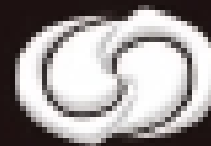




financial statements



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directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2003.

Principal activities

The Company is principally an investment holding company. It also provides centralised treasury and administrative services to the Group.

The Group is principally engaged in cement and steel manufacturing, construction and quarry operations, banking, stockbroking and related financial services, property development and trading.

The principal activities of the subsidiaries are more particularly set out in Note 10 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

Results

	Group RM'000	Company RM'000
Profit after taxation	40,691	5,832
Minority interests	(17,021)	-
Net profit for the year	23,670	5,832

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the current financial year other than as disclosed in the Statements of Changes in Equity.

Dividend

During the year, the Company paid a first and final dividend of 5%, less taxation, amounting to RM11,820,306 in respect of the previous financial year.

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2003, of 5% less 28% taxation, amounting to a dividend payable of RM11,841,000 will be proposed for shareholders' approval.

Share capital

During the current financial year, the issued and paid-up share capital of the Company was increased from RM328,329,840 to RM328,915,840 by the issuance of 586,000 new ordinary shares of RM1.00 each on conversion of 395,000 and 191,000 options at the option prices of RM1.72 and RM1.79 each, respectively.

All the new ordinary shares that were issued rank parri passu in all respects with the existing shares of the Company.

Significant event

On 22 December 2003, the Company's subsidiary, Utama Banking Group Berhad ('UBG') announced that the terms of the proposed disposal of its subsidiary, Utama Merchant Bank Berhad, to Malaysian Industrial Development Finance Berhad had been agreed. The Draft Share Sales Agreement has been submitted to the relevant authorities for approval.

Bank Negara Malaysia has, via its letter dated 23 April 2004, stated that the Minister of Finance has approved the said proposal.

Employees' Share Option Scheme

Pursuant to the Company's Employees' Share Option Scheme ('ESOS') which came into effect on 23 July 1998, 14,000,000 options were offered to Eligible Employees and Executive Directors of the Company and its subsidiaries, excluding UBG, at the option price of RM1.72 per share.

A second offer of 5,116,000 options was approved under the ESOS and offered to new Eligible Employees on 15 November 2000 and to the Executive Directors of the Company and its subsidiaries on 12 July 2001 following the approval by the shareholders at the Company's Annual General Meeting held on 18 May 2001. The offer price for options to new Eligible Employees was RM2.83 per share and to the Executive Directors, RM2.34 per share.

Employees' Share Option Scheme (cont'd.)

A third offer of 2,171,000 options was approved under the ESOS and offered to new Eligible Employees on 17 February 2003 and to the Executive Director of the Company following the approval by the shareholders at the Company's Annual General Meeting held on 21 May 2003 at the offer price of RM1.79 per share.

The main features of the ESOS are:

- (a) Eligible Employees are all categories of employees and Executive Directors of the Company or of eligible subsidiaries who have been confirmed in the employment of the Group for a continuous period of twelve months prior to the offer or who are on contract of not less than three years with the Group and have served for a continuous period of twelve months prior to that offer.
- (b) The total number of new shares to be offered under the ESOS shall not exceed 5% of the issued share capital of the Company at any point in time during the existence of the ESOS.
- (c) The option period is for five years from the date of the implementation of the ESOS, 23 July 1998. At the Annual General Meeting held on 21 May 2003, the shareholders approved the proposal to extend the option period by one year from five years to six years from the date of implementation.
- (d) The option price is the average of the mean market quotation of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five days immediately preceding the date of offer of the option.
- (e) The option granted under the ESOS may be exercised on any market day during the option period. The option may be exercised in full or in any lesser number provided the number shall be in multiples of 1,000 shares, subject to 20%, 25% or 33.3% of the allocation per annum for certain categories of eligible employees.
- (f) No option shall be granted for less than 1,000 shares nor more than 500,000 shares or the Maximum Allowable Allocation whichever is lesser. The Eligible Employees of the Group who are entitled to participate in the ESOS shall be those who fall within any of the categories listed hereunder. The minimum amount of shares in the Company that may be offered and allocated to an Eligible Employee shall not be less than 1,000 new ordinary shares nor exceed the Maximum Allowable Allocations as set out opposite their respective categories listed as follows:

Category of Employee	Maximum Allowable Allocation of new shares that may be allocated to each of such employees
Group Chairman	400,000
Group Managing Director	250,000
Group Executive Directors	200,000
Subsidiary Co. Executive Directors	160,000
Management I	128,000
Management II	83,000
Management III	60,000
Management IV	36,000
Executive I	32,000
Executive II	26,000
Executive III	16,000
Executive IV	12,000
Non-Executive I	8,000
Non-Executive II	5,000

The status of the scheme as at 31 December 2003 was as follows:

A. Total options approved for ESOS on 24 March 1998	15,981,000
B. Total options offered on 23 July 1998	14,000,000
C. Total options exercised in 1998	529,000
D. Total options forfeited in 1998	289,000
E. Total options available for exercise on 1 January 1999 [B - (C + D)]	13,182,000
F. Total options exercised in 1999	3,489,000
G. Total options forfeited in 1999	1,300,000
H. Total options available for exercise on 1 January 2000 [E - (F + G)]	8,393,000
I. Total options approved under the second offer of ESOS	5,116,000
J. Total options exercised in 2000	1,972,000
K. Total options forfeited in 2000	937,000
L. Total options available for exercise on 1 January 2001 [H + I - (J + K)]	10,600,000
M. Total options exercised in 2001	1,343,000
N. Total options forfeited in 2001	856,000
O. Total options available for exercise on 1 January 2002 [L - (M + N)]	8,401,000
P. Total options exercised in 2002	1,377,000
Q. Total options forfeited in 2002	1,472,000
R. Total options available for exercise on 1 January 2003 [O - (P + Q)]	5,552,000
S. Total options approved under the third offer of ESOS	2,171,000
T. Total options exercised in 2003	586,000
U. Total options forfeited in 2003	1,192,000
V. Balance of options available for exercise as at the close of business on 31 December 2003 [R + S - (T + U)]	5,945,000

directors' report

Employees' Share Option Scheme (cont'd.)

The outstanding offered options to take up unissued ordinary shares of RM1 each and the option prices are as follows:

Date of offer	Option Price RM	Options over ordinary shares of RM1 each				
		1 January 2003	Granted during the year	Forfeited/ lapsed during the year	Exercised during the year	31 December 2003
23 July 1998	1.72	1,838,000	-	(106,000)	(395,000)	1,337,000
15 November 2000	2.83	3,534,000	-	(423,000)	-	3,111,000
12 July 2001	2.34	180,000	-	(180,000)	-	-
17 February 2003	1.79	-	2,171,000	(483,000)	(191,000)	1,497,000
		5,552,000	2,171,000	(1,192,000)	(586,000)	5,945,000

Any Eligible Employee or full-time Executive Director who participates in the ESOS shall not be eligible to participate in any other employees' share option scheme(s) that may be established by the Group or the Company so long as such Eligible Employee remains a grantee under the tenure of this ESOS.

Directors

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

Dato Sri Sulaiman Abdul Rahman Taib	<i>Group Chairman</i>
Haji Mahmud Abu Bekir Taib	<i>Group Deputy Chairman</i>
David William Berry aka Dayan Wazir	<i>Executive Director/Group Chief Executive Officer</i>
Datuk Haji Onn Bin Mahmud	<i>Resigned on 28 January 2004</i>
Dato Sri Liang Kim Bang	
YB Datuk Haji Talib Bin Zulpilip	
Datuk Wan Ali Tuanku Yubi	
Datu Michael Ting Kuok Ngie @ Ting Kok Ngie	<i>Appointed on 12 March 2004</i>
Kevin How Kow	<i>Ceased as alternate director to Datuk Haji Onn Bin Mahmud on 28 January 2004</i>
Hajjah Shahnaz Bte. A. Majid	

In accordance with Article 110 of the Company's Articles of Association, Dato Sri Liang Kim Bang and Datuk Wan Ali Tuanku Yubi retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 112 of the Company's Articles of Association, Kevin How Kow retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in and/or debentures of the Company or any other body corporate other than the options over shares granted by the Company to Eligible Employees, including Executive Directors of the Company, pursuant to the Company's Employees' Share Option Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 5 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 36 to the financial statements.

Directors' interests

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

	Number of ordinary shares of RM1 each			
	1 January 2003	Transfer	Sold	31 December 2003
Cahya Mata Sarawak Berhad				
Direct interest in shares:				
Dato Sri Sulaiman Abdul Rahman Taib	29,465,085	-	-	29,465,085
Haji Mahmud Abu Bekir Taib	29,400,085	-	-	29,400,085

Directors' interests (cont'd.)

	Number of ordinary shares of RM1 each			
	1 January 2003	Transfer	Sold	31 December 2003
Datuk Haji Onn Bin Mahmud	84,089,852	(29,324,890)	(52,000,000)	2,764,962
Hajjah Shahnaz Bte. A. Majid	96,000	-	-	96,000
Indirect interest in shares:				
Dato Sri Sulaiman Abdul Rahman Taib	-	44,925,102	-	44,925,102
Haji Mahmud Abu Bekir Taib	-	44,925,102	-	44,925,102
Datuk Haji Onn Bin Mahmud	15,600,212	(15,600,212)	-	-

Utama Banking Group Berhad

Direct interest in shares:

YB Datuk Haji Talib Bin Zulpilip	4,400	-	-	4,400
Dato Sri Liang Kim Bang	504,000	-	-	504,000

Option Price RM	Number of options over ordinary shares of RM1 each		
	1 January 2003	Granted on 17 February 2003	31 December 2003

Cahaya Mata Sarawak Berhad

David William Berry aka Dayan Wazir	1.79	-	50,000	50,000
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There were no other movements in shares and options of the Company during the financial year other than as disclosed.

By virtue of their interests in shares of Cahya Mata Sarawak Berhad and Section 6A of the Companies Act, 1965, Dato Sri Sulaiman Abdul Rahman Taib and Haji Mahmud Abu Bekir Taib are also deemed interested in the shares of the subsidiaries of Cahya Mata Sarawak Berhad to the extent that Cahya Mata Sarawak Berhad has an interest.

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

Other statutory information

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to realise their value as shown in the accounting records in the ordinary course of business, had been written-down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written-off for bad debts or the amount of the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

directors' report

Other statutory information (cont'd.)

- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Other information

The Company operates a centralised treasury management system, which entails the pooling of funds from and to subsidiaries to ensure that returns on surplus funds is optimised throughout the Group.

There is no element of provision of financial assistance from and to subsidiaries, which are also related parties, in the present operation of this centralised treasury management system. However, in the future, should the Company provide or be provided with financial assistance from and to subsidiaries, which are also related parties, approval from shareholders will be sought.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

Dato Sri Sulaiman Abdul Rahman Taib

David William Berry aka Dayan Wazir

Kuching, Malaysia
Date: 28 April 2004

statement by directors

pursuant to Section 169(15) of the Companies Act, 1965

We, **Dato Sri Sulaiman Abdul Rahman Taib** and **David William Berry aka Dayan Wazir**, being two of the Directors of **Cahya Mata Sarawak Berhad**, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 87 to 137 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2003 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

Dato Sri Sulaiman Abdul Rahman Taib

David William Berry aka Dayan Wazir

Kuching, Malaysia
Date: 28 April 2004

statutory declaration

pursuant to Section 169 (16) of the Companies Act, 1965

I, **Mazlin Binti Darus**, being the officer primarily responsible for the financial management of **Cahya Mata Sarawak Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 87 to 137 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Mazlin Binti Darus**
at Kuching in the State of Sarawak
on 28 April 2004

Mazlin Binti Darus
Acting Chief Financial Officer

Before me,

Lee Heng Cheong
Commissioner for Oaths (No. Q 039)
Kuching

report of the auditors to the members of Cahya Mata Sarawak Berhad

We have audited the accompanying financial statements set out on pages 87 to 137. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2003 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965, to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries for which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the Auditors' Reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 10 to the financial statements, being financial statements which are included in the consolidated financial statements.

