bhd.	2	100	100	Investment holdings
Senawang Mewah Sdn. Bhd.	1,250,000	100	100	Property development

Notes to the Financial Statements December 31, 2002

6. SUBSIDIARY COMPANIES (Cont'd)

Incorporated in Malaysia	Paid-up capital RM	Group's effective interest		Principal activities
		2002 %	2001 %	
Winmin Builders Sdn. Bhd.	1,700,000	100	100	Property development, property management and property marketing consultancy
Unison Chemical Industries Sdn. Bhd.	2	100	100	Dormant
Vibrant Glory Sdn. Bhd.	1,000	89	89	Investment holdings
Vista Wirama Sdn. Bhd.	2	100	100	Dormant
Subsidiaries of Bcom Holdings Sdn. Bhd.:				
Bcom Marine Culture Sdn. Bhd.	2	51	51	Dormant
Bcom Development Sdn. Bhd.	2	51	51	Dormant
Subsidiary of Lim Thiam Leong Realty Sdn. Bhd.:				
Campbell Shopping Complex Sdn. Bhd.	300,000	100	100	Investment holdings
Subsidiary of Majestic Focus Sdn. Bhd.:				
Prima Nova Harta Development Sdn. Bhd.	1,000,001	50% + 1 share	50%+ 1 share	Property development
Subsidiary of Noble Midah Sdn. Bhd.:				
* Global Innovative Management Partners-Act Sdn. Bhd. ("Global Impact") (Note c)	1,000,000	100	32.15	**
Subsidiaries of Global Impact:				
* Peringkat Alam Sdn. Bhd.	100,000	60	19.29	Renting of office space
* Tactical IMP-ACT Software Sdn. Bhd.	100,000	100	32.15	Marketing of computer equipment and software and providing systems development and maintenance services
* Silver IMP-ACT Berhad	2	100	32.15	Dormant

Notes to the Financial Statements December 31, 2002

6. SUBSIDIARY COMPANIES (Cont'd)

Incorporated in Malaysia	Paid-up capital RM	Group's effective interest		Principal activities
		2002 %	2001 %	
* GI Solutions Gateway Sdn. Bhd.	2	100	32.15	Develop, sell, install and maintenance of computer software
* SN Solutions Sdn. Bhd.	510,000	51	16.40	Provider of telecommunication and networking equipment
Subsidiaries of Prima Istimewa Sdn. Bhd.:				
Salient Alliance Sdn. Bhd.	2	100	100	Food and beverage business
* Skyline Concepts Sdn. Bhd.	10,000,000	80	80	Restaurant concept development and franchising restaurants
Subsidiaries of Skyline Concepts Sdn. Bhd.:				
* BakerBrosCorp Sdn. Bhd.	100,000	80	80	Deli-baking product operator
* CapacCorp Sdn. Bhd.	50,000	80	80	Coffee bar food outlet operator
* Multivenu Sdn. Bhd.	100	64	64	International investment holding
* RanchCorp Sdn. Bhd.	100,000	80	80	Fast food outlet operator
* Skyline Concepts Restaurants Sdn. Bhd. ("SCR") (Note c)	2,307,812	80	39.20	Fast food outlet operator
Subsidiary of SCR:				
* Slimscorp Sdn. Bhd.	50,000	80	39.20	Fast food outlet operator
Subsidiary of Multivenu Sdn. Bhd.:				
Incorporated in United States of America				
* BB Franchising Inc.	USD2,305,000	38.40	38.40	Deli-baking product operator and franchise business to develop gourmet deli and bakery

Notes to the Financial Statements December 31, 2002

6. SUBSIDIARY COMPANIES (Cont'd)

Incorporated in Malaysia	Paid-up capital RM	Group's effective interest		Principal activities
		2002 %	2001 %	
Subsidiaries of Primtrax Sdn. Bhd.:				
Incorporated in Myanmar				
# * Pele Development Limited	Ks152,000	100	100	Property development
# * Pele Investment Holdings Limited	Ks251,000	100	100	Investment holdings

Notes:

Ks: Kyat the official currency of Myanmar

* *Subsidiary companies not audited by Yoong Siew Wah & Company.*

** *Marketing of computer equipment and providing information technology and infrastructure services, system and networking services, system integration services and application know-how.*

Subsidiary companies not consolidated. The financial statements are not consolidated with the financial statements of the Company as the Directors are of the opinion that it is impracticable, and of no real value to the members of the Company, in view of the insignificant amounts involved.

Unquoted shares in an indirect subsidiary with carrying value of RM281,709,543 have been pledged as security for credit facilities of the Company.

(c) During the financial year, the Group acquired 51% equity interests in Skyline Concepts Restaurants Sdn. Bhd. ("SCR") and 67.85% equity interests in Global Impact for a total consideration of RM1,176,984 and RM190,000,000 respectively. Accordingly, SCR and Global Impact which were previously associated companies, became subsidiary companies of the Company.

The effects of the acquisition of SCR during the year are disclosed in Note 36.

The fair value of the assets acquired and liabilities assumed from the acquisitions of the subsidiary companies are disclosed in Notes to the Consolidated Cash Flow Statement for the year ended December 31, 2002.

Notes to the Financial Statements December 31, 2002

7. ASSOCIATED COMPANIES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost:				
Shares quoted in Malaysia	202,560	202,560	-	-
Less:				
Pre-acquisition dividend received	(3,976)	(3,976)	-	-
Accumulated impairment losses	(66,080)	(61,280)	-	-
	132,504	137,304	-	-
Unquoted shares	22,502	113,877	6,045	6,045
	155,006	251,181	6,045	6,045
Share of post-acquisition profits less losses	(7,890)	(2,025)	-	-
	147,116	249,156	6,045	6,045
At market value:				
Shares quoted in Malaysia	26,670	46,926	-	-

The analysis of associated companies are as follows:

	Group	
	2002 RM'000	2001 RM'000
Share of intangible assets	6	1,377
Share of net tangible assets	107,433	118,863
Premium on acquisition	39,677	128,916
	147,116	249,156

Certain quoted shares in an associated company with carrying value of RM131,483,354 (2001: RM nil) have been pledged as security for credit facilities of the Company.

Notes to the Financial Statements December 31, 2002

7. ASSOCIATED COMPANIES (Cont'd)

Details of the associated companies of the Group are as follows:-

Incorporated in Malaysia	Paid-up capital RM	Group's effective interest		Principal activities
		2002 %	2001 %	
Cochrane Indah Sdn. Bhd.	1,020,002	40	40	Property investment
Dinar Kirana Sdn. Bhd.	10,000	26.88	26.88	Dormant
Innovative Pavement Technology Sdn. Bhd.	500,000	26.88	26.88	Supply of densiphalt products
Kejora Harta Bhd.	211,000,000	32	32	Property development, including dealing in land and investment holding
Kejora Harta Development Sdn. Bhd.	2	32	32	Dormant
Kejora Harta Properties Sdn. Bhd.	2	32	32	Dormant
Kejora Harta Realty Sdn. Bhd.	2	32	32	Dormant
Kenneison Brothers Sdn. Bhd.	10,000,000	26.88	26.88	Investment holding, trading in cement and transportation
Kenneison Properties Sdn. Bhd.	2	26.88	26.88	Dormant
Kenneison Quarries Sdn. Bhd.	5,000,000	26.88	26.88	Quarry operation and hire of machinery
Kenneison Construction Materials Sdn. Bhd.	2,000,000	26.88	26.88	Supply of construction materials
Kenneison RI Sdn. Bhd.	100,000	26.88	21.50	Dormant
Kenneison Northern Quarries Sdn. Bhd. (formerly known as Kenneison Tapah Quarry Sdn. Bhd.)	1,000	26.88	18.82	Dormant
Kenneison Brothers Construction Sdn. Bhd.	4,000,000	22.85	18.82	Civil engineering and construction works
Kenneison Engineering Sdn. Bhd. (formerly known as Kenneison - Wira Raya Construction Sdn. Bhd.)	1,000,001	22.85	18.82	Construction works
LPG System Sdn. Bhd.	100,000	26.40	26.40	Subletting of landed properties
Menara Ampang Sdn. Bhd.	6,822,372	49	49	Investment holdings
Marak Unggul Sdn. Bhd.	10,000	20	20	Investment holdings
Power Gas Systems Sdn. Bhd.	140,000	26.40	26.40	Investment holdings
Progresif Setia Sdn. Bhd.	1,270,002	40	40	Property development
Pro-Formula Sdn. Bhd.	599,975	23.65	23.65	Restaurant operator
* Stolthaven (Westport) Sdn. Bhd.	27,430,000	60	60	Storage and distribution of liquid bulk
# Vista-Prisma Sdn. Bhd.	7,690,000	52.76	52.76	Property development

* *Stolthaven (Westport) Sdn. Bhd. ("SWSB") is a subsidiary under the Companies Act, 1965 but the Group's interest in SWSB is in the nature of a joint-venture. Accordingly, to reflect a true and fair view of the Group's effective interest, the investment in SWSB has been accounted for as an associated company.*

Vista-Prisma Sdn. Bhd. ("VPSB") is a 59.9% owned subsidiary of Kejora Harta Bhd., an associated company. As such, VPSB is being accounted for as an associated company even though the Group's effective interest is 52.76%.

