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Form of proxy

CORPORATE INFORMATION

Directors

Dato' Kalimullah bin Masheerul Hassan (Chairman)

Datuk Roger Tan Kim Hock (Deputy Chairman)

Lim Kian Onn (Chief Executive Officer)

David Chua Ming Huat (Chief Operating Officer)

Dato' Mohd Ali bin Abd. Samad

Tan Sri Dato' Dr. Sak Cheng Lum

Secretaries

Wong Seong Cho

Irene Low Yuet Chun

Auditors

Messrs Deloitte KassimChan **Chartered Accountants** Level 19 Uptown 1 Damansara Uptown 1 Jalan SS21/58 47400 Petaling Jaya Selangor Darul Ehsan

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Registrar

PFA Registration Services Sdn Bhd Level 13 Uptown 1 Damansara Uptown 1 Jalan SS21/58 47400 Petaling Jaya Selangor Darul Ehsan

Tel: 03-7725 4888 Fax: 03-7722 2311

Registered office

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Fax: 03-2031 9826

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Fax: 03-2161 8818

Listing

Main Board of Bursa Malaysia Securities Berhad

DIRECTORS' PROFILE

Dato' Kalimullah bin Masheerul Hassan

Chairman/Non-Executive Non-Independent

Aged 46, Dato' Kalimullah bin Masheerul Hassan, a Malaysian, is the Group Editor-in-Chief/Executive Director of The New Straits Times Press (Malaysia) Berhad. He began his career in journalism starting off as a cadet journalist with Penang-based National Echo in 1979. He joined The Star in 1980 and became its Chief Reporter. In 1987, he became the Malaysian correspondent for Reuters and in the same year joined the New Straits Times as Special Correspondent.

Dato' Kalimullah was appointed to the Board of Directors ("Board") of ECM Libra Berhad ("ECM") on 2 April 2004. He, therefore, did not attend any of the Board meetings held during the financial year ended 31 March 2004.

Dato' Kalimullah is a Director of Taylor's Education Bhd and Efficient E-Solutions Bhd. He has no family relationship with the other Directors or major shareholders of ECM, has no conflict of interest with ECM and has no conviction for offences within the past ten years.

Datuk Roger Tan Kim Hock

Deputy Chairman/Executive Non-Independent

Aged 57, Datuk Roger Tan Kim Hock, a Malaysian, obtained his Bachelor of Law degree from the London School of Economics and qualified as a Barrister-at-Law from Gray's Inn, United Kingdom. He was in legal practice between 1972 and 1976. He joined Hong Leong Property Management Co Sdn Bhd in 1976 as General Manager of the Property Division and assumed the position of Managing Director of Hong Leong Industries Berhad in 1985. In 1988, he joined HLG Securities Sdn Bhd as Chief Executive Officer, a position he held until 1993. Datuk Roger Tan was President & Chief Executive Officer of Hume Industries (Malaysia) Berhad from 1993 to 2001. In July 2001, he was appointed President & Chief Executive Officer of Hong Leong Credit Berhad, a position he held until 9 February 2004.

Datuk Roger Tan was appointed to the Board of ECM on 2 April 2004 and has, therefore, not attended any of the Board meetings held during the financial year ended 31 March 2004.

Datuk Roger Tan does not hold any other directorship in any public company. He has no family relationship with the other Directors or major shareholders of ECM, has no conflict of interest with ECM and has no conviction for offences within the past ten years.

Lim Kian Onn

Chief Executive Officer/Non-Independent

Aged 47, Lim Kian Onn, a Malaysian, is a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants. He served his articleship with KMG Thomson McLintock in London for four years, then joined Andersen Consulting from 1981 to 1984 as a senior consultant. Between 1984 and 1993, he was with Hong Leong Group, Malaysia as a Senior Manager in the Finance Division and subsequently as an Executive Director in the stockbroking arm responsible for corporate finance, research and institutional sales. Mr. Lim founded the Libra Capital Group in 1994 and cofounded the ECM Libra Group in 2002. Mr. Lim is also the Executive Vice Chairman of PKTech International Ltd, a company incorporated in Singapore and listed on the SGX Dealing & Automated Quotation System, a position he held since April 2001.

Mr Lim was appointed to the Board and a member of the Board Audit & Risk Management Committee ("BARMC") of ECM on 2 April 2004. He, therefore, did not attend any of the Board meetings held during the financial year ended 31 March 2004.

Mr Lim does not hold any other directorship in any public company. He has no family relationship with the other Directors or major shareholders of ECM, has no conflict of interest with ECM and has no conviction for offences within the past ten years.

DIRECTORS' PROFILE

(continued)

David Chua Ming Huat

Chief Operating Officer/Non-Independent

Aged 41, Mr David Chua Ming Huat, a Malaysian, graduated with a Bachelor of Arts, Combined Economics & Political Science from the University of Carleton, Ottawa, Canada in 1985. He has extensive working experience in investment banking and securities dealing. He began his career in the securities industry as a Research Analyst in First Pacific Securities (HK) Ltd in 1987, moving on to Senior Research Analyst in First Pacific Securities (Singapore) Pte Ltd in 1988. He was a Dealer Representative of CIMB Securities in 1990 and subsequently joined Merrill Lynch (Asia Pacific) in Hong Kong as Director of Debt & Equity Market Group in 1992. He was the Executive Director of Insas Berhad between 1995 and March 1998. Between 1998 and 2002, he was appointed a Director of Hong Leong Credit Berhad and Group Managing Director of HLG Capital Berhad.

Mr David Chua was appointed to the Board of ECM on 2 April 2004. He, therefore, did not attend any of the Board meetings held during the financial year ended 31 March 2004.