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

The Auditors' Reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174 (3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

Kuching, Malaysia
Date: 28 April 2004

YONG VOON KAR
1769/04/06 (J/PH)
Partner

income statements

for the year ended 31 December 2003

		Group		Company	
	Note	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue	3	1,082,662	1,378,990	87,980	84,184
Cost of sales		(892,788)	(1,108,597)	(11,941)	(11,387)
Gross profit		189,874	270,393	76,039	72,797
Other operating income		17,728	52,294	5,409	1,495
Selling and distribution costs		(6,203)	(11,771)	-	-
Administrative expenses		(41,232)	(50,778)	(15,297)	(15,841)
Other operating expenses		(32,032)	(49,327)	-	-
Impairment in value of investment in					
- a subsidiary		-	-	(25,000)	-
- an associate		(4,000)	-	-	-
Profit from operations		124,135	210,811	41,151	58,451
Finance costs		(52,192)	(43,011)	(21,361)	(24,733)
Gain on disposal of subsidiaries	4	2,755	-	5,028	-
Gain on disposal of foreclosed property		21,769	-	-	-
Share of (loss)/profit of associates		(14,157)	257	-	-
Profit before taxation	5	82,310	168,057	24,818	33,718
Taxation	6	(41,619)	(52,590)	(18,986)	(9,700)
Profit after taxation		40,691	115,467	5,832	24,018
Minority interests		(17,021)	(67,055)	-	-
Net profit for the year		23,670	48,412	5,832	24,018
		Group		Company	
	Note	2003 sen	2002 sen	2003 sen	2002 sen
Earnings per share	7				
- Basic		7.21	14.77	-	-
- Diluted		7.20	14.75	-	-
Dividend per share	8				
- Gross dividend		5.00	5.00	5.00	5.00
- Net of tax		3.60	3.60	3.60	3.60

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

balance sheets as at 31 December 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Non-current assets					
Property, plant and equipment	9	380,986	411,231	3,736	2,325
Subsidiaries	10	-	-	1,131,885	1,181,635
Associates	11	1,351,776	275,112	-	-
Long term investments	12	-	771,449	-	8,160
Land held for development	13	38,685	38,484	-	-
Goodwill on consolidation	14	208,277	226,089	-	-
Current assets					
Inventories	15	47,524	39,998	-	-
Development properties	16	135,942	142,716	-	-
Amount due from customers on contracts	17	22,360	4,487	-	-
Statutory deposits with Bank Negara Malaysia	18	21,767	16,075	-	-
Loans and advances	19	210,917	286,391	-	-
Short term investments	20	335,190	156,304	-	-
Trade receivables	21	274,546	271,961	-	-
Amount due from subsidiaries	22	-	-	460,373	469,098
Other receivables	23	143,576	158,198	16,934	13,159
Cash and bank balances	24	277,540	736,971	46,968	10,788
		1,469,362	1,813,101	524,275	493,045
Current liabilities					
Short term borrowings	25	588,366	319,831	85,810	47,810
Trade payables	26	179,612	177,006	6	10
Amount due to subsidiaries	22	-	-	249,582	183,823
Deposits from customers	27	82,002	179,845	-	-
Deposits and placements of banks and other financial institutions	28	558,800	389,246	-	-
Amount due to customers on contracts	17	20,073	11,971	-	-
Other payables	29	54,325	438,243	3,748	6,996
Current tax liabilities		13,605	13,912	-	-
		1,496,783	1,530,054	339,146	238,639
Net current (liabilities)/assets		(27,421)	283,047	185,129	254,406
		1,952,303	2,005,412	1,320,750	1,446,526

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

balance sheets

as at 31 December 2003 (cont'd.)

	Note	Group 2003 RM'000	2002 RM'000	Company 2003 RM'000	2002 RM'000
Financed by:					
Share capital	30	328,916	328,330	328,916	328,330
Reserves	31	644,782	632,762	796,704	802,256
Shareholders' funds		973,698	961,092	1,125,620	1,130,586
Minority interests		650,208	644,940	-	-
		1,623,906	1,606,032	1,125,620	1,130,586
Long-term and deferred liabilities					
Amount due to subsidiaries	22	-	-	70,000	105,000
Long term liabilities	32	303,187	376,145	125,130	210,940
Deferred tax liabilities	33	25,210	23,235	-	-
		328,397	399,380	195,130	315,940
		1,952,303	2,005,412	1,320,750	1,446,526

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

statements of changes in equity for the year ended 31 December 2003

	Note	Non-Distributable				Distributable	
		Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Merger deficit RM'000	Statutory reserve RM'000	Retained profit RM'000
Group							Total RM'000
At 1 January 2002		326,953	425,691	88,493	(12,000)	83,118	74,284
Arising from disposal of a subsidiary		-	-	37	-	(107,804)	43,335
Net profit for the year		-	-	-	-	-	48,412
Dividend for the year ended 2001		-	-	-	-	-	(11,795)
Issue of shares	30	1,377	991	-	-	-	-
Transfer between reserves		-	-	-	-	26,350	(26,350)
At 31 December 2002		328,330	426,682	88,530	(12,000)	1,664	127,886
At 1 January 2003		328,330	426,682	88,530	(12,000)	1,664	127,886
Net profit for the year		-	-	-	-	-	23,670
Write-down of buildings		-	-	(2,494)	-	-	-
Dividend for the year ended 2002	8	-	-	-	-	-	(11,820)
Issue of shares	30	586	436	-	-	-	-
Transfer between reserves - subsidiary		-	-	-	-	312	(312)
- associate		-	-	-	-	9,137	(9,137)
Share of deferred tax liability on revaluation of land and buildings		-	-	(260)	-	-	-
Net gain not recognised in the income statement - translation differences		-	-	-	-	-	2,488
At 31 December 2003		328,916	427,118	85,776	(12,000)	11,113	132,775

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

statements of changes in equity

for the year ended 31 December 2003 (cont'd.)

Company	Note	Non-Distributable				Distributable	
		Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Merger reserve RM'000	Retained profit RM'000	Total RM'000
At 1 January 2002		326,953	425,691	13,037	168,000	182,314	1,115,995
Net profit for the year		-	-	-	-	24,018	24,018
Dividend for year ended 2001		-	-	-	-	(11,795)	(11,795)
Issue of shares	30	1,377	991	-	-	-	2,368
At 31 December 2002		328,330	426,682	13,037	168,000	194,537	1,130,586
At 1 January 2003		328,330	426,682	13,037	168,000	194,537	1,130,586
Net profit for the year		-	-	-	-	5,832	5,832
Dividend for year ended 2002	8	-	-	-	-	(11,820)	(11,820)
Issue of shares	30	586	436	-	-	-	1,022
At 31 December 2003		328,916	427,118	13,037	168,000	188,549	1,125,620

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

consolidated cash flow statement for the year ended 31 December 2003

	2003 RM'000	2002 RM'000
Cash flows from operating activities		
Profit before taxation	82,310	168,057
Adjustments for:		
Amortisation of goodwill on consolidation	12,061	12,345
Bad debts written-off net of recoveries	391	(1,183)
Depreciation of property, plant and equipment	40,630	57,237
Dividend income	(541)	(1,012)
Gain on disposal of foreclosed property	(21,769)	-
Gain on disposal of property, plant and equipment	(1,035)	(101)
Gain on disposal of quoted investments	(6,354)	(771)
Gain on disposal of subsidiaries	(2,755)	-
Impairment in value of investment in an associate	4,000	-
Impairment in value of investment	2,037	24,972
Interest expense	68,022	241,183
Interest income	(41,917)	(424,778)
Property, plant and equipment written-off	299	-
Provision for bad and doubtful debts net of recoveries	11,443	79,702
Share of loss/(profit) of associates	14,157	(257)
Operating profit before working capital changes	160,979	155,394
Decrease/(increase) in receivables	14,746	(38,470)
(Increase)/decrease in inventories	(7,526)	17,552
Increase in payables	22,229	75,845
Decrease/(increase) in development properties	6,773	(7,274)
Increase in amount due from customers on contracts	(8,247)	(13,666)
Decrease/(increase) in loans and advances	71,406	(448,559)
(Increase)/decrease in statutory deposits with Bank Negara Malaysia	(5,692)	71,360
Decrease in deposits from customers	(97,843)	(459,884)
Increase/(decrease) in deposits and placements of banks and other financial institutions	169,554	(1,667,574)
Cash generated from/(utilised in) operations	326,379	(2,315,276)
Net proceeds from disposal of foreclosed property	6,009	-
Interest received	41,917	424,778
Interest paid	(68,022)	(241,183)
Taxation paid net of refund	(41,526)	(59,171)
Net cash from/(used in) operating activities	264,757	(2,190,852)

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

consolidated cash flow statement

for the year ended 31 December 2003 (cont'd.)

	Note	2003 RM'000	2002 RM'000
Cash flows from investing activities			
Purchases net of proceeds from disposal of short term investments		(180,923)	838,134
Acquisition of long-term investment		-	(504,610)
Proceeds from disposal of other long term investment		14,364	2,404
Dividends from investments		390	948
Purchase of property, plant and equipment		(19,448)	(10,999)
Proceeds from disposal of property, plant and equipment		1,510	275
Net cash inflow arising from disposal of subsidiaries	34(b)	4,761	874,281
Net cash outflow arising from acquisition of a subsidiary		-	(80)
Dividend received from an associate		3,311	5,521
Expenditure incurred on land held for development		(201)	(395)
Investment in an associate		(727,607)	-
Net cash (used in)/from investing activities		(903,843)	1,205,479
Cash flows from financing activities			
Net repayments of term loans		(33,685)	(171,900)
Net proceeds from bankers' acceptances, revolving credit and trust receipts		267,936	35,775
Dividends paid to shareholders of the Company		(11,820)	(11,795)
Dividends paid to minority interests in subsidiaries		(6,456)	(2,125)
Proceeds from issuance of shares		1,022	2,368
Net cash from/(used in) financing activities		216,997	(147,677)
Net decrease in cash and cash equivalents		(422,089)	(1,133,050)
Cash and cash equivalents at the beginning of the year		693,210	1,826,260
Cash and cash equivalents at the end of the year	35	271,121	693,210

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

cash flow statement for the year ended 31 December 2003

	2003 RM'000	2002 RM'000
Cash flows from operating activities		
Profit before taxation	24,818	33,718
Adjustments for:		
Depreciation of property, plant and equipment	1,021	941
Dividend income	(84,007)	(80,854)
Gain on disposal of property, plant and equipment	(190)	-
Gain on disposal of quoted investments	(5,041)	(654)
Gain on disposal of subsidiaries	(5,028)	-
Impairment in value of investment in a subsidiary	25,000	-
Interest expense	31,720	35,345
Interest income	(3,794)	(3,900)
Property, plant and equipment written-off	47	-
Operating loss before working capital changes	(15,454)	(15,404)
Decrease/(increase) in receivables	715	(630)
(Decrease)/increase in payables	(3,251)	3,080
Decrease/(increase) in amounts due from subsidiaries	39,484	(26,372)
Cash generated from/(used in) operations	21,494	(39,326)
Interest received	3,794	3,900
Interest paid	(31,720)	(35,345)
Taxation refunded	-	4,356
Net cash used in operating activities	(6,432)	(66,415)
Cash flows from investing activities		
Dividends received	60,530	65,782
Purchase of property, plant and equipment	(2,487)	(147)
Proceeds from disposal of property, plant and equipment	198	5
Proceeds from disposal of quoted investments	13,201	2,404
Additional investment in subsidiaries	-	(80)
Proceeds from disposal of subsidiaries	29,778	-
Net cash from investing activities	101,220	67,964

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

cash flow statement

for the year ended 31 December 2003 (cont'd.)

	Note	2003 RM'000	2002 RM'000
Cash flows from financing activities			
Proceeds from issuance of shares		1,022	2,368
Repayment of term loans		(47,810)	(31,250)
Dividends paid to shareholders of the Company		(11,820)	(11,795)
Net cash used in financing activities		(58,608)	(40,677)
Net increase/(decrease) in cash and cash equivalents		36,180	(39,128)
Cash and cash equivalents at the beginning of the year		10,788	49,916
Cash and cash equivalents at the end of the year	35	46,968	10,788

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

notes to the financial statements - 31 December 2003

1. Corporate information

The Company is principally an investment holding company. It also provides centralised treasury and administrative services to the Group. The principal activities of the Group are set out in Note 10 to the financial statements. There has been no significant change in the nature of the activities of the Group and of the Company during the current financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office is located at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak.

The financial statements of the Group and of the Company are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2004.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings and unless otherwise indicated in the significant accounting policies, comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial year ended 31 December 2003, the Group and the Company adopted the following Malaysian Accounting Standards Board (MASB) Standards for the first time:

MASB 25 Income Taxes
MASB 29 Employee Benefits

The adoption of MASB 25 and MASB 29 have not given rise to any material adjustments to the opening balances of retained profits of the prior and current year or to changes in comparatives.

2.2 Basis of consolidation

(a) Subsidiaries

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

Where the subsidiaries are consolidated using the acquisition method of accounting, the results of the subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

Acquisition of subsidiaries which meet the criteria for merger are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued and the difference between the carrying value of the investment and the nominal value of shares acquired is treated as merger reserve or merger deficit. The results of the companies being merged are included as if the merger had been effected throughout the current and previous financial years.

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

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

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree, to the extent of their investment. Minority interest is separately disclosed in the financial statements.

2. Significant accounting policies (cont'd.)

2.2 Basis of consolidation (cont'd.)

(b) Associates

Associates are those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition reserves as well as goodwill on acquisition.

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

2.3 Goodwill

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

Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of associates is included within the carrying amount of investment in associates.

Goodwill arising on consolidation in respect of subsidiaries is amortised in the Group income statement over its estimated useful life of 25 years.