Notes to the Financial Statements December 31, 2002**7. ASSOCIATED COMPANIES (Cont'd)**

As disclosed in Note 6, the associated companies, Global Innovative Management Partners-Act Sdn. Bhd. and Skyline Concepts Restaurants Sdn. Bhd., became subsidiaries during the year ended December 31, 2002. The effects to the financial statements of the associated companies becoming subsidiary companies are disclosed in Note 36.

8. JOINT VENTURE COMPANY

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unquoted shares, at cost	42,876	42,876	42,876	42,876
Share of profits	2,089	2,461	-	-
	44,965	45,337	42,876	42,876

Details of the joint venture company incorporated in Malaysia are as follows:-

Name of company	Group's effective interest		Principal activities
	2002 %	2001 %	
Continental Estate Sdn. Bhd.	15.81	15.81	Property development

9. OTHER INVESTMENTS

	Group and Company	
	2002 RM'000	2001 RM'000
At cost:		
Shares and Warrants quoted in Malaysia	81,987	63,842
Less:		
Accumulated impairment losses	(16,465)	(28,897)
	65,522	34,945
Subordinated Bonds	4,000	-
	69,522	34,945
At market value:		
Shares and Warrants quoted in Malaysia	48,386	34,945

The subscription of Subordinated Bonds during the year is pursuant to primary collateralised loan obligations transaction in respect of 5 years unsecured fixed rate term loan of the Company as disclosed in Note 25(c).

Notes to the Financial Statements December 31, 2002

10. GOODWILL ARISING ON CONSOLIDATION

	Group	
	2002 RM'000	2001 RM'000
At January 1	64,429	53,393
Goodwill arising from acquisition of subsidiaries	254,815	11,036
	319,244	64,429
Less: Accumulated amortisation	(42)	-
At December 31	319,202	64,429

11. CONCEPT DEVELOPMENT

	Group	
	2002 RM'000	2001 RM'000
At cost:		
At January 1	1,969	6,959
Additions	-	986
Write-off	(182)	(5,976)
At December 31	1,787	1,969
Accumulated Amortisation:		
At January 1	-	63
Amortisation	415	413
Write-off	(140)	(476)
At December 31	275	-
Net Book Value	1,512	1,969

12. INTANGIBLE ASSET

Group	Franchise fee RM'000	Development expenditure RM'000	Total RM'000
	At cost:		
At January 1	224	-	224
Acquisition of subsidiary	7,000	2,105	9,105
Additions	-	1,307	1,307
At December 31	7,224	3,412	10,636

Notes to the Financial Statements December 31, 2002**12. INTANGIBLE ASSET (Cont'd)**

Group	Franchise fee RM'000	Development expenditure RM'000	Total RM'000
Accumulated Amortisation:			
At January 1	107	–	107
Acquisition of subsidiary	700	–	700
Amortisation	769	–	769
At December 31	1,576	–	1,576
Net Book Value at December 31, 2002	5,648	3,412	9,060
Net Book Value at December 31, 2001	117	–	117

Franchise fee with the cost of RM7,000,000 (2001: RM nil) represents an amount paid to Silverlake System Sdn. Bhd., a company connected to Goh Peng Ooi, a Director of the Company for exclusive rights granted to a subsidiary company to market and distribute Silverlake Integrated Banking System products in Malaysia. This amount is amortised on the straight-line basis over a period of 10 years.

Development expenditure represent costs incurred in developing system to be marketed. The cost will be amortised once it is available for commercial use.

13. LAND HELD FOR DEVELOPMENT

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Freehold/long leasehold land, at cost	51,992	54,547	40,333	–
Development expenditure	2,678	2,485	1,048	–
	54,670	57,032	41,381	–

Land held for development of the Company were reinstated during the year upon rescission of Sale and Purchase Agreement entered with a subsidiary company on December 31, 1999.

Land held for development of the Group and the Company amounting to RM50,746,282 (2001: RM9,364,956) and RM41,381,326 (2001: RM nil) respectively have been charged to secure credit facilities of the Company.

Notes to the Financial Statements December 31, 2002

14. DEVELOPMENT PROPERTIES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Freehold/long leasehold land, at cost	67,672	74,659	27	27
Development expenditure	71,384	73,638	6,071	6,200
	139,056	148,297	6,098	6,227
Attributable profits	9,101	9,282	3,154	1,963
	148,157	157,579	9,252	8,190
Progress billings	(41,865)	(53,542)	(6,268)	(2,733)
	106,292	104,037	2,984	5,457

The cost of land of the Group and the Company amounting to RM33,309,134 (2001: RM33,717,507) and RM nil (2001: RM2,330,576) respectively have been charged to secured credit facilities of the Company.

Included in development expenditure of the Group in previous year was interest capitalised of RM149,005.

15. SHORT TERM INVESTMENTS

	Group	
	2002 RM'000	2001 RM'000
Quoted in Malaysia, at cost		
– Shares	3,346	3,905
– Warrants	40	40
	3,386	3,945
Less:		
Accumulated impairment losses	(802)	(729)
	2,584	3,216
Unquoted shares in Malaysia, at cost	8	–
	2,592	3,216
At market value:		
– Shares	2,475	3,148
– Warrants	106	68
	2,584	3,216

Certain quoted shares with carrying value of RM1,233,360 (2001: RM nil) have been pledged to a bank for credit facilities of the Company.

Notes to the Financial Statements December 31, 2002

16. STOCKS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost:				
Completed properties	18,819	19,598	9,078	9,078
Trading computer equipment	3,607	-	-	-
Food, beverages and tobacco	117	124	-	-
Spares and consumables	48	248	-	-
Raw materials	72	72	-	-
	22,663	20,042	9,078	9,078

Completed properties of the Group and the Company amounting to RM14,982,115 (2001: RM13,932,154) and RM9,078,015 (2001: RM9,078,015) respectively have been charged to secure credit facilities of the Company.

17. AMOUNT DUE FROM CUSTOMERS ON CONTRACTS

	Group	
	2002 RM'000	2001 RM'000
Aggregate cost incurred to date	17,149	-
Attributable profits	6,729	-
	23,878	-
Progress billings	(18,633)	-
	5,245	-

18. TRADE DEBTORS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade debtors	35,882	23,900	3,116	3,832
Less:				
Allowance for doubtful debts	717	667	-	-
	35,165	23,233	3,116	3,832

Included in trade debtors of the Group are contracted but unbilled software license services provided to certain customers amounting to RM2,132,500 (2001: RM nil).

Notes to the Financial Statements December 31, 2002

19. OTHER DEBTORS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Other debtors	35,874	30,208	25,421	25,471
Deposits	6,609	11,011	3,091	10,560
Prepayments	7,749	5,875	1,074	225
Corporate club memberships	824	824	824	824
	51,056	47,918	30,410	37,080
Less:				
Allowance for doubtful debts	1,631	518	-	-
	49,425	47,400	30,410	37,080

Included in the above are the following:

- (a) Deposits paid for the proposed acquisition of certain companies/businesses of the Group and the Company are RM4,500,000 (2001: RM12,000,000) and RM2,500,000 (2001: RM10,000,000) respectively.
- (b) An amount of RM950,625 (2001: RM nil) of the Group and the Company maintained under Debt Service Reserve Account with financial institution in respect of Syndicated Islamic Term Financing of the Company as disclosed in Note 25(b).
- (c) Amount due from companies connected to Directors of the Group of RM1,735,490 (2001: RM4,500) as disclosed in Note 43(e).
- (d) Balance outstanding from the sales of certain landed properties and investments for the Group and the Company are RM8,564,688 (2001: RM4,668,115) and RM3,599,352 (2001: RM3,599,352) respectively.
- (e) Renovation costs on a commercial shopping complex receivable from the respective owners of RM449,236 (2001: RM505,108) in respect of the Group. An allowance for doubtful debts on the entire amount has been made.
- (f) An amount of RM nil (2001: RM1,176,984) of the Group due from Mohd. Shahril, a major shareholder of an associated company.

20. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The amount due from/(to) subsidiary companies are unsecured and not subject to any fixed terms of repayment but bear interest at rates ranging from 0% to 7% (2001: 0% to 30%) per annum.

21. AMOUNT DUE FROM ASSOCIATED COMPANIES

The amount due from associated companies are unsecured, interest free (2001: 0% to 8.8%) and have no fixed terms of repayment.

Notes to the Financial Statements December 31, 2002

22. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Deposits with:				
Licensed banks	18,087	7,595	9,500	7,500
Licensed finance company	25	135	-	-
	18,112	7,730	9,500	7,500

23. CASH AND BANK BALANCES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Housing Development Accounts	4,853	4,347	2,911	1,292
Cash and bank balances	5,826	3,545	106	124
	10,679	7,892	3,017	1,416

The Housing Development Accounts represent monies maintained in accordance with the provision of the Housing Developers (Housing Development Accounts) Regulations 1991.

24. OTHER CREDITORS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Contingent consideration payable (Note a)	15,019	9,258	-	-
Other creditors and accrued charges (Note b)	15,712	20,239	2,635	1,184
Hire purchase and lease creditors (Note 29)	1,699	18	104	-
	32,430	29,515	2,739	1,184

- (a) Contingent consideration payable represents profit guarantee on the balance of purchase consideration of RM105 million due to the vendors in connection with the acquisition of Global Innovative Management Partners-Act Sdn. Bhd. ("Global Impact") which has been retained as retention sum for the profit guarantee and is stated after deducting the amount released to the vendors on a yearly basis based on Global Impact's audited consolidated profit before tax as disclosed in Note 47(a).

As at December 31, 2002, balance of the contingent consideration payable amounting to RM76,204,876 of which portion due after one year of RM61,186,278 (2001: RM24,499,867) is shown under long term liabilities.

Notes to the Financial Statements December 31, 2002

24. OTHER CREDITORS (Cont'd)

(b) Included in other creditors and accrued charges of the Group are:

- (i) A loan from minority shareholder of a subsidiary company amounting to RM2,332,680 (2001: RM2,153,907) which is unsecured and has no fixed terms of repayment but bears interest at 8% (2001: 8%) per annum.
- (ii) Amount due to companies connected to Directors of the Group of RM3,653,443 (2001: RM nil) which are in respect of business transactions as disclosed in Note 43(e).
- (iii) Deferred income amounting RM nil (2001: RM1,347,500) arising from the disposal of a subsidiary company to an associated company in 2000. The amount is subsequently effected as referred to in Note 36 when the associated companies became subsidiary companies as at December 31, 2002.

25. BANK BORROWINGS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Secured:				
Term loans (Note a)	33,927	5,000	2,500	5,000
Revolving credits (Note a)	68,000	54,000	68,000	54,000
Syndicated Islamic term financing (Note b)	60,000	-	60,000	-
	161,927	59,000	130,500	59,000
Unsecured:				
Revolving credits	76,000	78,000	76,000	78,000
Fixed rate term loan (Note c)	40,000	-	40,000	-
	116,000	78,000	116,000	78,000
	277,927	137,000	246,500	137,000
Repayable as follows:				
Repayable within one year	146,494	133,875	145,875	133,875
Payable between two to five years	131,018	3,125	100,625	3,125
Payable after five years	415	-	-	-
	277,927	137,000	246,500	137,000

Notes to the Financial Statements December 31, 2002**25. BANK BORROWINGS (Cont'd)**

The portion repayable within one year is shown under current liabilities.

- (a) The term loans and revolving credits bear interest at rates ranging from 4.6% to 8.15% (2001: 4.35% to 8.70%) per annum and are secured by charges on certain assets of the Group and the Company as follows:-
- (i) freehold land and building, hotel property
 - (ii) land held for development
 - (iii) development and completed properties
 - (iv) present and future assets of certain subsidiary companies
 - (v) security sharing agreement and trust deed and
 - (vi) certain quoted investments

The repayment terms vary from a single repayment in full, monthly instalments to quarterly instalments over a period of seven years or by redemption of titles of certain residential development of a subsidiary company.

- (b) This is RM60 million five years Syndicated Islamic Term Financing provided by a syndication of banks ("Financiers") and is secured by:
- (i) land held for development of the Company
 - (ii) quoted shares in an associated company
 - (iii) all the unquoted shares in a subsidiary company and
 - (iv) an assignment over the Debt Service Reserve Account ("DSRA")

The DSRA is an Islamic account maintained with the lead financier to service up to three months profit margin of the outstanding principal amount and will remain until the full settlement of the facility. An amount of RM950,625 paid during the year is included in other debtors as disclosed in Note 19.

The principal is repayable by four equal payments of RM3.75 million per month each commencing May 2004, May 2005, May 2006 and May 2007 respectively.

The profit rate for the facility is at 1.75% per annum above the average Islamic Banking Cost of Funds quoted by each financier.

- (c) The 5 years unsecured fixed rate term loan extended by a bank is covered by placement of the primary collateralised loan obligations transaction ("Primary CLO Transaction") in the capital markets. In this connection, the Company had subscribed for a pro-rata share of 5 years Subordinated Bonds amounting to RM4,000,000 issued by Aegis One Berhad (a special purpose vehicle incorporated to issue asset-back securities pursuant to the Primary CLO Transaction) under the Primary CLO Transaction and the subscription is limited to 10% of the principal amount of the loan.

The subscription of Subordinated Bonds is shown under other investments as disclosed in Note 9.

The loan is payable in one lump sum in November, 2007.

Notes to the Financial Statements December 31, 2002

26. BANK OVERDRAFTS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Secured	1,605	2,315	1,115	663
Unsecured	31,876	9,758	29,574	7,376
	33,481	12,073	30,689	8,039

The secured bank overdrafts are secured by charges over certain landed properties of the Group, all present and future assets of certain subsidiary companies and certain quoted shares in an associated company. The overdrafts bear interest at rates ranging from 7.40% to 8.40% (2001: 7.40% to 8.30%) per annum.

27. BONDS 1996/2001

	Group and Company	
	2002 RM'000	2001 RM'000
Balance at January 1	–	100,500
Redeemed during the year	–	(100,500)
Balance at December 31	–	–

On December 14, 2001, the Company fully redeemed the outstanding Bonds 1996/2001 which matured on December 15, 2001 at its nominal amount of RM100,500,000.

WARRANTS 1996/2003

During the financial year ended December 31, 1996, the Company issued 46,663,083 detachable warrants together with the Bonds 1996/2001 as stated above. The warrants were constituted by a Deed Poll dated December 12, 1996, a Supplemental Deed Poll dated June 3, 1997 and a second Supplemental Deed Poll dated January 26, 2000. Each warrant gives the registered holder the right at any time during the exercise period to subscribe for one fully paid ordinary share of RM1.00 each at an exercise price of RM4.25 per new share.

At an Extraordinary General Meeting and Adjourned Warrantholders' Meeting held on June 25, 1999 and July 12, 1999 respectively, the shareholders and warrantholders of the Company had approved the extension of the subscription period of its outstanding warrants for a maximum further period of 5 years 3 months from the existing expiry date of September 15, 2001 to December 15, 2006, subject to the condition that the warrants are deemed to be "out-of-money" for a period of 3 months prior to the period nearing each date not later than three (3) calendar months prior to September 15, 2001 and a date on every anniversary of September 15, 2001.

On June 15, 2002 the exercise period of the warrants was extended for a further period of one year, to expire on September 15, 2003 as it was "out of money".

The balance of number of unexercised warrants since the end of the last financial year is 45,495,958 and there has been no warrant exercised during the financial year under review.

Notes to the Financial Statements December 31, 2002

28. SHARE CAPITAL

	Group and Company	
	2002 RM'000	2001 RM'000
Ordinary shares of RM1 each		
Authorised	500,000	500,000
Issued and fully paid:		
As at January 1	291,221	291,221
Private placement of 19,500,000 ordinary shares at RM1.10 each (Note 47(b))	19,500	-
As at December, 31	310,721	291,221

The number of ordinary shares held by associated companies at the end of the financial year are 808,200 (2001: 808,200).