2.4 Investments in subsidiaries and associates

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is charged or credited to the income statement.

2.5 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13.

Freehold and leasehold land and buildings are stated at cost or valuation less accumulated depreciation. The leasehold land and buildings of the Group were revalued in 1996 based on an independent professional valuation using open market values on an existing use basis. As permitted by the MASB, where such revaluation was a one-off isolated event prior to the adoption of the applicable Approved Accounting Standard by the MASB (MASB Standard No.15, 'Property, Plant & Equipment', and International Accounting Standard No. 16, the predecessor standard), and provided no further revaluations have been adopted in the preparation of the financial statements, these assets have continued to be stated on the basis of their previous revalued amount (subject to continuity in depreciation policy and the requirement to write the asset down to its recoverable amount).

Freehold land is not depreciated. Leasehold land is depreciated over the period of the respective leases which range from 60 years to 999 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost or valuation of each asset to its residual value over the estimated useful life at the following annual rates:

Buildings, jetty, roads and drainage	- 2% or over the period of lease whichever is shorter
Plant and machinery	- 5% to 20%
Office and transportation equipment	- 5% to 33 1/3%

Capital work-in-progress is not depreciated until the property, plant and equipment are fully completed and brought into use.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profit.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

notes to the financial statements - 31 December 2003

2. Significant accounting policies (cont'd.)

2.6 Interest capitalisation

(a) Property, plant and equipment

Interest incurred on borrowings related to property, plant and equipment under construction is capitalised until the assets are ready for their intended use.

(b) Property development and construction contracts

Interest on property development and work-in-progress on construction contracts is recognised as an expense in the income statement in the period incurred.

2.7 Land held for development

Land held for development is stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use and is reclassified as development properties when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

2.8 Development properties

Development properties consists of land under development, development expenditure and the portion of profits attributable to development work performed up to the balance sheet date, less progress billings and any provision for anticipated losses.

2.9 Construction contracts

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

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

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

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

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value and are valued on a weighted average, first-in-first-out or standard costing basis, as appropriate. In arriving at the net realisable value, due allowance is made for all damaged, obsolete and slow-moving items.

Cost of finished goods and work-in-progress include cost of raw materials, direct labour and attributable production overheads. Cost of raw materials and factory supplies include expenses incurred in bringing them to their present location and condition.

2.11 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Prior to the adoption of MASB Standard 25 Income Taxes, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

2. Significant accounting policies (cont'd.)

2.12 Foreign currency transactions

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

2.13 Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

2.14 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably.

(a) Property development

Profit from property development is recognised using the percentage of completion method on all units that have been sold. When foreseeable losses on property development projects are anticipated, full provision for those losses is made in the financial statements.

(b) Construction contracts

Revenue from construction contracts is accounted for by the percentage of completion method as described in Note 2.9.

(c) Road maintenance contract

Revenue from routine maintenance work is based on fixed rates and recognised upon performance of work in accordance with the terms as stipulated in the Road Maintenance Agreement. Revenue from work orders is based on schedule of rates approved by client.

(d) Sale of goods

Sales are recognised upon delivery of products and customer acceptance or performance of services, net of discounts.

(e) Dividend income

Dividend income from investments is taken up on a receipt basis.

(f) Interest income

Interest is recognised on a time proportion basis.

2.15 Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement represent cash and bank balances and short-term, highly liquid investments that are readily convertible to cash with an insignificant risk of changes in value less short-term borrowings repayable on demand.

2.16 Financial instruments

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

notes to the financial statements - 31 December 2003

2. Significant accounting policies (cont'd.)

2.16 Financial instruments (cont'd.)

(a) Other non-current investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less provision for any permanent diminution in value of investments and is recognised as an expense in the period which the decline occurred.

(b) Receivables

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

(c) Payables

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

(d) Interest-bearing borrowings

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

(e) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.17 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company.

(b) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ('EPF'). Such contributions are recognised as an expense in the income statement as incurred.

(c) Equity compensation benefits

The Cahya Mata Sarawak Berhad Employees' Share Option Scheme ('ESOS') allows the Group's employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

2.18 Additional accounting policies relating to the merchant banking subsidiary

(a) Investment securities

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirement pursuant to the New Liquidity Framework and are usually held to maturity.

Malaysian Government securities, Malaysian Government investment certificates, Malaysian Government Treasury bills, Cagamas bonds, other Government securities, Government Guaranteed and Bank Guaranteed Private Debt Securities held for investment are stated at cost adjusted for amortisation of premium or accretion of discount to maturity date. Other Private Debt Securities are valued at the lower of cost and market value. Other investment securities are stated at cost and provision is made in the event of any permanent diminution in value.

Transfers, if any, between investment and dealing securities are made at the lower of carrying value and market value.

(b) Provision for bad and doubtful debts

Specific provisions are made for doubtful debts based on Management's evaluation of the collectibility and the status of the loans and advances and their related underlying securities, which have been individually reviewed and specifically identified as substandard, doubtful or bad.

2. Significant accounting policies (cont'd.)

2.18 Additional accounting policies relating to the merchant banking subsidiary (cont'd.)

(b) Provision for bad and doubtful debts (cont'd.)

A general provision based on a percentage of the loan portfolio net of interest-in-suspense and specific provision for bad and doubtful debts is also maintained to cover possible losses which are not specifically identified.

An uncollectable loan or portion of a loan classified as bad is written-off after taking into consideration the realisable value of collateral, if any, when in the judgement of the Management, there is no prospect of recovery.

The merchant banking subsidiary's policy on provision for substandard, doubtful and bad debts is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts, BNM/GP3 (revised)", with such modifications and exceptions as determined by Bank Negara Malaysia ('BNM').

(c) Repurchase agreements

Securities purchased under resale agreements are securities, which the merchant banking subsidiary had purchased with commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the balance sheet.

Conversely, securities sold under repurchase agreements are securities, which the merchant banking subsidiary had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and the obligation to repurchase the securities are reflected as a liability on the balance sheet.

(d) Recognition of interest income

Interest income is recognised on an accrual basis.

Where an account is classified as non-performing, recognition of interest income is suspended and clawed back to day one until it is realised on a cash basis. Customers' accounts are classified as non-performing where repayments are in arrears for six months and more.

The merchant banking subsidiary's policy on suspension of interest income is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts, BNM/GP3 (revised)".

(e) Recognition of fees and other income

Corporate advisory, project feasibility study, participation and underwriting fees are recognised as income on full completion of assignments or, where progress payments are agreed, by reference to the stage of completion.

Portfolio management, commitment, guarantee and agency fees and commissions are recognised as income on a time apportionment basis.

Loan arrangement fees and commissions are recognised as income when all conditions precedent are fulfilled.

Dividends from dealing and investment securities are recognised when received.

notes to the financial statements - 31 December 2003

3. Revenue

Revenue of the Group comprises sales of goods and services net of discounts, income from property development and construction contracts and interest and other income from the banking business after eliminating transactions within the Group.

Revenue of the Company comprises dividend income from subsidiaries and interest income from central cash management accounts.

The significant categories of revenue recognised during the year are as follows:

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Sales of goods	533,524	443,536	-	-
Contract revenue	421,363	362,327	-	-
Banking services	40,667	460,770	-	-
Stockbroking services	13,389	16,513	-	-
Sales of properties	34,381	24,276	-	-
Trading and services	38,971	71,452	179	13
Dividend income	-	-	84,007	80,271
Interest income	367	116	3,794	3,900
	1,082,662	1,378,990	87,980	84,184

4. Gain on disposal of subsidiaries

This arose from the disposal of the transportation and shipping business during the year.

5. Profit before taxation

(a) Profit before taxation is stated after charging/(crediting):

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Amortisation of goodwill on consolidation	12,061	12,345	-	-
Auditors' remuneration				
Statutory audit				
- current year	257	361	20	20
- (over)/underprovision in prior year	(3)	15	(5)	5
Other services	936	273	133	3
Bad debts written-off net of recoveries	391	(1,183)	-	-
Depreciation of property, plant and equipment	40,630	57,237	1,021	941
Directors' remuneration				
Directors of the Company				
- fees as Directors of the Company				
- current year	180	165	180	165
- prior year	15	-	15	-
- fees as Directors of subsidiaries	227	189	-	-
- others	1,959	1,988	1,952	1,965
- benefits-in-kind	171	199	147	175
Other Directors of subsidiaries				
- fees	739	1,309	-	-
- others	2,001	2,536	-	-
- benefits-in-kind	40	70	-	-
Equipment rental income	(509)	(174)	-	-
Gain on disposal of property, plant and equipment	(1,035)	(101)	(190)	-
Gain on disposal of quoted investments	(6,354)	(771)	(5,041)	(654)
Gross dividend income from				
- subsidiaries	-	-	(84,007)	(80,271)
- investments quoted in Malaysia	(541)	(1,012)	-	(583)
Hire of plant and machinery	1,517	1,994	-	-
Impairment in value of investment	2,037	24,972	-	-
Interest expense	68,022	241,183	31,720	35,345
Interest income	(41,917)	(424,778)	(3,794)	(3,900)
Non-loan provision/(write-back)	33	(4,763)	-	-
Property, plant and equipment written-off	299	-	47	-
Provision for bad and doubtful debts net of recoveries	11,443	79,702	-	-
Rental expense				
- land and buildings	4,425	11,858	789	971
- wharf	2,603	1,854	-	-
Rental income	(1,018)	(1,169)	-	-

notes to the financial statements - 31 December 2003

5. Profit before taxation (cont'd.)

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
(b) Employee information				
Salaries, wages and bonus	55,284	96,866	7,090	7,219
Provident fund contributions	6,005	12,379	794	829
Social security organisation contributions	487	810	22	19
Other staff related expenses	-	2,348	-	-
Total staff costs (including Executive Directors)	61,776	112,403	7,906	8,067
Number of employees at the end of the year	1,660	1,518	81	90

(c) Directors' remuneration

The aggregate remuneration of the Directors of the Company categorised into appropriate components for the financial year ended 31 December 2003 are as follows:

	Group		Company	
	Executive	Non-executive	Executive	Non-executive
	RM'000	RM'000	RM'000	RM'000
Remuneration				
- fees	-	422	-	195
- salaries, bonus and other emoluments	812	1,147	812	1,140
- benefits-in-kind	78	93	78	69
	890	1,662	890	1,404

The remuneration paid to the Directors of the Company, analysed into bands of RM50,000 are as follows:

	Number of directors	
	Executive	Non-executive
Range of remuneration		
Below RM50,000	-	2
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	1
RM200,001 to RM250,000	-	1
RM250,001 to RM300,000	1	-
RM300,001 to RM350,000	-	1

6. Taxation

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Malaysian income tax	39,108	54,219	17,800	9,700
Deferred tax:				
Relating to origination and reversal of temporary differences (Note 33)	1,557	846	-	-
Share of taxation of associates	1,750	(176)	-	-
(Over)/underprovided in prior years:				
Malaysian income tax	(796)	(2,299)	1,186	-
	41,619	52,590	18,986	9,700

Income tax is calculated at the Malaysian statutory tax rate of 28% (2002: 28%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2003	2002
	RM'000	RM'000
Profit before taxation	82,310	168,057
Taxation at Malaysian statutory tax rate of 28% (2002: 28%)	22,823	47,056
Effect of income subject to tax rate of 20%	160	-
Effect of differences of tax rates in Labuan/other countries	(4,908)	-
Expenses not deductible for tax purposes	38,501	15,874
Income not subject to tax	(3,812)	(478)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(13,299)	(17,822)
Deferred tax assets not recognised during the year	7,340	10,251
Overprovision of taxation in prior years	(5,272)	(2,299)
Others	86	8
Tax expense for the year	41,619	52,590

notes to the financial statements - 31 December 2003

6. Taxation (cont'd.)

	Company	
	2003	2002
	RM'000	RM'000
Profit before taxation	24,818	33,718
Taxation at Malaysian statutory tax rate of 28% (2002: 28%)	6,949	9,441
Expenses not deductible for tax purposes	13,435	7,814
Income not subject to tax	(2,865)	(7,750)
Deferred tax assets not recognised during the year	281	195
Underprovision of taxation in prior years	1,186	-
Tax expense for the year	18,986	9,700

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
i) Tax losses are analysed as follows:				
Tax savings recognised during the year arising from:				
Utilisation of tax losses brought forward from previous years	7,294	17,642	-	-
Unutilised tax losses carried forward	286,059	292,949	-	-
ii) Unabsorbed capital allowances are analysed as follows:				
Tax savings recognised during the year arising from:				
Utilisation of unabsorbed capital allowances brought forward from previous years	1,088	180	-	-
Unabsorbed capital allowances carried forward	44,045	38,052	4,210	3,207
iii) Unutilised reinvestment allowances carried forward	30,196	30,156	-	-
iv) Unutilised investment tax allowances carried forward	36,000	36,000	-	-

As at 31 December 2003, the deferred tax assets are not recognised as it is not probable that future taxable profit will be available against which the unabsorbed capital allowances and unutilised tax losses, reinvestment and investment tax allowances can be utilised.

7. Earnings per share

The basic earnings per share has been calculated based on the Group's net profit for the year of RM23,670,000 (2002: RM48,412,000) and the weighted average number of ordinary shares in issue during the year of 328,485,840 (2002: 327,712,173).

The diluted earnings per share has been calculated based on the Group's net profit for the year of RM23,670,000 (2002: RM48,412,000) and the enlarged weighted average number of ordinary shares in issue during the year of 328,712,892 (2002: 328,138,852) as follows:

	Group	
	2003	2002
Weighted average number of ordinary shares in issue	328,485,840	327,712,173
Adjustment for Employees' Share Option Scheme ('ESOS')	227,052	426,679
Weighted average number of ordinary shares for diluted earnings per share	328,712,892	328,138,852

In the diluted earnings per share calculation in relation to the ESOS, a calculation is made to determine the number of shares that could have been acquired at the respective option prices. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the profit for the year for the share option calculation.

8. Dividend

	Group and Company			
	2003		2002	
	Sen per share (gross)	RM'000 (net)	Sen per share (gross)	RM'000 (net)
Proposed first and final dividend, net of tax	5.00	11,841	5.00	11,820

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2003, of 5% less 28% taxation, amounting to a dividend payable of RM11,841,000 (3.60 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profit in the financial year ending 31 December 2004.

notes to the financial statements - 31 December 2003

9. Property, plant and equipment

	Land and buildings RM'000	Plant and machinery RM'000	Office and transportation equipment RM'000	Capital work-in- progress RM'000	Total RM'000
Group					
Cost/valuation					
At 1 January 2003	167,912	428,479	82,760	336	679,487
Additions	752	3,372	13,692	1,632	19,448
Disposals/reclassification	452	(1,964)	(3,874)	-	(5,386)
Arising from disposal of subsidiaries	(959)	-	(16,055)	-	(17,014)
Write-down	(3,118)	-	-	-	(3,118)
At 31 December 2003	165,039	429,887	76,523	1,968	673,417
Accumulated depreciation					
Depreciation charge for 2002	4,276	36,252	18,232	-	58,760
At 1 January 2003	19,386	188,123	60,747	-	268,256
Depreciation charge for the year	4,285	31,684	6,185	-	42,154
Disposals/reclassification	-	(1,472)	(3,140)	-	(4,612)
Arising from disposal of subsidiaries	(383)	-	(12,984)	-	(13,367)
At 31 December 2003	23,288	218,335	50,808	-	292,431
Net book value					
At 31 December 2003	141,751	211,552	25,715	1,968	380,986
At 31 December 2002	148,526	240,356	22,013	336	411,231

9. Property, plant and equipment (cont'd.)

Land and buildings comprise:

Group	Freehold land RM'000	Long-term leasehold land RM'000	Short-term leasehold land RM'000	Buildings, jetty, roads and drainage RM'000	Total RM'000
Cost/valuation					
At 1 January 2003	255	36,780	20,477	110,400	167,912
Additions	-	-	-	752	752
Reclassification	-	-	-	452	452
Arising from disposal of subsidiaries	-	-	(324)	(635)	(959)
Write-down	-	-	-	(3,118)	(3,118)
At 31 December 2003	255	36,780	20,153	107,851	165,039
Accumulated depreciation					
Depreciation charge for 2002	-	496	473	3,307	4,276
At 1 January 2003	-	1,582	2,738	15,066	19,386
Depreciation charge for the year	-	619	466	3,200	4,285
Arising from disposal of subsidiaries	-	-	(6)	(377)	(383)
At 31 December 2003	-	2,201	3,198	17,889	23,288
Net book value					
At 31 December 2003	255	34,579	16,955	89,962	141,751
At 31 December 2002	255	35,198	17,739	95,334	148,526
Analysis of cost/valuation:					
2003					
At valuation in 1996	-	-	19,295	21,022	40,317
At cost	255	36,780	858	86,829	124,722
At 31 December 2003	255	36,780	20,153	107,851	165,039
2002					
At valuation in 1996	-	-	19,295	21,022	40,317
At cost	255	36,780	1,182	89,378	127,595
At 31 December 2002	255	36,780	20,477	110,400	167,912

notes to the financial statements - 31 December 2003

9. Property, plant and equipment (cont'd.)

	Transportation equipment RM'000	Office equipment RM'000	Total RM'000
Company			
Cost			
At 1 January 2003	2,403	4,645	7,048
Additions	413	2,074	2,487
Disposals/written-off	(94)	(154)	(248)
At 31 December 2003	2,722	6,565	9,287
Accumulated depreciation			
Depreciation charge for 2002	406	535	941
At 1 January 2003	1,290	3,433	4,723
Depreciation charge for the year	421	600	1,021
Disposals/written-off	(94)	(99)	(193)
At 31 December 2003	1,617	3,934	5,551
Net book value			
At 31 December 2003	1,105	2,631	3,736
At 31 December 2002	1,113	1,212	2,325

The Directors' valuation of leasehold land and buildings was based on professional appraisals provided by independent valuers on the open market basis in 1996. The resultant revaluation surplus was credited to the capital reserve.

The net book value of assets stated at valuation of RM33,385,071 (2002: RM34,380,617) would have been RM13,952,152 (2002: RM14,646,853) had they been stated at cost.

10. Subsidiaries

	Company	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	1,156,885	1,181,635
Impairment in value of investment	(25,000)	-
	1,131,885	1,181,635

10. Subsidiaries (cont'd.)

Details of subsidiaries, all of which are incorporated in Malaysia, as at 31 December 2003 and their principal activities are shown below:

Name of Company	Principal activities	Group equity interest	
		2003 %	2002 %
Direct subsidiaries of the Company			
CMS Capital Sdn. Bhd.	Investment holding	93.5	93.5
CMS Cement Sdn. Bhd.	Manufacture and sale of cement	100.0	100.0
CMS Digital Sdn. Bhd.	Software development	100.0	100.0
CMS Energy Sdn. Bhd.	Provision of engineering services to the oil and gas industry	100.0	100.0
CMS Modular Housing Sdn. Bhd.	Manufacture and sale of composite roof and wall panel systems	100.0	100.0
CMS Properties Sdn. Bhd.	Property holding, property development and project management	100.0	100.0
CMS Steel Berhad	Manufacture and sale of steel bars and wire rods	80.0	80.0
CMS Transportation Sdn. Bhd. (now known as Achi Jaya Transportation Sdn. Bhd.)	Transportation and shipping agent	-	100.0
Concordance Holdings Sdn. Bhd.	Investment holding	100.0	100.0
Projek Bandar Samariang Sdn. Bhd.	Property development and related construction works	60.0	60.0
Sara Kuari Sdn. Bhd.	Investment and property holding	51.0	51.0
TPIS Management Sdn. Bhd.	Investment holding and education	100.0	100.0
Subsidiaries of CMS Capital Sdn. Bhd.			
CMS Dresdner Asset Management Sdn. Bhd.	Asset management	51.0	51.0
CMS Mezzanine Sdn. Bhd.	Corporate financing	100.0	100.0
CMS Trust Management Berhad	Management of unit trust funds	51.0	51.0
Subsidiaries of CMS Cement Sdn. Bhd.			
CMS Concrete Products Sdn. Bhd.	Manufacture and sale of concrete products	100.0	100.0
CMS Lime Sdn. Bhd.	Dormant	100.0	100.0
Subsidiary of CMS Steel Berhad			
Setri Sdn. Bhd.	Manufacture and sale of wire mesh and related products	69.0	69.0
Subsidiaries of CMS Transportation Sdn. Bhd. (now known as Achi Jaya Transportation Sdn. Bhd.)			
Dewan Niaga (Sarawak) Sdn. Bhd.	Shipping agent	-	52.0
Mahligai Industries Sdn. Bhd.	Transportation of goods	-	60.0
Subsidiary of Concordance Holdings Sdn. Bhd.			
Utama Banking Group Berhad *	Investment holding	51.8	51.8

notes to the financial statements - 31 December 2003

10. Subsidiaries (cont'd.)

Name of Company	Principal activities	Group equity interest	
		2003 %	2002 %
Subsidiaries of Sara Kuari Sdn. Bhd.			
PPES Concrete Product Sdn. Bhd.	Manufacture and sale of concrete products	51.0	51.0
PPES Penkuari Sdn. Bhd.	Quarry operations	84.0	84.0
PPES Premix (Miri) Sdn. Bhd.	Production and sale of premix	60.0	60.0
PPES Premix Sdn. Bhd.	Production and sale of premix	60.0	60.0
PPES Trading Sdn. Bhd.	General trading	100.0	100.0
PPES Works (Sarawak) Sdn. Bhd.	Civil engineering contractor	100.0	100.0
Sebuyau Kuari Sdn. Bhd.	Quarry operations	100.0	100.0
Subsidiary of TPIS Management Sdn. Bhd.			
CMS Intpac Sdn. Bhd.	Education	60.0	60.0
Subsidiary of PPES Trading Sdn. Bhd.			
Sara Sumber Sdn. Bhd.	General trading	51.0	51.0
Subsidiaries of PPES Works (Sarawak) Sdn. Bhd.			
Pavement Technology (M) Sdn. Bhd.	Road construction and maintenance	100.0	100.0
PPES Properties Sdn. Bhd.	Project management and consultancy	100.0	100.0
PPES Works Property Sdn. Bhd.	Property holding, property development and construction	100.0	100.0
Sara Road Maintenance Sdn. Bhd.	Road assessment, maintenance and management	51.0	51.0
Subsidiaries of Utama Banking Group Berhad			
UBG Enterprise Berhad*	Dormant	100.0	100.0
Utama Merchant Bank Berhad*	Licensed merchant bank	85.0	85.0
Subsidiaries of Utama Merchant Bank Berhad			
UMB Nominees (Asing) Sdn. Bhd.*	Nominee services	100.0	100.0
UMB Nominees (Tempatan) Sdn. Bhd.*	Nominee services	100.0	100.0
UMB Venture Capital Sdn. Bhd.*	Dormant	100.0	100.0

* not audited by Ernst & Young or their associates.

The shares in UBG have been pledged to bankers for banking facilities granted to the Company.

11. Associates

	2003 RM'000	Group 2002 RM'000
Quoted securities, at cost:		
Ordinary shares	770,238	282,170
Irredeemable Convertible Unsecured Loan Stocks ('ICULS')		
- ICULS-A	338,756	-
- ICULS-B	262,257	-
Warrants	6,000	-
Impairment in value of warrants	(4,000)	-
	2,000	-
	1,373,251	282,170
Share of post-acquisition reserves	(21,475)	(7,058)
	1,351,776	275,112
Market value:		
Ordinary shares	341,844	107,347
ICULS-A	357,435	-
ICULS-B	282,430	-
Warrants	2,000	-
The Group's interest in the associates is as follows:		
Group's share of (net liabilities)/net tangible assets other than goodwill	(454,246)	168,507
Group's share of goodwill	788,157	17,157
	333,911	185,664
Premium on acquisition	414,852	89,448
	748,763	275,112
ICULS-A	338,756	-
ICULS-B	262,257	-
Warrants	6,000	-
Impairment in value of warrants	(4,000)	-
	2,000	-
	1,351,776	275,112

The associates, which are incorporated in Malaysia, are:

Name of Company	Principal activities	Group equity interest 2003 %	2002 %
K&N Kenanga Holdings Berhad	Investment holding, stockbroking and financial services business	25	25
Rashid Hussain Berhad	Investment holding, banking, property management and financial services business	32	-

The ordinary shares, ICULS-A and ICULS-B have been pledged for banking facilities granted to the Group and the Company.

notes to the financial statements - 31 December 2003

12. Long term investments

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Unquoted securities, at cost:				
In Malaysia				
- shares	-	400	-	-
- private debt securities	-	340,548	-	-
	-	340,948	-	-
Quoted securities, at cost:				
In Malaysia				
- shares	-	160,634	-	-
- private debt securities	-	262,257	-	-
- unit trusts	-	7,610	-	8,160
	-	430,501	-	8,160
	-	771,449	-	8,160
Market value of quoted securities:				
In Malaysia				
- shares	-	90,935	-	-
- private debt securities	-	262,257	-	-
- unit trusts	-	11,233	-	11,233
	-	364,425	-	11,233

Included in long term investments for 2002 was an amount of RM160,634,000 relating to the investment of 15% equity interest in Rashid Hussain Berhad ('RHB') and RM602,805,000 relating to loan stocks of RHB.

With the completion of the acquisition of 121,000,000 ordinary shares in RHB together with 8,000,000 RHB Warrants-C from Tan Sri Dato' Abdul Rashid Hussain on 29 January 2003, the Group's investment of 32% equity interest in RHB has been reclassified as an 'Investment in Associates' in 2003 (Note 11).