During the financial year, the Company repurchased 15,000 of its issued shares of RM1 each from the open market at an average price of RM1.18 each. The repurchase transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

Subsequent to the financial year, the Company repurchased a further 520,000 shares from the open market at an average price of RM0.55 each. The shares repurchased were retained as treasury shares.

29. HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Minimum lease payments payable				
- not later than one year	2,040	27	143	-
- later than one year and not later than five years	3,164	102	538	-
- later than five years	20	-	-	-
	5,224	129	681	-
Finance charges allocated to future periods	(859)	(44)	(106)	-
	4,365	85	575	-
Repayable as follows:				
- not later than one year	1,699	18	104	-
- later than one year and not later than five years	2,650	67	471	-
- later than five years	16	-	-	-
	4,365	85	575	-

The portion repayable not later than one year is shown under current liabilities.

Notes to the Financial Statements December 31, 2002

30. DEFERRED TAXATION

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Balance at January 1	(789)	(872)	117	117
Acquisition of subsidiaries	265	-	-	-
Transfer from income statement	842	83	-	-
Balance at December 31	318	(789)	117	117

Deferred taxation in respect of the surplus arising from the revaluation of freehold land and buildings of the Group and the Company amounting to approximately RM9,692,000 (2001: RM9,692,000) and RM207,600 (2001: RM207,600) respectively is not provided as the directors intend to retain ownership of these properties for long term.

31. REVENUE

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Sales of properties	55,829	46,867	5,255	5,767
* Information technology	52,858	-	-	-
Rental income and service charges	15,114	15,549	1,799	1,642
Dividend income	77	3,148	-	2,999
Rooms revenue, food and beverages revenue	19,855	19,407	-	-
Interest income	198	4,114	182	4,102
Management and marketing consultancy fees	5,113	9,900	-	-
Property management fees	263	265	-	-
Franchise and royalties income	57	78	-	-
	149,364	99,328	7,236	14,510

* Revenue of the Group from information technology represents the total contract billings recognised on the percentage of completion method, net invoiced value of services and computer equipment sold.

Notes to the Financial Statements December 31, 2002

32. OTHER OPERATING INCOME

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Other operating income include:				
Allowance for doubtful debts written back	67	67	-	-
Bad debts recovered	-	3	-	-
* Gain on disposal of property, plant and equipment	2,511	443	77	95
Interest income				
- associated company	-	107	-	107
- subsidiary companies	-	-	14,696	11,663
- others	437	1,260	21	956
Rental income	79	163	-	-
Write back of prior years' over-accruals/provision of expenses	77	-	-	-

* Stated net of Real Property Gains Tax of RM128,724 (2001: RM nil)

33. STAFF COST

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Staff cost include:				
Directors' remuneration:				
Directors of the Company				
Executive				
- salary	1,266	923	816	923
- others	87	96	84	96
Independent				
- salary	90	74	90	74
Other directors of subsidiary companies				
- salary	1,318	250	-	-
- others	1,049	61	-	-
Number of employees at the end of the year	348	342	62	60

Notes to the Financial Statements December 31, 2002

34. DEPRECIATION AND AMORTISATION EXPENSES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Amortisation of goodwill	42	-	-	-
Amortisation of concept development	415	413	-	-
Amortisation of intangible asset	769	75	-	-
Depreciation of property, plant and equipment	6,355	4,803	1,042	944
	7,581	5,291	1,042	944

35. OTHER OPERATING EXPENSES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Other operating expenses include:				
Allowance for doubtful debts	1,225	182	-	-
Auditors' remuneration:				
Audit fees				
- current year	256	230	28	36
- prior year	(1)	14	-	3
Non audit fees	3	3	-	-
Bad debts written off	1	35	-	-
Closure cost of restaurant business	118	-	-	-
Director's gratuity	1,000	1,000	1,000	1,000
Expenses on proposed disposal/acquisition of companies written off	-	3	-	3
Interest on late delivery	-	11	-	-
Loss on disposal of property, plant and equipment	-	242	-	-
Property, plant and equipment written off	361	679	-	-
Professional fees paid to companies in which certain directors have interest	12	12	-	-
Rental of equipment	174	146	-	-
Rental of land and buildings	1,987	1,964	451	493

Notes to the Financial Statements December 31, 2002

36. OTHER INVESTING ACTIVITIES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Gain on disposal of				
– associated companies	–	214	–	214
– quoted investments	344	(4,281)	–	–
Reversal of Group gain on disposal arising from dilution of shareholding in subsidiary companies in prior years	(1,402)	–	–	–
Impairment losses on				
– associated company	(4,800)	(61,280)	–	–
– other investments	–	(28,897)	–	(28,897)
– property, plant and equipment	(372)	–	–	–
– short term investments	(183)	–	–	–
Concept development written off	(42)	(5,500)	–	–
Write back of impairment losses				
– other investments	12,432	–	12,432	–
– short term investments	110	5,311	–	–
	6,087	(94,433)	12,432	(28,683)

37. FINANCE COST

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Interest on bank overdrafts	2,603	520	2,371	421
Interest on Bonds 1996/2001	–	3,363	–	3,363
Interest on revolving credit	8,460	6,733	8,460	6,733
Interest on loans	3,601	1,476	1,850	1,311
Other interest expense	2,099	28	11	–
Loan related expenses	3,694	–	3,673	–
	20,457	12,120	16,365	11,828

Notes to the Financial Statements December 31, 2002

38. TAXATION

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Current taxation:				
– current year	(7,095)	(3,477)	–	(600)
– prior year	(321)	(367)	(472)	–
	(7,416)	(3,844)	(472)	(600)
Deferred taxation	(842)	(83)	–	–
	(8,258)	(3,927)	(472)	(600)
Share of taxation of:				
– associated companies	(1,827)	(1,704)	–	–
– joint venture company	22	–	–	–
	(10,063)	(5,631)	(472)	(600)

The disproportionate taxation charge of the Group arises due to tax losses of certain subsidiaries which are not allowed to be set off against profits of other subsidiaries within the Group as no Group relief is available and also due to certain expenses which were not deductible for tax purposes.

The Company has no taxation charge for the current financial year as the profit were derived primarily from write back of impairment losses on investments.

Subject to the agreement of the tax authorities, the approximate unabsorbed tax losses and unabsorbed capital allowances available for utilisation against future taxable profits are as follows:

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unabsorbed tax losses	21,750	20,598	4,667	4,402
Unabsorbed capital allowances	3,430	2,949	1,105	826

Subject to the confirmation from tax authorities, the Company has approximately RM20,411,000 tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt account amounting to RM13,514,000 to frank the payment of dividend out of its accumulated profit as at December 31, 2002.

39. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated based on the net profit for the year of RM11,386,000 (2001: net loss of RM88,999,000) and on the weighted average number of shares in issue during the year of 296,908,960 (2001: 291,221,460).

No diluted earnings per share is disclosed due to the anti-dilutive effect of the conversion of warrants.

Notes to the Financial Statements December 31, 2002**40. DIVIDENDS**

	Group and Company	
	2002	2001
	RM'000	RM'000
First and final dividend paid:		
1% less 28% income tax for financial year ended December 31, 2001	(2,095)	-
3% less 28% income tax for financial year ended December 31, 2000	-	(6,284)

Dividends declared or proposed in respect of the financial year ended December 31, 2002 are as follows:

	2002		2001	
	Gross dividend per share	Amount of dividend net of tax	Gross dividend per share	Amount of dividend net of tax
	Sen	RM'000	Sen	RM'000
Proposed first and final dividend of 1% less 28% income tax	1	2,235	1	2,095

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended December 31, 2002 of 1% per share will be proposed for shareholders' approval. These financial statements do not reflect this first and final dividend which will be accounted for in shareholders' equity as an appropriation of accumulated profit in the financial year ending December 31, 2003 when approved by shareholders. This represents a change in accounting treatment from that of prior years as explained in Note 41.

41. PRIOR YEAR ADJUSTMENT

During the financial year, the Group changed its accounting policy with respect to the recognition of proposed final dividends after balance sheet date in compliance with the new MASB Standard 19 "Events After Balance Sheet Date".

In previous financial years, dividends were accrued as a liability when proposed by directors. The Group has now changed this accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB Standard 19. Therefore, final dividends are now accounted for in shareholders' equity as an appropriation of accumulated profit only after approval by shareholders at the Annual General Meeting.

This change in accounting policy has been accounted for retrospectively. Comparative information has been restated to reflect the change in accounting policy.

Notes to the Financial Statements December 31, 2002

41. PRIOR YEAR ADJUSTMENT (Cont'd)

The effects of the change on the Group's and the Company's financial statements are as follows:

	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
Group			
At January 1, 2001			
- accumulated profit	134,240	6,290	140,530
At December 31, 2001			
- accumulated profit	43,152	2,095	45,247
- proposed dividend	2,095	(2,095)	-

	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
Company			
At January 1, 2001			
- accumulated profit	109,178	6,290	115,468
At December 31, 2001			
- accumulated profit	78,918	2,095	81,013
- proposed dividend	2,095	(2,095)	-

Group and Company

Financial year ended December 31, 2001

Dividend

- 1% less 28% tax	2,095	(2,095)	-
- 3% less 28% tax	-	6,284	6,284
- overprovision in prior year	6	(6)	-

Notes to the Financial Statements December 31, 2002**42. GROUP SEGMENT INFORMATION**

The financial statements presents an analysis of the results based on the following business segments:

Property development and investment

Incorporating property development and investment, property management and maintenance, property marketing consultancy and project management services.

Information technology

Providing information technology infrastructure services, system and networking services, system integration services, marketing of computer equipment and trading of telecommunication equipment.

Food franchising

Incorporating restaurant concept development, franchising restaurants, deli-baking product and fast food outlet operator.

Hotel operation

Incorporating operation of hotel.

Liquid bulking

Consists of the storing and distribution of bulk liquid.

Other operations

Other operations of the Group include other investments and investment holdings, none of which constitutes a separately reportable segment.

Information on the Group's operations by geographical segments has not been provided as the Group operated principally in Malaysia.

The following schedules analyse the net profit for the year, total assets and total liabilities by business segment.

Notes to the Financial Statements December 31, 2002

42. GROUP SEGMENT INFORMATION (Cont'd)

GROUP SEGMENT INFORMATION

Primary reporting – Business segments

	Properties	Information Technology	Food Franchising	Hotel Operations	Liquid Bulking	Other Operations	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2002								
REVENUE								
External revenue	76,081	52,858	16,144	4,188	-	93	-	
Inter-segment revenue	175	-	-	-	-	10,000	(10,175)	
	76,256	52,858	16,144	4,188	-	10,093	(10,175)	149,364
RESULT								
Segment result	33,120	15,182	(2,904)	102	-	10,027	(10,438)	45,089
Unallocated corporate expenses	-	-	-	-	-	-	-	(8,835)
Profit before interest								36,254
Interest income	-	-	-	-	-	-	-	635
Finance cost	-	-	-	-	-	-	-	(20,457)
Other investing activities results	-	-	(1,816)	-	-	7,903	-	6,087
Share of results of								
- Associated companies	(1,936)	176	(2,284)	-	1,392	-	-	(2,652)
- Joint venture	(394)	-	-	-	-	-	-	(394)
Profit before taxation								19,473
Taxation	-	-	-	-	-	-	-	(10,063)
Profit after taxation								9,410
Minority interests	-	-	-	-	-	-	-	1,976
Net profit for the year								11,386
OTHER INFORMATION								
Segment assets	413,514	320,830	13,313	27,945	2,622	119,332	-	897,556
Investment in equity method associates	135,096	-	-	-	12,020	-	-	147,116
Investment in joint venture company	44,965	-	-	-	-	-	-	44,965
Unallocated corporate assets	-	-	-	-	-	-	-	1,424
Consolidated total assets								1,091,061
Segment liabilities	39,105	17,549	1,294	634	-	76,267	-	134,849
Deferred tax liabilities/(assets)	355	1,099	(1,136)	-	-	-	-	318
Other liabilities	-	-	-	-	-	-	-	315,773
Consolidated total liabilities								450,940
Capital expenditure								
- property, plant and equipment	1,115	924	271	271	-	890	-	3,471
- intangible asset	-	1,307	-	-	-	-	-	1,307
Depreciation	2,887	1,642	986	242	-	598	-	6,355
Amortisation	-	742	484	-	-	-	-	1,226
Non-cash (income)/expense	(2,466)	1,119	219	60	-	-	-	(1,068)

Notes to the Financial Statements December 31, 2002

42. GROUP SEGMENT INFORMATION (Cont'd)

GROUP SEGMENT INFORMATION

Primary reporting – Business segments

	Properties	Information Technology	Food Franchising	Hotel Operations	Liquid Bulking	Other Operations	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2001								
REVENUE								
External revenue	76,323	-	15,773	4,072	-	3,160	-	
Inter-segment revenue	-	-	-	-	-	1,350	(1,350)	
	76,323	-	15,773	4,072	-	4,510	(1,350)	99,328
RESULT								
Segment result	23,958	-	(5,034)	(272)	-	4,446	(1,350)	21,748
Unallocated corporate expenses	-	-	-	-	-	-	-	(8,940)
Profit before interest								12,808
Interest income	-	-	-	-	-	-	-	5,481
Interest expense	-	-	-	-	-	-	-	(12,120)
Other investing activities results	(61,280)	-	(5,500)	-	-	(27,653)	-	(94,433)
Share of results of								
- Associated companies	(2,480)	7,305	-	-	331	-	-	5,156
- Joint venture	(1,390)	-	-	-	-	-	-	(1,390)
Loss before taxation								(84,498)
Taxation	-	-	-	-	-	-	-	(5,631)
Loss after taxation								(90,129)
Minority interests	-	-	-	-	-	-	-	1,130
Net loss for the year								(88,999)
OTHER INFORMATION								
Segment assets	435,231	-	18,913	28,214	3,556	80,304	-	566,218
Investment in equity method associates	142,433	97,013	-	-	9,710	-	-	249,156
Investment in joint venture company	45,337	-	-	-	-	-	-	45,337
Unallocated corporate assets	-	-	-	-	-	-	-	1,169
Consolidated total assets								861,880
Segment liabilities	55,318	-	4,680	811	-	42,815	-	103,624
Deferred tax liabilities/(assets)	346	-	(1,135)	-	-	-	-	(789)
Other liabilities	-	-	-	-	-	-	-	149,158
Consolidated total liabilities								251,993
Capital expenditure								
- property, plant and equipment	6,017	-	299	648	-	417	-	7,381
Depreciation	2,900	-	1,160	267	-	476	-	4,803
Amortisation	-	-	488	-	-	-	-	488
Non-cash (income)/expense	(86)	-	678	36	-	-	-	628

Notes to the Financial Statements December 31, 2002

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(a) Transactions with related companies:					
Disposal of subsidiary company		-	-	-	4,000
Interest income		-	-	14,696	11,663
Purchase of motor vehicle		-	-	22	-
Rental and service charges payable		-	-	496	460
Rental income		-	-	108	72
Rescission on land sold in previous year		-	-	41,171	-
Secretarial fees receivable		-	-	7	11
(b) Transactions with associated companies:					
Kejora Harta Bhd and its subsidiaries:-					
Construction contracts awarded		16,349	15,842	-	7,532
Construction progress billings		12,801	14,088	2,411	314
Dividend income		-	4,349	-	2,999
Purchase of motor vehicle		-	165	-	165
Professional fees		20	18	20	18
Rental income		165	117	165	117
Secretarial fees receivable		63	54	63	54
Skyline Concepts Restaurants Sdn. Bhd. and its subsidiaries:-					
Advances to		555	295	-	-
Stolthaven (Westport) Sdn. Bhd.					
Advances from		-	260	-	260
Interest income		-	107	-	107
Secretarial fees receivable		7	7	7	7
Menara Ampang Sdn. Bhd.					
Rental payable		300	300	-	-
Symphony Global Technologies Sdn. Bhd.					
Project expenses		335	-	-	-
Rental income and office maintenance		246	-	-	-