13. Land held for development

	Group	
	2003	2002
	RM'000	RM'000
Long-term leasehold land, at cost	35,281	35,438
Development expenditure	3,404	3,046
	38,685	38,484

The landed properties of the Group have been pledged to secure revolving credit facilities for certain subsidiaries.

14. Goodwill on consolidation

	Group	
	2003	2002
	RM'000	RM'000
Cost		
At 1 January	308,671	308,593
Arising from (disposal)/acquisition of subsidiaries	(7,807)	78
At 31 December	300,864	308,671
Accumulated amortisation		
At 1 January	82,582	70,237
Amortisation for the year	12,061	12,345
Arising from disposal of subsidiaries	(2,056)	-
At 31 December	92,587	82,582
Net book value	208,277	226,089

15. Inventories

At cost:

Raw materials	9,171	8,610
Finished goods	19,006	13,071
General stores	18,575	17,161
Work-in-progress	203	600
Goods-in-transit	569	556
	47,524	39,998

notes to the financial statements - 31 December 2003

16. Development properties

	2003 RM'000	Group 2002 RM'000
Long-term leasehold land, at cost	85,640	85,640
Development expenditure	138,741	115,522
	224,381	201,162
Attributable profit net of foreseeable losses	8,240	5,424
Progress billings	(96,679)	(63,870)
	135,942	142,716

The title to certain landed properties of the Group with a cost of RM1,483,000 (2002: RM1,483,000) is registered in the name of a third party in trust for a subsidiary. The subsidiary concerned, however, retains full beneficial interest and in all respects remains as the proprietor of the said property by virtue of a Power of Attorney granted to the subsidiary to, inter alia, develop, manage, sell and dispose of the subject property.

17. Amount due from/(to) customers on contracts

	2003 RM'000	Group 2002 RM'000
Aggregate costs incurred to-date	1,445,126	1,104,745
Attributable profits less recognised losses	131,538	87,829
	1,576,664	1,192,574
Progress billings	(1,574,377)	(1,200,058)
Amount due from customers on contracts	22,360	4,487
Amount due to customers on contracts	(20,073)	(11,971)

Included in amount due from/(to) customers on contracts are the following expenses incurred during the year:

Depreciation of property, plant and equipment	1,524	1,523
Hire of equipment	546	4,854
Rental expense	261	256

18. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained by the merchant banking subsidiary with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958, the amount of which is determined as set percentages of total eligible liabilities.

19. Loans and advances

	2003	Group
	RM'000	2002
		RM'000
Gross loans and advances of the merchant banking subsidiary	366,638	455,280
Provision for bad and doubtful debts and interest-in-suspense	(155,721)	(168,889)
	210,917	286,391

20. Short term investments

(a) Held in the merchant banking subsidiary:

(i) Money market instruments at cost net of amortisation of premium less accretion of discount and unearned interest income

Malaysian Government securities	53,943	13,131
Malaysian Government Investment issues	4,170	-
Cagamas bonds	63,650	31,189
Danaharta bonds	28,064	28,064
Danamodal bonds	-	19,349
Khazanah bonds	105,977	36,473
Prasarana bonds	-	12,673
	255,804	140,879

notes to the financial statements - 31 December 2003

20. Short term investments (cont'd.)

(a) Held in the merchant banking subsidiary (cont'd.):

(ii) Quoted securities

	2003 RM'000	Group 2002 RM'000
In Malaysia		
Shares	1,305	1,407
Private debt securities	4,012	4,012
	5,317	5,419
Impairment in value of securities		
- shares quoted in Malaysia	(740)	(1,246)
- private debt securities quoted in Malaysia	(3,801)	(3,451)
	776	722

(iii) Unquoted securities

In Malaysia		
Shares	2,459	445
Private debt securities	91,103	19,840
	93,562	20,285
Impairment in value of securities		
- private debt securities in Malaysia	(14,955)	(6,013)
	78,607	14,272

(b) Held in other subsidiaries:

Shares and unit trusts quoted in Malaysia	3	431
	335,190	156,304

20. Short term investments (cont'd.)

	2003 RM'000	Group 2002 RM'000
Market value of quoted investments:		
Malaysian Government securities	49,716	10,432
Malaysian Government Investment issues	4,126	-
Cagamas bonds	63,232	31,222
Quoted shares in Malaysia	611	91,097
Quoted private debt securities in Malaysia	221	262,818
Unit trusts quoted in Malaysia	3	455

21. Trade receivables

Trade receivables	271,036	258,145
Provision for doubtful debts	(10,791)	(3,415)
	260,245	254,730
Retention sums on contracts	14,301	17,231
	274,546	271,961

The Group's normal trade credit term ranges from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

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

notes to the financial statements - 31 December 2003

22. Amount due from/(to) subsidiaries

	Company	
	2003 RM'000	2002 RM'000
Central cash management accounts (i)	26,770	24,413
Amount due from subsidiaries (ii)	433,656	444,738
Loan to a subsidiary (iii)	11,500	11,500
	471,926	480,651
Provision against advances to subsidiaries	(11,553)	(11,553)
	460,373	469,098
Central cash management accounts (i)	(154,084)	(148,425)
Loans from subsidiaries (iv)	(165,498)	(140,398)
	(319,582)	(288,823)
Less: Portion repayable within one year	249,582	183,823
	(70,000)	(105,000)

- (i) All balances deposited with the Company are repayable on demand and earn interest at the rate of 5% (2002: 5%) per annum. All balances due to the Company are also repayable on demand and are charged interest ranging from 9.0% to 9.5% (2002: 9.0% to 9.5%) per annum.
- (ii) These amounts are unsecured, interest-free and have no fixed term of repayment.
- (iii) The loan is subordinated to a bank loan of a subsidiary and earns interest at 2% (2002: 2%) per annum above base lending rate and has no fixed term of repayment.
- (iv) The loans from subsidiaries represent the syndicated term loans obtained by the subsidiaries and made available to the Company as provided for in the loan agreements.

The interest and principal repayments to a subsidiary are in accordance with the terms of the syndicated loan offered by the bankers to the said subsidiary as described in Note 32. There is no fixed term of repayment on the loan made available by the other subsidiary.

23. Other receivables

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Other receivables	123,020	69,897	110	786
Provision for doubtful debts	(656)	(623)	-	-
	122,364	69,274	110	786
Deposit paid for proposed acquisition	-	73,200	-	-
Other deposits	2,047	1,978	289	329
Prepayments	1,876	1,167	415	415
Current tax assets	17,289	12,579	16,120	11,629
	143,576	158,198	16,934	13,159

Included in other receivables is an amount of RM57.6 million representing the balance of proceeds from the disposal of foreclosed property of a subsidiary.

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

24. Cash and bank balances

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at bank	21,895	11,999	168	788
Short term deposits with financial institutions	94,856	69,879	46,800	10,000
Cash and bank balances of banking subsidiaries	160,789	655,093	-	-
	277,540	736,971	46,968	10,788

notes to the financial statements - 31 December 2003

24. Cash and bank balances (cont'd.)

Cash and bank balances of banking subsidiaries comprise the following:

	Group	
	2003	2002
	RM'000	RM'000
Cash and balances with banks and other financial institutions	3,359	3,420
Money at call and deposit placements maturing within one month	154,938	646,250
Deposits and placements with financial institutions		
- licensed banks	2,492	423
- other financial institutions	-	5,000
	160,789	655,093

The weighted average effective interest rates at the balance sheet date were as follows:

	Group		Company	
	2003	2002	2003	2002
	%	%	%	%
Licensed banks	2.75 - 3.00	2.60 - 3.20	2.50 - 3.00	2.50 - 3.20
Other financial institutions	2.95 - 3.00	3.00	-	-

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2003	2002	2003	2002
	Days	Days	Days	Days
Licensed banks	1 - 90	1 - 90	1 - 30	1 - 30
Other financial institutions	30	30 - 90	-	-

25. Short term borrowings

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Secured:				
Bank overdrafts	2,701	43,761	-	-
Revolving credit	312,740	68,390	-	-
Bankers' acceptances and trust receipts	48,370	34,914	-	-
Portion of term loans repayable within one year (Note 32)	138,679	100,738	85,810	47,810
	502,490	247,803	85,810	47,810
Unsecured:				
Revolving credit	55,000	40,000	-	-
Bank overdrafts	3,718	-	-	-
Bankers' acceptances	27,158	32,028	-	-
	588,366	319,831	85,810	47,810

The revolving credit facilities, bank overdrafts, and omnibus lines of the Group are secured by debentures over the assets of subsidiaries or on certain landed properties of subsidiaries.

The revolving credit facility obtained by the banking subsidiary during the financial year is secured by way of a pledge against shares and loan stocks of an associate.

The borrowings of the Group bear interest at rates ranging from 3.25% to 7.90% (2002: 3.13% to 7.90%) per annum.

26. Trade payables

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Obligation in securities sold under repurchase agreement	-	165	-	-
Trade payables	179,612	176,841	6	10
	179,612	177,006	6	10

The normal trade credit term granted to the Group ranges from 30 to 120 days.

notes to the financial statements - 31 December 2003

27. Deposits from customers

This represents fixed deposits from customers of the merchant banking subsidiary.

28. Deposits and placements of banks and other financial institutions

	Group	
	2003 RM'000	2002 RM'000
Licensed banks	528,300	330,000
Licensed finance companies	-	44,963
Other financial institutions	30,500	14,283
	558,800	389,246

29. Other payables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Other payables	11,274	12,607	294	3,475
Interest payable	8,968	5,679	3,199	3,314
Land premium payable	1,332	1,332	-	-
Accruals	31,966	22,352	255	207
Commitment to purchase shares	-	395,965	-	-
Refundable deposits	785	308	-	-
	54,325	438,243	3,748	6,996

30. Share capital

	Group and Company	
	2003 RM'000	2002 RM'000
Authorised:		
Ordinary shares of RM1 each	1,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At 1 January	328,330	326,953
Employees' Share Option Scheme	586	1,377
At 31 December	328,916	328,330

30. Share capital (cont'd.)

At 31 December 2003, the number of options offered and granted to Eligible Employees and Executive Directors of the Group to subscribe for ordinary shares of RM1.00 each remaining unexercised was 5,945,000 (2002: 5,552,000).

31. Reserves

Movements in reserves are disclosed in the Statements of Changes in Equity.

Capital reserve comprises accretion from shares issued by subsidiaries, retained profit capitalised for bonus issues by subsidiaries as well as surplus arising from revaluation of land and buildings in 1996.

The statutory reserve is maintained by the banking subsidiaries in compliance with Section 36 of the Banking and Financial Institutions Act, 1989.

Based on the estimated tax credits available, the entire retained profit of the Company is available for distribution by way of dividends without incurring additional tax liability. In addition, the Company has tax exempt credit estimated at RM11 million (2002: RM11 million) which is available for distribution as tax exempt dividends. These amounts are subject to agreement by the Inland Revenue Board.

32. Long term liabilities

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Land premium payable	1,332	2,664	-	-
Secured term loans	440,534	474,219	210,940	258,750
	441,866	476,883	210,940	258,750
Portion of term loans repayable within one year (Note 25)	(138,679)	(100,738)	(85,810)	(47,810)
	303,187	376,145	125,130	210,940

The term loans of the Company are secured by way of a pledge against shares of a subsidiary and an associate.

The term loans of the subsidiaries are secured by fixed and floating charges over assets of certain subsidiaries, a legal charge over landed property of a subsidiary and assignment of a project account of another subsidiary.

The loans bear interest ranging from 0.75% to 2.50% (2002: 0.75% to 2.50%) per annum above the bankers' base lending rates or cost of funds.

notes to the financial statements - 31 December 2003

32. Long term liabilities (cont'd.)

The term loans are repayable over the following periods:

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Within one year	138,679	100,738	85,810	47,810
Between one and two years	182,455	136,684	86,130	85,810
Between two and five years	116,900	235,845	39,000	125,130
After five years	2,500	952	-	-
	440,534	474,219	210,940	258,750

33. Deferred tax liabilities

	Group	
	2003	2002
	RM'000	RM'000
At 1 January	23,235	22,389
Recognised in the income statement (Note 6)	1,557	846
Disposal of subsidiaries (Note 34 (b))	(52)	-
Charged to equity	470	-
At 31 December	25,210	23,235

The components and movements of deferred tax liabilities during the financial year are as follows:

	Revaluation of leasehold land and building RM'000	Accelerated capital allowances RM'000	Total RM'000
Group			
At 1 January 2003	-	23,235	23,235
Recognised in the income statement	(66)	1,623	1,557
Disposal of subsidiaries	-	(52)	(52)
Charged to equity	470	-	470
At 31 December 2003	404	24,806	25,210

34. Summary of effects of the disposal of subsidiaries

	Financial period ended 22.1.2003 RM'000	Financial year ended 31.12.2002 RM'000
(a) Consolidated Income Statement		
The results of subsidiaries disposed during the current financial year up to the date of disposal and the comparatives for the previous year were as follows:		
Revenue	3,365	42,407
Cost of sales	(1,866)	(30,375)
Gross profit	1,499	12,032
Other operating income	74	1,222
Administrative expenses	(127)	(1,922)
Other operating expenses	(63)	(935)
Profit from operations	1,383	10,397
Taxation	(387)	(2,851)
Profit after taxation	996	7,546
Minority interest	(191)	(1,574)
Net profit for the financial period/year	805	5,972

notes to the financial statements - 31 December 2003

34. Summary of effects of the disposal of subsidiaries (cont'd.)

(b) Consolidated Balance Sheet

The assets and liabilities of subsidiaries disposed during the current financial year and the comparatives for the previous year were as follows:

	At date of disposal RM'000	2002 RM'000
Property, plant and equipment	3,647	3,647
Receivables	3,799	4,559
Related companies	3,452	29,026
Cash and bank balances	25,017	453
Payables	(7,124)	(9,857)
Current tax liabilities	(691)	(724)
Deferred tax liabilities	(52)	(52)
Minority interest	(6,776)	(6,584)
Net assets	21,272	20,468
Goodwill on consolidation	5,751	
Incidental costs	222	
Gain on disposal of subsidiaries	2,755	
Total consideration satisfied by cash	30,000	

Net cash inflow arising on disposal:

Cash consideration	30,000
Incidental costs	(222)
Cash and cash equivalents of subsidiaries disposed	(25,017)
	4,761

35. Cash and cash equivalents

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash and bank balances	277,540	736,971	46,968	10,788
Bank overdrafts	(6,419)	(43,761)	-	-
	271,121	693,210	46,968	10,788

36. Significant related party transactions

During the financial year, the Group and the Company had, in the normal course of business transacted on normal commercial terms the following transactions:

	Company	
	2003	2002
	RM'000	RM'000
(a) Transactions with subsidiaries:		
Income		
Interest income	3,427	3,784
Internal audit fee	244	219
Secretarial fee	129	29
Expenditure		
Interest expense	7,445	6,767

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
(b) Transactions with companies in which certain Directors of the Company and/or persons connected to them have a substantial financial interest and/or are Directors:				
Income				
(i) Transportation and handling fees received from:				
Binta Corporation Sdn. Bhd.	-	261	-	-
Marine Utama Sdn. Bhd.	-	173	-	-
Sanyan Sdn. Bhd.	-	76	-	-
(ii) Shipping and handling fees received from:				
Alpha Bahagia Sdn. Bhd.	-	4,144	-	-
Alpha Jelita Sdn. Bhd.	-	449	-	-
Alpha Mantra Sdn. Bhd.	-	612	-	-
Bormill Line Sdn. Bhd.	-	236	-	-
Lanco Shipping Sdn. Bhd.	-	343	-	-
Mahligai Shipping Sdn. Bhd.	-	374	-	-
(iii) Sale of cement and steel bars to Duta Bistari Sdn. Bhd.	79	9,628	-	-
(iv) Sale of steel products to Sarawak Concrete Industries Bhd.	-	1,872	-	-
(v) Sales of cement and steel products to Achi Jaya Transportation Sdn. Bhd.	21,903	-	-	-

notes to the financial statements - 31 December 2003

36. Significant related party transactions (cont'd.)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
(b) Transactions with companies in which certain Directors of the Company and/or persons connected to them have a substantial financial interest and/or are Directors (cont'd.):				
Expenditure				
(i) Motor vehicles repair and maintenance paid to:				
Automobili Sdn. Bhd.	173	627	-	-
Lanco Sdn. Bhd.	250	936	-	-
(ii) Telecommunication equipment and services paid to Hager Elektronik Sdn. Bhd.	35	105	-	-
(iii) Insurance brokerage paid to Insurepro Sdn. Bhd.	370	221	-	-
(iv) Office upkeep paid to Centigrade Resources Sdn. Bhd.	460	578	573	415
(v) Office rental paid to:				
Achi Jaya Industries Sdn. Bhd.	600	600	-	-
Achi Jaya Holdings Sdn. Bhd.	-	347	-	-
Satria Realty Sdn. Bhd.	861	861	799	605
(vi) Printing and stationery paid to:				
Grogrow Sdn. Bhd.	45	76	-	-
Wisma Printing Sdn. Bhd.	185	735	-	-
(vii) Fuel and lubricants paid to Asterix Incorporated Sdn. Bhd.	2,318	6,183	-	-
(viii) Professional fees paid to KTA (Sarawak) Sdn. Bhd.	1,403	1,213	-	-
(ix) Purchase of reinforced concrete products from Sarawak Concrete Industries Bhd.	-	3,810	-	-
(x) IT infrastructure and software expenses paid to Asterix Systems Sdn. Bhd.	-	395	-	-
(xi) Fuel paid to Sarawati Sdn. Bhd.	-	713	-	-
(xii) Transportation and handling services paid to Achi Jaya Transportation Sdn. Bhd.	19,061	-	-	-

	Group	
	2003 RM'000	2002 RM'000
(c) Transactions with companies in which certain Directors of subsidiaries and/or persons connected to them have a substantial financial interest and/or are Directors:		
Income		
Transportation fees received from Sarawak Clinker Sdn. Bhd.	-	5,162

37. Financial information by segment

The Group is organised into seven major business segments:

- (i) Manufacturing - manufacturing of cement, concrete products, steel and composite roof and wall panel systems;
- (ii) Construction - civil engineering, road construction and maintenance;
- (iii) Construction materials - quarry operations, production and sale of premix;
- (iv) Banking - commercial and merchant banking;
- (v) Stockbroking - stockbroking, asset and fund management;
- (vi) Property development - property holding and development and project management; and
- (vii) Trading and services - general trading, education, transportation and other services.

No geographical analysis has been prepared as the Group's business interests are predominantly located in Malaysia.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been transacted on normal commercial terms.

	Manu- facturing RM'000	Construction RM'000	Construction materials RM'000	Banking RM'000	Stockbroking and other financial services RM'000	Property development RM'000	Trading and services RM'000	Eliminations RM'000	Group Total RM'000
2003									
Revenue									
Total sales	453,831	429,721	102,168	40,667	13,389	34,864	50,703		1,125,343
Inter-segment sales	(6,930)	(8,358)	(15,545)	-	-	(483)	(11,365)		(42,681)
External sales	446,901	421,363	86,623	40,667	13,389	34,381	39,338		1,082,662
Results									
Segment operating profit/(loss)	68,681	57,326	11,955	(2,757)	(2,604)	1,072	3,273		136,946
Gain on disposal of foreclosed property	-	-	-	-	21,769	-	-		21,769
Gain on disposal of subsidiaries	-	-	-	-	-	-	2,755		2,755
Unallocated corporate expenses									(12,811)
Operating profit									148,559
Finance costs									(52,192)
Share of (loss)/profit of associates	-	-	-	(15,931)	1,774	-	-		(14,157)

notes to the financial statements - 31 December 2003

37. Financial information by segment (cont'd.)

	Manu- facturing RM'000	Construction RM'000	Construction materials RM'000	Banking RM'000	Stockbroking and other financial services RM'000	Property development RM'000	Trading and services RM'000	Eliminations RM'000	Group Total RM'000
2003									
Results (cont'd.)									
Profit before taxation									82,310
Income taxes									(41,619)
Profit after taxation									40,691
Minority interests									(17,021)
Net profit for the year									23,670
Other information									
Segment assets	614,800	320,685	136,314	953,426	91,208	207,647	26,382	(322,081)	2,028,381
Investment in associates	-	-	-	1,078,203	273,573	-	-		1,351,776
Current tax assets									17,289
Unallocated corporate assets									51,640
Total assets									3,449,086
Segment liabilities	62,375	160,943	22,259	648,859	58,905	133,314	11,919	(206,185)	892,389
Bank borrowings									890,221
Tax liabilities									38,815
Unallocated corporate liabilities									3,755
Total liabilities									1,825,180
Capital expenditure	3,356	7,645	3,963	86	318	268	3,812		19,448
Depreciation	33,816	1,131	3,194	298	308	500	1,383		40,630
Amortisation of goodwill	1,108	-	1,749	9,174	-	-	30		12,061
Accretion of discounts less amortisation of premium	-	-	-	2,824	-	-	-		2,824

37. Financial information by segment (cont'd.)

	Manu- facturing RM'000	Construction RM'000	Construction materials RM'000	Banking RM'000	Stockbroking and other financial services RM'000	Property development RM'000	Trading and services RM'000	Eliminations RM'000	Group Total RM'000
2002									
Revenue									
Total sales	367,883	368,011	100,042	463,548	16,513	24,732	94,144		1,434,873
Inter-segment sales	(19,333)	(5,684)	(5,056)	(2,778)	-	(456)	(22,576)		(55,883)
External sales	348,550	362,327	94,986	460,770	16,513	24,276	71,568		1,378,990
Results									
Segment operating profit	44,457	34,250	13,382	113,559	5,189	2,429	14,627		227,893
Unallocated corporate expenses									(17,082)
Operating profit									210,811
Finance costs									(43,011)
Share of profit of associates	-	-	-	-	257	-	-		257
Profit before taxation									168,057
Income taxes									(52,590)
Profit after taxation									115,467
Minority interests									(67,055)
Net profit for the year									48,412

notes to the financial statements - 31 December 2003

37. Financial information by segment (cont'd.)

	Manu- facturing RM'000	Construction RM'000	Construction materials RM'000	Banking RM'000	Stockbroking and other financial services RM'000	Property development RM'000	Trading and services RM'000	Eliminations RM'000	Group Total RM'000
2002									
Other information									
Segment assets	671,364	279,370	132,903	2,226,337	78,192	222,559	16,851	(403,859)	3,223,717
Investment in associates	-	-	-	-	275,112	-	-		275,112
Current tax assets									12,579
Unallocated corporate assets									24,058
Total assets									3,535,466
Segment liabilities	62,183	135,280	16,834	969,649	60,362	139,676	21,648	(207,664)	1,197,968
Bank borrowings									693,312
Tax liabilities									37,147
Unallocated corporate liabilities									1,007
Total liabilities									1,929,434
Capital expenditure	2,075	2,988	656	3,250	265	91	1,674		10,999
Depreciation	37,809	1,008	3,761	11,020	476	384	2,779		57,237
Amortisation of goodwill	1,108	-	1,749	9,174	-	-	314		12,345
Accretion of discounts less amortisation of premium	-	-	-	8,809	-	-	-		8,809

38. Commitments and contingencies

	Group	
	2003	2002
	RM'000	RM'000

(a) Capital commitments

Authorised capital expenditure not provided for in the financial statements:

Approved and contracted for	19,207	72
Approved but not contracted for	611	4,655
	19,818	4,727

	Company	
	2003	2002
	RM'000	RM'000

(b) Other contingencies

Unsecured guarantees in respect of banking facilities granted to subsidiaries	111,451	54,823
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In 2001, CMS Capital Sdn. Bhd., a subsidiary of the Company, had provided an indemnity to the purchaser of Sarawak Securities Sdn. Bhd. against several legal suits filed by remisiers in the Industrial Court of Malaysia claiming reinstatement of employment, and by clients and remisiers of Sarawak Securities Sdn. Bhd. The subsidiary has sought legal advice and the Directors are of the opinion that these remisiers and clients would not be entitled to such claims. Accordingly no provision has been made in this respect.

A claim for RM11.9 million has been made by a customer of the construction subsidiary for liquidated ascertained damages arising from late completion of a construction project. However, based on the advice of the claims consultants, the Directors are of the considered opinion that this is unlikely to be payable as there are counter-claims to be made by the construction subsidiary to the customer for variation works undertaken, which exceed the amount of the damages claimed.

(c) Commitments and contingencies relating to the merchant banking subsidiary

In the normal course of business, the merchant banking subsidiary makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the merchant banking subsidiary's assets.

The commitments and contingencies as at the year-end together with their related risk weighted exposures of the merchant banking subsidiary are as follows:

	Group			
	2003		2002	
	Principal amount	Credit equivalent amount*	Principal amount	Credit equivalent amount*
	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	133	133	8,844	8,844
Commitments to extend credit				
- maturity exceeding one year	203	101	5,519	2,760
- maturity not exceeding one year	10,600	-	15,872	-
	10,936	234	30,235	11,604

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

notes to the financial statements - 31 December 2003

39. Financial instruments

39.1 Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity and credit 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.

39.2 Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt, as the Group had no substantial long-term interest-bearing assets as at 31 December 2003. The investments in financial assets are short term in nature and they are not held for speculative purposes.

39.3 Liquidity risk

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

39.4 Credit risk

Credit risk, or the risk of counter parties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an on-going basis through Group management reporting procedures.

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

39.5 Fair value

The carrying amounts of short-term financial assets and liabilities approximate their fair value due to the relatively short maturity term of these financial instruments.