Notes to the Financial Statements December 31, 2002

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(c) Transactions with companies connected to Directors					
Silverlake System Sdn. Bhd.	(i)				
Project expenses payable		4,914	-	-	-
Project services receivable		3,326	-	-	-
License fee payable		4,243	-	-	-
License fee receivable		3,200	-	-	-
Rental and office maintenance		924	-	-	-
Purchase of goods		98	-	-	-
Axis Systems Sdn. Bhd.	(i)				
Project expenses		852	-	-	-
Sales of goods		707	-	-	-
SGL-Edu-Centre Sdn. Bhd.	(ii)				
Rental income of office premises		45	-	-	-
LLT Consultancy	(iii)				
Professional fees paid		12	12	-	-
Alliance Finance Bhd.	(iv)				
Rental income		628	601	-	-
(d) Other related parties:					
		Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
(d) Other related parties:					
Interest payable to CHSB Capital Sdn. Bhd., a minority shareholder of a subsidiary company		179	165	-	-

Notes to the Financial Statements December 31, 2002

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

(e) Related party balances

Amount due from companies connected to Directors:

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Alliance Finance Bhd	(iv)	42	5	-	-
Silverlake Sistem (Brunei) Sdn. Bhd.	(i)	192	-	-	-
Silverlake System Inc(PHI)	(i)	765	-	-	-
PT Silverlake	(i)	344	-	-	-
Silverlake Quacstor Sdn. Bhd.	(i)	3	-	-	-
Silverlake Sistem Pte Ltd	(i)	2	-	-	-
SGI-Edu-Centre Sdn. Bhd.	(ii)	299	-	-	-
Visionex Management Sdn. Bhd.	(i)	88	-	-	-
		1,735	5	-	-

**Amount due to companies
connected to Directors:**

	Note	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Silverlake System Sdn. Bhd	(i)	2,155	-	-	-
Axis Systems Sdn. Bhd.	(i)	1,495	-	-	-
Silverlake System Marketing Sdn. Bhd.	(ii)	3	-	-	-
		3,653	-	-	-

Notes

- (i) Companies connected with Goh Peng Ooi, a director of the Company.
- (ii) Companies connected with Chin Jit Pyng, Goh Peng Ooi (the Directors of the Company) and Ang Poo Lin, Tay Hock Seng (the Directors of a subsidiary company).
- (iii) The company in which Tan Sri Dato' Lee Lam Thye, a director of a subsidiary company has substantial interest.
- (iv) Subsidiary company of Malaysian Plantations Berhad ("MPB"), a company in which Tan Sri Dato' Lim Yan Hai is a director and the Chairman. Abdul Sani Bin Busu is also a director of MPB.

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

Notes to the Financial Statements December 31, 2002**44. CONTINGENT LIABILITIES - unsecured**

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Indemnities given to third parties in respect of bank guarantees	2,463	863	695	743
Guarantees given to financial institutions for facilities granted to				
– subsidiary companies	–	–	6,000	6,000
– associated company	54,461	50,861	54,461	50,861
	56,924	51,724	61,156	57,604

45. CAPITAL COMMITMENTS

	Group	
	2002 RM'000	2001 RM'000
(a) Contracted but not provided for in the financial statements	–	118,758

(b) Lease commitments

The future minimum lease payments under non-cancellable operating lease agreements are as follows:-

Year	Group	
	2002 RM'000	2001 RM'000
– not later than 1 year	741	1,248
– later than 1 year and not later than 5 years	185	4,439
– later than 5 years	–	2,369
	926	8,056

46. PURCHASE BY THE COMPANY OF ITS OWN SHARES

At the Annual General Meeting (AGM) of the Company held on June 26, 2002, mandate was given to the Company to purchase its own shares of not exceeding 29,122,146 ordinary shares of RM1.00 each until the conclusion of the next AGM, unless earlier revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

Notes to the Financial Statements December 31, 2002

47. SIGNIFICANT EVENTS

- (a) Acquisition of Global Innovative Management Partners-Act Sdn. Bhd. ("Global Impact").

On February 28, 2001, the Company completed the acquisition of 321,500 ordinary shares of RM1 each representing 32.15% of the issued and paid up share capital of Global Impact for a total cash consideration of RM90 million ("the Acquisition"). The Company had nominated Noble Midah Sdn. Bhd. ("NMSB"), a wholly-owned subsidiary company of the Company to accept the transfer of Global Impact Shares.

Subsequently, on April 16, 2001, NMSB entered into a Call Option Agreement to purchase the remaining 678,500 ordinary shares of RM1 each in Global Impact ("Call Option Shares") representing 67.85% of the issued and paid up share capital of Global Impact for a cash consideration of RM190 million ("the Call Option").

The vendors of Global Impact ("the Vendors") had warranted for the the Acquisition and the Call Option, an accumulated profit before taxation of RM33.7575 million and RM71.2425 million ("Warranted PBT") respectively for a duration of three (3) years commencing on financial year ended December 31, 2001 with a minimum guarantee for each financial year as follows:-

Guaranteed Period Financial Year	Minimum consolidated profit before tax		
	The Acquisition	The Call Option	Total
	Warranted PBT	Warranted PBT	
RM	RM	RM	
Ended December 31, 2001	8,037,500	16,962,500	25,000,000
Ended December 31, 2002	8,841,250	18,658,750	27,500,000
Ending December 31, 2003	16,878,750	35,621,250	52,500,000
Total	33,757,500	71,242,500	105,000,000

The Warranted PBT will be secured by setting aside a retention sum on the purchase consideration amounting to RM33,757,500 and RM71,242,500 respectively and such retention sum will be released to the Vendors on a yearly basis based on Global Impact's audited consolidated profit before tax. The cumulative surplus or shortfall between the warranted PBT and audited consolidated profit before tax of Global Impact will be carried forward to the following financial year up to the year ending December 31, 2003.

On March 1, 2002 NMSB completed the acquisition of Global Impact upon exercise of all the Call Option Shares. Accordingly, Global Impact which was previously an associated company, became wholly-owned subsidiary of NMSB.

An amount of RM105 million has been set aside as retention sum (Warranted PBT), on the purchase consideration and will be released to the Vendors on a yearly basis based on Global Impact's audited consolidated profit before tax as stated above. As at December 31, 2002, RM28,795,124 was released to the Vendors and the balance of RM76,204,876 has been recognised as contingent consideration payable as disclosed in Note 24 to the financial statements.

The fair value of the assets acquired and liabilities assumed from the acquisition of Global Impact is disclosed in Notes to the Consolidated Cash Flow Statement.

Notes to the Financial Statements December 31, 2002**47. SIGNIFICANT EVENTS (Cont'd)**

- (b) Private placement of 29,122,000 new ordinary shares of RM1.00 each in the Company.

On April 30, 2002, the Company received the approval of the Securities Commission for the following:

- (i) Private placement of 29,122,000 new ordinary shares of RM1.00 each in the Company; and
(ii) Listing of and quotation for the said shares on the KLSE.

During the year, the Company had placed out 19,500,000 new ordinary shares in tranches as follows:

- (i) First tranche placement of 13,500,000 new ordinary shares at an issue price at RM1.10 per share; and
(ii) Second tranche placement of 6,000,000 new ordinary shares at an issue price at RM1.10 per shares.

The first and second tranche of the private placement had been granted listing and quotation on September 13, 2002 and September 20, 2002 respectively.

- (c) Acquisition of Skyline Concepts Restaurants Sdn. Bhd. ("SCR")

On December 30, 2002, Skyline Concepts Sdn. Bhd. ("SCSB"), a subsidiary of the Company which currently hold 1,130,828 ordinary shares of RM1.00 each in SCR, representing 49% of SCR's issued and paid-up share capital had acquired the balance of the 51% equity interest in SCR, representing 1,176,984 ordinary shares of RM1.00 each for total cash consideration of RM1,176,984. Accordingly, SCR which was previously an associated company, became wholly-owned subsidiary of SCSB.

The fair value of the assets acquired and liabilities assumed from the acquisition of SCR is disclosed in Notes to the Consolidated Cash Flow Statement.

48. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform with changes in presentation resulting from the change in accounting policy explained in Note 41.

The comparative figures were also extended to comply with the disclosure requirements of new MASB Standard 22 – Segment Reporting, that are applicable for the year ended December 31, 2002 as disclosed in Note 42.

In addition, the following comparative figures have been reclassified to conform with current year's presentation.

		Group	
		As restated RM'000	As previously reported RM'000
BALANCE SHEET			
Current liabilities			
Other creditors	*	29,515	54,015
Long term liabilities			
Other creditors	*	24,500	–
INCOME STATEMENT			
Other operating expenses (Note 35)			
Rental of equipment	#	146	11
Rental of land and buildings	#	1,964	814

* Reclassified to be comparable with current year presentation.