39.6 Additional disclosures relating to the merchant banking subsidiary

(a) Financial risk management objectives and policies

The merchant banking subsidiary ('the bank') has set up objectives and policies to manage the risks that may arise in connection with the use of financial instruments.

The Board of Directors of the bank ('Board') appointed two committees to oversee the bank's management of risks. The Asset & Liability Risk Management Committee ('ALCO') conducted monthly meetings to review market conditions and decided on issues pertaining to interest rate and liquidity risks of the bank. The Credit Risk Management Committee ('CRMC') met once a month to review and approve or reject new limit applications or credit renewals before escalating such applications to the Board for ratification. Board-approved manuals had also been issued to unit heads to guide them in their day-to-day operations.

(b) Interest rate risk

To avoid excessive exposures in interest rate risks, approved mismatched limits are set for the gapping of assets and liabilities. The Balance Sheet position was at all times monitored and assessed for profit and loss impact arising from interest rate movements and repricing. Once a month, a copy of the ALCO report was forwarded to the Board for information.

(c) Market risk

Investment and trading limits were set for day-to-day operation at Treasury Unit. Amongst other precautions imposed, these limits would ensure avoidance of unduly high concentration of instruments by kind and the avoidance of exceedingly long maturities in investment papers. It also insisted on a distinct

39.6 Additional disclosures relating to the merchant banking subsidiary (cont'd.)

(c) Market risk (cont'd.)

statement of purpose at the point of acquisition of securities as to investment or trading. For trading purposes, there is a strict observance of reasonable turn around time. The combined total holding limit for investment and trading of securities is reviewed from time to time to relate it to the bank's shareholders' funds.

Subject to consensus of the members, ALCO may override the discretion of the heads of units or the Treasurer to alter the bank's strategy or investment portfolio in the best interest of the bank, in reaction to or as a pre-emptive measure in the light of changing market trends.

(d) Credit risk

Credit risk of counterparties come in two categories, namely, financial institutions and non-financial institutions.

The Board has approved in general, granting of credit to financial institutions subject to a limit equivalent percentage of their shareholders' funds but up to a maximum ceiling for all cases. However, at the discretion of the Chief Executive Officer ('CEO'), temporary excesses over the guideline may be granted.

All new credit applications and credit renewals are subject to the scrutiny of the Credit Risk Unit and the CEO, who then unanimously recommend to the CRMC for approval. Once approved, the proposition is escalated to the Board for ratification before notification sent to the borrower. The salient points of each potential borrower are graded and stated in a score sheet.

Where credit/issuer risk for private debt securities is to be contracted directly from the secondary market, the bank observes a minimum rating for the instrument by rating agencies.

(e) Liquidity risk

The Board is pleased to state that the bank has not breached the New Liquidity Framework at any point in time during the year. In addition, the Treasurer is required to manage the bank's cash flow on a day-to-day basis within limits set for maximum cumulative outflows and to plan for contingencies to counter any surprises.

40. Significant event

On 22 December 2003, the Company's subsidiary, Utama Banking Group Berhad announced that the terms of the proposed disposal of its subsidiary, Utama Merchant Bank Berhad, to Malaysian Industrial Development Finance Berhad had been agreed. The Draft Share Sales Agreement has been submitted to the relevant authorities for approval.

Bank Negara Malaysia has, via its letter dated 23 April 2004, stated that the Minister of Finance has approved the said proposal.

analysis of shareholdings as at 22 April 2004

Authorised Share Capital	: RM1,000,000,000
Issued and Paid-up Share Capital	: RM329,398,840 comprising 329,398,840 Ordinary Shares of RM1.00 each
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Rights	: One Vote Per Ordinary Share

Directors' Shareholdings

	Name of Shareholder	Direct Shareholdings	% of Issued Capital	Indirect Shareholdings	% of Issued Capital
1	Dato Sri Sulaiman Abdul Rahman Taib	29,465,085	8.95	44,925,102*	13.64
2	Mahmud Abu Bekir Taib	29,400,085	8.93	44,925,102*	13.64

* Deemed interest by virtue of direct shareholdings of over 15% in Majaharta Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

Distribution Schedule

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 to 99	37	0.49	1,026	0.00
100 to 1,000	2,234	29.59	2,188,215	0.66
1,001 to 10,000	4,307	57.05	17,738,900	5.39
10,001 to 100,000	864	11.45	23,957,705	7.27
100,001 to < 5% of issued shares	102	1.35	117,757,362	35.75
5% and above of issued shares	5	0.07	167,755,632	50.93
Total	7,549	100.00	329,398,840	100.00

Category of Shareholders

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Individuals	6,043	80.05	140,024,763	42.51
Banks/Finance companies	44	0.58	15,101,100	4.58
Investment Trusts/Foundation/Charities	2	0.03	36,000	0.01
Industrial and Commercial Companies	116	1.54	49,632,202	15.07
Government Agencies/Institutions	3	0.04	27,087,665	8.22
Nominee Companies	1,341	17.76	97,517,110	29.61
Total	7,549	100.00	329,398,840	100.00

analysis of shareholdings as at 22 April 2004

Thirty Largest Shareholders as per Record of Depositors

	Name of Shareholder	No. of Shares Held	% of Issued Capital
1	Majaharta Sdn Bhd	44,925,102	13.64
2	Lejla Taib	37,000,000	11.23
3	Dato Sri Sulaiman Abdul Rahman Taib	29,465,085	8.95
4	Mahmud Abu Bekir Taib	29,400,085	8.93
5	Sarawak Economic Development Corporation	26,965,360	8.19
6	OSK Nominees (Asing) Sdn Bhd <i>Tisco Securities Hong Kong Limited for Garrison Enterprises Ltd</i>	15,000,000	4.55
7	Employees Provident Fund Board	14,733,200	4.47
8	Malaysia Nominees (Asing) Sdn Bhd <i>Pretoria Limited</i>	6,000,000	1.82
9	Malaysia Nominees (Asing) Sdn Bhd <i>Kimber Cove Corporation</i>	6,000,000	1.82
10	UOBM Nominees (Asing) Sdn Bhd <i>Galliano Holdings Limited</i>	6,000,000	1.82
11	UOBM Nominees (Asing) Sdn Bhd <i>Roundsun Assets Limited</i>	5,646,200	1.71
12	UOBM Nominees (Asing) Sdn Bhd <i>Taminga Profits Limited</i>	5,600,000	1.70
13	Malaysia Nominees (Asing) Sdn Bhd <i>Honeywell Assets Limited</i>	5,500,000	1.67
14	Malaysia Nominees (Asing) Sdn Bhd <i>Fullstead Finance Corporation</i>	5,287,695	1.61
15	Malaysia Nominees (Asing) Sdn Bhd <i>Bakerville Profits Limited</i>	5,146,200	1.56
16	Malaysia Nominees (Asing) Sdn Bhd <i>Fulllearn Assets Inc</i>	4,400,000	1.34
17	HSBC Nominees (Asing) Sdn Bhd <i>HPBS SG for Avalon Property Limited</i>	3,876,000	1.18
18	Pui Cheng Wui	3,094,400	0.94
19	Datuk Haji Onn bin Mahmud	2,764,962	0.84
20	Pui Cheng Wui	1,909,505	0.58

Thirty Largest Shareholders as per Record of Depositors

	Name of Shareholder	No. of Shares Held	% of Issued Capital
21	HSBC Nominees (Asing) Sdn Bhd <i>HPBS SG for Ambersheen Investment Inc</i>	1,457,000	0.44
22	HSBC Nominees (Asing) Sdn Bhd <i>BBH and Co. Boston for Strong Asia Pacific Fund Inc</i>	1,296,000	0.39
23	Mayban Nominees (Asing) Sdn Bhd <i>Dexia Banque Internationale A Luxembourg S.A. S'pore Branch for Warburton Gold Limited</i>	1,030,000	0.31
24	Mayban Nominees (Tempatan) Sdn Bhd <i>Li Cheng Thong @ Lee Chen Thung</i>	1,022,000	0.31
25	Citicorp Nominees (Asing) Sdn Bhd <i>CBNY for DFA Emerging Markets Fund</i>	1,008,800	0.31
26	Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad for MAA Mutual Balanced Fund</i>	708,000	0.21
27	Hanifah Hajar Taib	705,000	0.21
28	Cartaban Nominees (Tempatan) Sdn Bhd <i>Amanah SSCM Nominees (Tempatan) Sdn Bhd For Kumpulan Wang Amanah Pencen</i>	660,000	0.20
29	Chua Sim Neo @ Diana Chua	650,600	0.20
30	Quarry Lane Sdn Bhd	650,000	0.20
Total		267,901,194	81.33

Substantial Shareholders as per Register of Substantial Shareholders, excluding nominee companies

	Name of Substantial Shareholders	Direct Shareholdings	Indirect Shareholdings	% of Issued Capital
1	Majaharta Sdn Bhd	44,925,102	-	13.64
2	Lejla Taib	37,000,000	-	11.23
3	Dato Sri Sulaiman Abdul Rahman Taib	29,465,085	44,925,102*	22.59
4	Mahmud Abu Bekir Taib	29,400,085	44,925,102*	22.57
5	Sarawak Economic Development Corporation	26,965,360	-	8.19

* Deemed interested pursuant to Section 6A of the Companies Act, 1965

list of properties as at 31 December 2003

Location	Date of acquisition / revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area / Built up area (hectare / m ²)	Age of buildings	Net book value (RM'000)
Lot 5895, Section 64, Sungai Tabuan, Pending Industrial Estate, Kuching.	1996	Land & cement mill	Office & factory	Leasehold	33 years (2036)	6.25 / 15,223	26 years*	22,167
* The age of the new office extension and canteen is 7 years								
Lot 766, Block 20, Kemena Land District, Bintulu.	1997	Land & cement mill	Office & factory	Leasehold	59 years (2062)	6.872 / 68,797	7 years	20,776
Lot 415, Block 32, Kemena Land District, Bintulu.	1996	Industrial land	Held for rental income	Leasehold	41 years (2044)	2.228 / N/A	-	2,226
Lot 1156, Block 19, Seduan Land District, Upper Lanang Industrial Estate, Sibü.	1996	Industrial land	Vacant land	Leasehold	48 years (2051)	0.436 / N/A	-	626
Lot 34 & 35, Section 15, Kuching Town Land District, Nanas Road, Kuching.	1994	4 storey shophouse	Held for rental income	Leasehold	812 years (2815)	0.41 / 1,400	7 years	4,675
Lot 767, Block 20, Kemena Land District, Bintulu.	1997	Industrial land	Vacant land	Leasehold	59 years (2062)	16.194 / N/A	-	12,404
Lot 90, Block 11, Lambir Land District, KM17, Miri-Btu Rd, Miri.	1994	Mixed zone land	Premix operation	Leasehold	51 years (2054)	2.73 / N/A	-	60
Lot 444, Block 11, Seduan Land District, 8th Mile, Sibü Ulu Oya Road, Sibü.	1994	Mixed zone land	Premix operation	Leasehold	52 years (2055)	2.76 / N/A	-	250

list of properties

as at 31 December 2003 (cont'd.)

Location	Date of acquisition / revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area / Built up area (hectare / m ²)	Age of buildings	Net book value (RM'000)
Lot 71, Block 17, Kuching Central Land District, Kuching.	1996	Mixed zone land	Quarry operation	Leasehold	53 years (2056)	18.94 / N/A	-	2,218
Lot 294, Block 17, Kuching Central Land District, Kuching.	1996	Mixed zone land	Quarry operation	Leasehold	53 years (2056)	2.75 / N/A	-	536
Lot 212, Block 17, Kuching Central Land District, Kuching.	1996	Mixed zone land	Office & factory	Leasehold	53 years (2056)	5.04 / 900	6 years	1,234
Lot 353, Block 17, Kuching Central Land District, Kuching.	1996	Mixed zone land	Premix operation	Leasehold	53 years (2056)	2.24 / N/A	-	392
Lot 338, 340 -345, Block 10, Sentah-Segu Land District, Kuching.	1996	Mixed zone land	Quarry operation	Leasehold	35 years (2038)	3.07 / N/A	-	1,226
Lot 302-304, 354-357, 362 and 363, Block 17, Kuching Central Land District, Kuching.	1999	Mixed zone land	Quarry operation	Leasehold	821 years (2824)	4.27 / N/A	-	3,598
Lot 342-343, Block 17, Kuching Central Land District, Kuching.	1999	Mixed zone land	Quarry operation	Leasehold	21 years (2024)	0.74 / N/A	-	321
Lot 134, Section 64, Kuching Town Land District, Kuching.	1998	Mixed zone land	Jetty and land	Leasehold	55 years (2058)	0.43 / N/A	6 years	1,821
Lot 2128, Sublot 2, Kuching Town Land District, Kuching.	1998	3-Storey shophouse	Office	Leasehold	57 years (2060)	0.012 / 334.45	6 years	458

list of properties as at 31 December 2003 (cont'd.)