Previously included in the income statements but not disclosed in the notes to the financial statements.

Analysis of Shareholdings as at May 5, 2003

Class of share : ordinary share of RM1.00 each

Voting rights : 1 vote for each share held

1. SHAREHOLDINGS DISTRIBUTION (ORDINARY SHARES)

Size of Holdings	No. of Shareholders	Shareholders Percentage (%)	Shareholdings	Shareholdings Percentage (%)
Less than 1,000	652	4.95	153,942	0.05
1,000 - 10,000	11,136	84.54	34,747,080	11.18
10,001 - 100,000	1,236	9.38	35,484,446	11.42
100,001 to less than 5% of issued shares	147	1.12	151,090,082	48.63
5% and above of issued shares	2	0.01	89,245,910	28.72
	13,173	100.00	310,721,460	100.00

2. DIRECTORS' INTERESTS AS AT MAY 5, 2003

Other than as disclosed below, there is no change as at May 5, 2003 in the Directors' interests in shares of the Company and or its related corporations appearing in the Directors' Report from page 38 to 39.

Shares held in the Company (Ordinary Shares)

Name of Directors	Direct	%	Indirect	%
Tan Sri Dato' Lim Yan Hai	3,676,000	1.19	105,045,927	33.90
Lim Yen Haat	14,781,383	4.77	4,143,615	1.34
Lim Yen Kong	600,000	0.19	4,146,409	1.34
Lim Wee Kiat	941,000	0.30	105,045,927	33.90

3. LIST OF THIRTY LARGEST SHAREHOLDERS (ORDINARY SHARES) AS AT MAY 5, 2003

Name of Shareholders	No. of Shares	%
1. HLB Nominees (Tempatan) Sdn Bhd - Forum Equity Sdn Bhd	67,993,410	21.88
2. Makin Bitara Sdn Bhd	21,252,500	6.84
3. Mayban Nominees (Tempatan) Sdn Bhd - Lim Yen Haat	13,252,000	4.26
4. Mirage Plus Sdn Bhd	11,252,500	3.62
5. Goh Peng Ooi	9,083,164	2.92
6. Malaysia Nominees (Tempatan) Sdn Bhd - Tan Sri Dato' Lim Yan Hai	7,920,198	2.55
7. Bijak Damai Sdn Bhd	6,512,497	2.10
8. Universal Trustee (Malaysia) Berhad - BHLB Pacific High Growth Fund	5,938,000	1.91
9. Forum Equity Sdn Bhd	5,515,806	1.78
10. Southern Nominees (Tempatan) Sdn Bhd - Goldenvest Holdings Sdn Bhd	5,410,240	1.74
11. Chin Jit Pyng	5,033,704	1.62
12. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputra	4,000,000	1.29
13. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	3,815,000	1.23
14. Mayban Nominees (Tempatan) Sdn Bhd - Kenneison Brothers Sdn Bhd	3,576,400	1.15
15. Focal Strata Sdn Bhd	3,520,000	1.13
16. Universal Trustee (Malaysia) Berhad - Alliance First Fund	3,400,000	1.09
17. Syabas Seleksi Sdn Bhd	2,507,000	0.81
18. Lim Thiam Leong Company Sdn Bhd	2,325,434	0.75
19. A A Assets Nominees (Tempatan) Sdn Bhd - Kedah Cement Holdings Bhd	2,320,280	0.75
20. Tay Hock Seng	2,315,316	0.75

Analysis of Shareholdings as at May 5, 2003**3. LIST OF THIRTY LARGEST SHAREHOLDERS (ORDINARY SHARES) AS AT MAY 5, 2003 (CONT'D)**

Name of Shareholders	No. of Shares	%
21. Ang Poo Lin	2,305,316	0.74
22. Chong Chow Kwan	2,130,000	0.69
23. Ho Sai Lon Mark	1,961,000	0.63
24. Citicorp Nominees (Asing) Sdn Bhd - MLPFS for Dato' Ng Keng Joo	1,846,000	0.59
25. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	1,535,000	0.49
26. Spiralling Success Sdn Bhd	1,502,000	0.48
27. Lam Huat Properties Sdn Bhd	1,363,636	0.44
28. Kenneison Brothers Sdn Bhd	1,301,000	0.42
29. Malaysia Nominees (Tempatan) Sendirian Berhad - Malaysian Trustees Berhad for Alliance Vision Fund	1,300,000	0.42
30. Universal Trustee (Malaysia) Berhad - BHLB Pacific Emerging Companies Growth Fund	1,119,000	0.36

4. SUBSTANTIAL SHAREHOLDERS AS AT MAY 5, 2003

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at May 5, 2003 are as follows:-

Name	Shareholdings			
	Direct	%	Indirect	%
1. Forum Equity Sdn Bhd	73,509,216	23.72	808,000 ¹	0.26
2. LYH Holdings Sdn Bhd	15,332,396	4.95	85,569,716 ²	27.61
3. Tan Sri Dato' Lim Yan Hai	3,676,000	1.19	105,045,927 ³	33.90
4. Lim Yen Haat	14,781,383	4.77	4,143,615 ⁴	1.34
5. Lim Wee Kiat	941,000	0.30	105,045,927 ³	33.90
6. Lim Wee Lin	1,108,533	0.36	100,902,112 ⁵	32.56
7. Lim Bin Jong	225,000	0.07	100,902,112 ⁵	32.56
8. Makin Tekad Sdn Bhd	-	-	33,280,000 ⁶	10.74
9. Makin Bitara Sdn Bhd	21,252,500	6.86	-	-

Notes:-

- By virtue of the company's deemed interest in Kejora Harta Bhd.
- By virtue of the company's interest in Forum Equity Sdn Bhd, Kejora Harta Bhd and Mirage Plus Sdn Bhd.
- By virtue of their interests in Lim Thiam Leong Co. Sdn Bhd, Kenneison Brothers Sdn Bhd, Forum Equity Sdn Bhd, Lam Huat Properties Sdn Bhd, Kejora Harta Bhd, LYH Holdings Sdn Bhd and Mirage Plus Sdn Bhd.
- By virtue of his interest in Lim Thiam Leong Co. Sdn Bhd and Lam Huat Properties Sdn Bhd.
- By virtue of their interests in LYH Holdings Sdn Bhd, Forum Equity Sdn Bhd, Kejora Harta Bhd and Mirage Plus Sdn Bhd.
- By virtue of a call option agreement dated 7/9/2001 entered by the company and by virtue of the company's interest in Makin Bitara Sdn Bhd, a wholly owned subsidiary of the company.

Analysis of Warrantholdings as at May 5, 2003

Class of share : warrants 1996/2001 (up to 2006 - if extended yearly) of RM1.00 each
 Voting rights : 1 vote for each warrant held

1. DISTRIBUTION SCHEDULE OF WARRANTS

Size of Holdings	No. of Warrantholders	Warrantholders Percentage (%)	Warrantholdings	Warrantholdings Percentage (%)
Less than 1,000	337	5.91	111,470	0.25
1,000 to 10,000	4,631	81.16	15,455,437	33.97
10,001 to 100,000	705	12.35	19,448,891	42.75
100,001 to less than 5% of issued shares	33	0.58	10,480,160	23.03
5% and above of issued shares	-	-	-	-
	5,706	100.00	45,495,958	100.00

2. LIST OF THIRTY LARGEST WARRANTHOLDERS AS AT MAY 5, 2003

Name of Shareholders	No. of Warrants	%
1. Tan Sri Dato' Lim Yan Hai	1,085,000	2.38
2. Chung Teik Keong	762,000	1.67
3. Alliancegroup Nominees (Tempatan) Sdn Bhd - Law Boon Leong	638,000	1.40
4. Lim Thiam Leong Company Sdn Bhd	582,128	1.28
5. Tang Lai Hong	561,000	1.23
6. Pacific & Orient Insurance Co Berhad	528,000	1.16
7. RHB Capital Nominees (Tempatan) Sdn Bhd - Oh Kim Sun	470,000	1.03
8. RHB Merchant Nominees (Tempatan) Sdn Bhd - Lam Huat Properties Sdn Bhd	454,545	1.00
9. Mayban Securities Nominees (Tempatan) Sdn Bhd - Tee Kim Chee	440,000	0.97
10. Citicorp Nominees (Tempatan) Sdn Bhd - Koh Cheng Keong	431,000	0.95
11. Ng Keng Keong	320,000	0.70
12. HDM Nominees (Asing) Sdn Bhd - OUB Securities Pte Ltd for Wong Peow Kong	318,000	0.70
13. Citicorp Nominees (Asing) Sdn Bhd - MLPFS for Dato' Ng Keng Joo	311,000	0.68
14. Yew On Teck	304,000	0.67
15. A A Assets Nominees (Tempatan) Sdn Bhd - Kedah Cement Holdings Bhd	302,070	0.66
16. Tang Kee Hiong	300,000	0.66
17. RHB Capital Nominees (Tempatan) Sdn Bhd - Sheh Kah Li	280,000	0.62
18. Lim Yoke Hoon	250,200	0.55
19. FIT Nominees (Asing) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for Heng Joon Siang	220,000	0.48
20. Institute for Development Studies (Sabah)	220,000	0.48