Location	Date of acquisition / revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area / Built up area (hectare / m ²)	Age of buildings	Net book value (RM'000)
Lot 2116, Sublot 2, Kuching Town Land District, Kuching.	2003	3-Storey corner shophouse	Office	Leasehold	57 years (2060)	0.012 / 327.6	6 years	555
Lot 493, Block 5, Muara Tebas Land District, Sejingkat, Kuching.	1996	Mixed zone land	Vacant land	Freehold	In perpetuity	1.223 / N/A	-	255
Lot 494, Block 5, Muara Tebas Land District, Sejingkat, Kuching.	1998	Mixed zone land	Vacant land	Leasehold	34 years (2037)	0.53 / N/A	-	98
Lot 488, Block 5, Muara Tebas Land District, Sejingkat, Kuching.	1996	Mixed zone land	Vacant land	Leasehold	23 years (2026)	2.70 / N/A	-	424
Lot 1319, Block 7, Muara Tebas Land District, Sejingkat, Kuching.	1997	Mixed zone land	Land held for development	Leasehold	93 years (2096)	26.4 / N/A	-	22,262
Lot 1321, Block 7, Muara Tebas Land District, Sejingkat, Kuching.	1997	Mixed zone Land	Land held for development	Leasehold	93 years (2096)	73.4 / N/A	-	61,895
Lot 622, Section 66, Kuching Town Land District, Kuching.	1998	Mixed zone land	Land held for development	Leasehold	55 years (2058)	3.14 / N/A	-	3,671
Lot 744, Section 66, Kuching Town Land District, Kuching.	1998	Mixed zone land	Land held for development	Leasehold	55 years (2058)	14.508 / N/A	-	16,805
Lot 701, Section 66, Kuching Town Land District, Kuching.	1996	Land & factory	Office & factory	Leasehold	44 years (2047)	2.87 / 11,096	17 years	8,586

list of properties

as at 31 December 2003 (cont'd.)

Location	Date of acquisition / revaluation	Description	Usage	Tenure	Remaining lease period (expiry date)	Land area / Built up area (hectare / m ²)	Age of buildings	Net book value (RM'000)
Lot 777, Block 5, Muara Tebas Land District, Sejingkat, Kuching.	1998	Land & steel mill	Office & factory	Leasehold	54 years (2057)	27.60 / 39,220	5 years	53,060
Lot 2082, Section 66, Kuching Town Land District, Kuching.	1996	Land & factory	Office & factory	Leasehold	42 years (2045)	0.85 / 3,936	20 years	2,906
Parcel 42, Block 71, Kuching Central Land District, Kuching.	-	**	Quarry operation	-	-	/ 1,262	11 years	544
G.N. No.100 Sebuyau, Kota Semarahan Division, Kuching.	-	**	Jetty	-	-	-	4 years	332
Lot 846, Block 9, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	95 years (2098)	1,577 / N/A	-	12,094
Lot 1966, Lot 1999, Lot 2000 Lot 2114, Block 9, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	95 years (2098)	170.818 / N/A	-	1,483
Lot 1, Block 13, Salak Land District, Kuching.	1999	Mixed zone land	Land held for township development	Leasehold	95 years (2098)	349.70 / N/A	-	2,711

** Land owned by third party

Revaluation Policy

The Group does not adopt a policy of regular revaluation.

group directory

Name of Company	Business Office	Telephone	Fax.
Cahya Mata Sarawak Bhd (21076-T)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
BANKING			
Concordance Holdings Sdn Bhd (73782-U)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
Utama Banking Group Berhad (240931-X)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
UBG Enterprise Berhad (95567-W)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
Utama Merchant Bank Bhd (23878-X)	27th Floor, Central Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur	03 21438888	03 21419622
Rashid Hussain Berhad (163211-V)	Level 9, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur	03 92852233	03 92855522
SECURITIES & OTHER FINANCIAL SERVICES			
CMS Capital Sdn Bhd (120674-T)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
CMS Trust Management Berhad (353563-P)	Level 1, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 343022	082 343006
CMS Dresdner Asset Management Sdn Bhd (296881-M)	25th Floor, Central Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur	03 21433454	03 21433473
CMS Mezzanine Sdn Bhd (362809-D)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
K&N Kenanga Holdings Berhad (302859-X)	Level 1, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 338000	082 338222
SERVICES			
PPES Trading Sdn Bhd (196635-M)	No. 2128, Sublot 2, Jalan Utama, Pending, 93450 Kuching	082 348949	082 348952
Sara Sumber Sdn Bhd (210772-D)	No. 2128, Sublot 2, Jalan Utama, Pending, 93450 Kuching	082 348949	082 348952
TPIS Management Sdn Bhd (317047-P)	Lot 34 - 35 of Lot 7, Sublot 15, KTLD, Jalan Nanas, 93400 Kuching	082 207166	082 207177
CMS Intpac Sdn Bhd (392555-A)	Lot 34 - 35 of Lot 7, Sublot 15, KTLD, Jalan Nanas, 93400 Kuching	082 207166	082 207177
CMS Digital Sdn Bhd (535906-V)	Level 5, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 236799	082 341599
CMS Energy Sdn Bhd (343095-A)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828

Name of Company	Business Office	Telephone	Fax.
CONSTRUCTION & ROAD MAINTENANCE			
PPES Works (Sarawak) Sdn Bhd (209892-K)	Lot 619-623, Section 62, Jalan Padungan, 93100 Kuching	082 340588	082 340695
Pavement Technology (M) Sdn Bhd (340934-W)	Level 2, Lot 58, Section 63, Jalan Padungan, 93100 Kuching	082 340841	082 340842
PPES Works Maintenance Sdn Bhd (287718-K)	Lot 58-59, Section 63, Jalan Padungan, 93100 Kuching	082 340840	082 230758
PPES Works Property Sdn Bhd (410797-H)	Lot 619-623, Section 62, Jalan Padungan, 93100 Kuching	082 340588	082 340695
PPES Properties Sdn Bhd (326616-U)	Lot 619-623, Section 62, Jalan Padungan, 93100 Kuching	082 340588	082 340695
CEMENT & CONSTRUCTION MATERIALS			
CMS Cement Sdn Bhd (321916-K)	Lot 5895, Jalan Kilang Simen, Pending Ind. Est., 93450 Kuching	082 332111	082 483600
PPES Concrete Product Sdn Bhd (152276-P)	Lot 212, Block 17, KCLD, Jalan Old Airport, 93250 Kuching	082 618718	082 614406
CMS Concrete Products Sdn Bhd (366884-X)	Lot 212, Block 17, KCLD, Jalan Old Airport, 93250 Kuching	082 618718	082 614406
PPES Premix Sdn Bhd (T117700-W)	Lot 353, Block 117, 7th Mile, Penrissen Road, 93250 Kuching	082 614208	082 614626
PPES Premix (Miri) Sdn Bhd (218541-T)	Mile 11, Miri-Bintulu Road, 98000 Miri	085 491136	085 491136
Sara Kuari Sdn Bhd (1212767-D)	7th Mile, Kuching-Serian Road, 93350 Kuching	082 611987	082 612434
PPES Penkuari Sdn Bhd (27875-T)	7th Mile, Kuching-Serian Road, 93350 Kuching	082 611987	082 612434
CMS Modular Housing Sdn Bhd (417398-U)	Lot 29, Block 4, Muara Tebas, District Council, 90350 Kuching	082 439328	082 439240
CMS Lime Sdn Bhd (317052-H)	Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 238888	082 333828
STEEL			
CMS Steel Berhad (22916-D)	Lot 777, Block 5, MTLD, Jln Bako, Demak Laut Ind. Est., 93050 Kuching	082 433000	082 432136
Setri Sdn Bhd (23092-U)	Lot 87, Lorong Tenaga, Bintawa Industrial Estate, 93450 Kuching	082 334772	082 486085
PROPERTY			
CMS Properties Sdn Bhd (321917-U)	Level 5, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 237777	082 252652
Projek Bandar Samariang Sdn Bhd (443828-P)	Level 5, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching	082 237777	082 252652

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of the Company will be held at Ballroom II & III, Lobby Floor, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Tuesday, 22 June 2004 at 11:30 a.m. for the following purposes:

1. To receive the Audited Accounts for the year ended 31 December 2003 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To declare a first and final dividend of 5 sen per share less 28% income tax for the year ended 31 December 2003. **(Resolution 2)**
3. To re-elect the following Directors who are retiring in accordance with Article 110 of the Company's Articles of Association and are offering themselves for re-election:
a) YBhg Dato Sri Liang Kim Bang **(Resolution 3)**
b) YBhg Datuk Wan Ali Tuanku Yubi **(Resolution 4)**
4. To elect Mr Kevin How Kow who is retiring in accordance with Article 112 of the Company's Articles of Association and is offering himself for election. **(Resolution 5)**
5. To approve the payment of Directors' remuneration for the year ended 31 December 2003. **(Resolution 6)**
6. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
7. As Special Business
To consider and if thought fit, pass the following resolution as Ordinary Resolution:

ORDINARY RESOLUTION

(Resolution 8)

• Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

"THAT, subject always to the Listing Requirements of Bursa Malaysia, the Company shall be mandated to enter into the Recurrent Related Party Transactions of a revenue or trading nature with specified classes of Related Parties as stated in Section 2.3 of the Circular to Shareholders dated 31 May 2004 which are necessary for the CMS Group's day to day operations subject to the following:

1. the transactions are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
2. disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year and such approval shall continue to be in force until:
 - a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at an AGM whereby the authority is renewed;
 - b) the expiration of the period within which the next AGM of CMS subsequent to the date it is required to be held pursuant to Section 143(1) of the Malaysian Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - c) revoked or varied by resolution passed by the Shareholders in a general meeting,whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that the first and final dividend of 5 sen per share less 28% income tax for the financial year ended 31 December 2003, if approved at the above Annual General Meeting, will be paid on 23 July 2004 to Depositors whose names appear in the Record of Depositors on 30 June 2004.

A Depositor shall qualify for entitlement only in respect of:-

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 June 2004 in respect of transfers;
- b) Shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

By Order of the Board

ISAAC LUGUN
DENISE KOO SWEE PHENG
Company Secretaries
Kuching, Sarawak
31 May 2004

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. A corporation must complete the form of proxy under its common seal or under the hand of a duly authorised officer or attorney. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
2. A Form of Proxy is enclosed herewith and should be completed and deposited at the Registered Office of the Company at Level 6, Wisma Mahmud, Jalan Sungai Sarawak, 93100 Kuching, Sarawak not less than 48 hours before the time fixed for the meeting.
3. Explanatory notes on Director's remuneration (Resolution 6)

The fees payable to Directors have been increased to be in line with industry practice and to also reflect increased Directors' responsibilities resulting from recent changes in regulations.

notice of annual general meeting

4. Explanatory notes on Special Business (Resolution 8)

Resolution pursuant to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

The relevant information on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 31 May 2004.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Attendance of Directors at Board meetings held during the financial year ended 31 December 2003

The Board met five (5) times during the financial year ended 31 December 2003. Details of their attendance are as follows:

Name	Attendance
Dato Sri Sulaiman Abdul Rahman Taib	5/5
Haji Mahmud Abu Bekir Taib	4/5
David William Berry	5/5
Dato Sri Liang Kim Bang	5/5
YB Datuk Haji Talib bin Zulpilip	3/5
Datuk Wan Ali Tuanku Yubi	5/5
Datu Michael Ting Kuok Ngie @ Ting Kok Ngie	5/5
Kevin How Kow	NA*

* Appointed on 12 March 2004

notice of annual general meeting

Details of general meetings held during the financial year ended 31 December 2003

Type of meeting	Date	Time	Venue
28th Annual General Meeting	21 May 2003	11:30 a.m.	Sarawak Chamber, 3rd Floor, Crowne Plaza Riverside Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak

Further details of Directors seeking re-election at the Annual General Meeting

Name	Dato Sri Liang Kim Bang	Datuk Wan Ali Tuanku Yubi	Kevin How Kow
Age	67	53	55
Nationality	Malaysian	Malaysian	Malaysian
Designation	Senior Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director
Date first appointed on the Board	26 June 1986	12 June 1995	12 March 2004
Working experience and occupation	Per profile in page 21	Per profile in page 22	Per profile in page 22
Directorships in other public companies	Rashid Hussain Berhad Malaysia International Shipping Corporation Berhad PPB Group Berhad PPB Oil Palms Berhad CMS Trust Management Berhad	Rashid Hussain Berhad Sarawak Enterprise Corporation Berhad	Utama Banking Group Berhad Sabah Development Bank Berhad Saham Sabah Berhad
Securities holdings in the Company and its subsidiaries	Utama Banking Group Berhad 504,000 shares (direct interest)	None	None
Family relationship with any Director and/or major shareholder of the Company	None	None	None
Conflict of interest with the Company	None	None	None
List of convictions for offences within the past 10 years	None	None	None
No. of the Company's Board meetings attended in the financial year	5/5 (100%)	5/5 (100%)	NA*

* Appointed on 12 March 2004

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