Analysis of Warrantholdings as at May 5, 2003**2. LIST OF THIRTY LARGEST WARRANTHOLDERS AS AT MAY 5, 2003 (CONT'D)**

	Name of Shareholders	No. of Warrants	%
21.	Amsec Nominees (Tempatan) Sdn Bhd - Munjeet Singh @ Manjit Singh A/L Lechman Singh	175,000	0.38
22.	Chan Foong Cheng	170,000	0.37
23.	OSK Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Teoh Siew Chuan	151,000	0.33
24.	Wong Swee Teng	151,000	0.33
25.	Soo Yoke Yew	141,000	0.31
26.	RHB Nominees (Asing) Sdn Bhd - OUB Kay Hian Private Limited for Tan Yeow Khoon	139,000	0.31
27.	Law Kian Lim	122,000	0.27
28.	Cimsec Nominees (Tempatan) Sdn Bhd - Khoo Sian Keow	120,000	0.26
29.	Fung Kok Sang	120,000	0.26
30.	RHB Nominees (Asing) Sdn Bhd - Gk Goh Spl for Yeo Kim Eng	118,000	0.26

SHARE BUY BACK SCHEDULE FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2002

Month	No. of Shares Bought Back	Highest Purchase Price (RM)	Lowest Purchase Price (RM)	Average Purchase Price (RM)	Total Consideration (RM)
April	10,000	1.34	1.34	1.34	13,400.00
November	5,000	0.83	0.83	0.83	4,150.00
	15,000				17,550.00

The shares purchased are held as treasury shares. As at May 5, 2003, 822,000 ordinary shares of RM1.00 each are held as treasury shares.

Properties Owned by Bolton Berhad Group

Title/ Lot No.	Land Area (Acres)	Existing Use/ Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at December 31, 2002 RM'000
Lot 1149, Section 57, Town and District of Kuala Lumpur, Wilayah Persekutuan	0.910	20 units of luxurious apartments called Bolton Court at Jalan Ceylon, Kuala Lumpur	1983 (Revaluation)	27 (Freehold)	5,893
Lots 108, 109, 130, 131, 132, 133, 134, 135, 136, 137, 138 and 143, Section 43, Town and District of Kuala Lumpur, Wilayah Persekutuan	4.300	Vacant land at Jalan Mayang, Off Jalan Yap Kwan Seng, Kuala Lumpur	1991	- (Freehold)	41,381
Lot 134, Section 88A, Town and District of Kuala Lumpur, Wilayah Persekutuan	0.300	8 units of luxurious apartments called Prince Kaswira at Lorong Damai Tujuh, Kuala Lumpur	1991	14 (Leasehold expiring in February 2069)	2,749
Lot 68, Section 69, Town and District of Kuala Lumpur, Wilayah Persekutuan	0.212	198-room business class hotel Jalan Kampung Attap, Kuala Lumpur	1996	7 (Freehold)	27,443
Lot 248, Section 40, Mukim and District of Kuala Lumpur, Wilayah Persekutuan	1.366	20-storey shopping cum office complex at Jalan Dang Wangi, Kuala Lumpur	1983 (Revaluation)	31 (Freehold)	52,792
Lot 12838, No. C.T. 22835, Mukim of Kuala Lumpur, Town and District of Kuala Lumpur, Wilayah Persekutuan	3.370	Vacant commercial land in Taman Midah, Kuala Lumpur	1979	- (Freehold)	3,431

Properties Owned by Bolton Berhad Group

Title/ Lot No.	Land Area (Acres)	Existing Use/ Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at December 31, 2002 RM'000
Lots 119, Section 62, Town and District of Kuala Lumpur, Wilayah Persekutuan	0.0865	Vacant commercial land at Jalan Changkat Thambi Dollah, Pudu, Kuala Lumpur	1977	– (Freehold)	414
Lot 200, Section 67, Town and District of Kuala Lumpur, Wilayah Persekutuan	1.500	Vacant commercial land at Jalan Imbi, Kuala Lumpur	1992	– (Freehold)	22,844
H.S. (D) 64699 No. P.T. 10332 Mukim of Ampangan District of Seremban, Negeri Sembilan Darul Khusus	150	Vacant land in Seremban for mixed development	1996	– (Freehold)	32,252
Lot 44 and 1538, Mukim Kuah Langkawi, Kedah	8.570	2 storey shopping complex located in Kuah town, Kedah	1997	6 (Leasehold) 99 years from date of issue of title	39,966
D'Mayang condo	24,480 s.f.	18 units of luxurious condo located at Jalan Mayang, Kuala Lumpur	1994	9 (Freehold)	9,078
Lot 9841, 9762-9776, 9780-9783, Mukim Setapak, Wilayah Persekutuan	0.535	Vacant residential land located at Taman Desa Gombak, Off Jalan Gombak, Setapak, Kuala Lumpur	1978	(Freehold)	80
PT 4476, HSD 92414, Mukim Kuala Lumpur District of Kuala Lumpur	10.600	Vacant commercial land located at Taman Midah, Jalan Cheras, Kuala Lumpur	1991	(Freehold)	9,365

No. of shares held



Bolton Berhad
(5572-H) Established Since 1964

Proxy Form

I/We _____

of _____

being a member of the above Company hereby appoint _____

of _____

or failing him/her _____

of _____

as my/our proxy, to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on Wednesday, June 25, 2003 at the Board Room, 6th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur at 11.00 a.m. and at any adjournment thereof.

I/We desire to vote on the Resolutions set out in the Notice of Meeting and summarised below as indicated with an "X" in the appropriate space.

Ordinary Resolutions	For	Against
(1) Adoption of Reports and Accounts	<input type="checkbox"/>	<input type="checkbox"/>
(2) Declaration of First and Final dividend	<input type="checkbox"/>	<input type="checkbox"/>
(3) Re-election of Directors pursuant to Article 84 of the Company's Articles of Association		
a) Lim Yen Haat	<input type="checkbox"/>	<input type="checkbox"/>
b) Dato' Zakaria Bin Dato' Ahmad	<input type="checkbox"/>	<input type="checkbox"/>
(4) Re-appointment of Tan Sri Dato' Lim Thiam Leong as Director of the Company pursuant to Section 129 of the Companies Act, 1965	<input type="checkbox"/>	<input type="checkbox"/>
(5) Re-appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>
(6) Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965	<input type="checkbox"/>	<input type="checkbox"/>
(7) Proposed Renewal of Authority for Purchase of Own Shares by the Company	<input type="checkbox"/>	<input type="checkbox"/>
(8a) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature with Kejora Group	<input type="checkbox"/>	<input type="checkbox"/>
(8b) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature with MPlant Group	<input type="checkbox"/>	<input type="checkbox"/>
(8c) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature with Silverlake Group	<input type="checkbox"/>	<input type="checkbox"/>
(8d) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature with SGI Edu-Centre	<input type="checkbox"/>	<input type="checkbox"/>

If no specific direction as to vote is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____ 2003

Signature/Seal

NOTES:-

- (1) A proxy may but need not be a member provided that the person is a qualified legal practitioner, an approved company auditor or a person approved by the Companies Commission of Malaysia.
- (2) To be valid, the proxy form, duly completed must be deposited at the Registered Office of the Company at 5th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur, not less than (48) forty-eight hours before the time for holding the meeting PROVIDED THAT in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, PROVIDED ALWAYS that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
- (3) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (4) Where a member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

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Bolton Berhad (5572-H)
5th Floor, Campbell Complex
98 Jalan Dang Wangi
50100 Kuala Lumpur

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