Mr David Chua does not hold any other directorship in any public company. He has no family relationship with the other Directors or major shareholders of ECM, has no conflict of interest with ECM and has no conviction for offences within the past ten years.

Dato' Mohd Ali bin Abd. Samad

Non-Executive Director/Independent

Aged 56, Dato' Mohd Ali bin Abd Samad, a Malaysian, graduated with a Bachelor of Arts (Hons) degree from University of Malaya and Master of Arts (Public Policy and Administration) from University of Wisconsin, United States of America. He has served in various senior appointments in the Government service and was the State Secretary of Negeri Sembilan prior to his retirement in October 2003.

Dato' Mohd Ali was appointed to the Board and Chairman of the BARMC of ECM on 2 April 2004. He, therefore, did not attend any of the Board meetings held during the financial year ended 31 March 2004.

Dato' Mohd Ali is a Director of Sunchirin Industries (Malaysia) Berhad and Perbadanan Nasional Berhad. He has no family relationship with the other Directors or major shareholders of ECM, has no conflict of interest with ECM and has no conviction for offences within the past ten years.

Tan Sri Dato' Dr. Sak Cheng Lum

Non-Executive Director/Independent

Aged 60, Tan Sri Dato' Dr Sak Cheng Lum, a Malaysian, graduated with a degree in Medicine from the University of Singapore in 1968, and served as a medical officer in the Government service until 1972, when he ventured into private practice. He was elected State Assemblyman for Bagan Jermal in Penang in 1978 and was re-elected in 1982, 1986, 1995 and 1999. He also served as Penang State Executive Councillor for two terms between 1986 to 1990 and 1995 to 1999. Between 1990 and 1995, he served as a Senator and Parliamentary Secretary for the Ministry of Domestic Trade and Consumer Affairs. He currently serves as a Council member on the Tunku Abdul Rahman College Council.

Tan Sri Dato' Dr. Sak was appointed to the Board and a member of the BARMC of ECM on 21 May 2004. He, therefore, did not attend any of the Board meetings held during the financial year ended 31 March 2004.

Tan Sri Dato' Dr. Sak is a Director of A & M Realty Berhad and Star Publications (Malaysia) Berhad. He has no family relationship with the other Directors or major shareholders of ECM, has no conflict of interest with ECM and has no conviction for offences within the past ten years.

The Board of Directors ("Board") is pleased to present the Audit Committee Report for the financial year ended 31 March 2004. The Audit Committee was established on 14 March 1995 and the members during the financial year were:

Chairman : YBhg. Mej Gen. (Rtd) Dato' Haji Fauzi bin Hussain

(Independent Non-Executive Director)

Members : YBhg. Datuk Mohd Zaman Khan @ Hassan bin Rahim Khan (appointed on 26 May 2003)

(Independent Non-Executive Director)

: Mr Soo Kim Wai

(Non-Independent Non-Executive Director)

: YBhg. Dato' Oh Her Sang (resigned on 19 August 2003)

(Independent Non-Executive Director)

Terms of Reference

Composition

- 1. The Committee shall be appointed by the Board from among their number and shall consist of not less than three (3) members whereby at least one member of the Committee:
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and: -
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- 2. A majority of the Committee members must be Independent Directors.
- 3. No alternate director is to be appointed as a member of the Committee.
- 4. The members of the Committee shall elect a chairman from among their number who is an independent non-executive director.
- 5. If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 6. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three years.

Authority

- 7. The Committee is authorised by the Board to investigate any matter within its terms of reference. It shall have full and unrestricted access to any information pertaining to the Company and shall have the resources it requires to perform its duties. All employees are directed to co-operate with any request made by the Committee.
- 8. The Committee is authorised by the Board to obtain outside legal or other external independent professional advice, if it considers necessary.
- 9. The Committee is authorised by the Board to obtain information on the resignation of any internal audit staff members. It is further authorised to provide the resigning staff member an opportunity to submit his reasons for resigning.
- 10. The Committee is authorised by the Board to approve any appointment or termination of senior staff members of the internal audit function.

(continued)

Terms of Reference (continued)

Functions and Duties

- 11. The functions and duties of the Committee shall be:
 - To review the following and report the same to the Board:
 - with the external auditor, the audit plan;
 - with the external auditor, his evaluation of the system of internal accounting controls;
 - with the external auditor, his audit report; (c)
 - (d) the assistance given by the employees of the Company to the external auditor;
 - the quarterly results and year-end financial statements of the Group and the Company, focusing particularly on :-
 - changes in accounting policies and practices
 - significant adjustments arising from the audit
 - significant and unusual events
 - the going concern assumption
 - compliance with accounting standards and other legal requirements;
 - The adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (g) The internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and
 - Any appraisal or assessment of the performance of members of the internal audit function.
 - To consider any related party transactions and conflict of interest situation that may arise within the Company or Group.
 - (iii) To consider the major findings of internal investigations and management's response and ensure that appropriate action is taken on the recommendations of the internal audit function.
 - (iv) To recommend and consider the nomination and appointment of a person or persons as external auditors, the audit fees and any questions of resignation or dismissal.
 - To consider any other functions or duties as may be agreed to by the Committee and the Board.
 - (vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).

The Audit Committee also assists the Board in evaluating the adequacy of the Group's risk management framework. In this respect, the Risk Committee, which comprises senior members of management shall report to the Audit Committee and the following matters be reviewed by the Audit Committee and reported/recommended to the Board for approval as appropriate: -

- the appointment and termination of membership of the Risk Committee members;
- the amendments to the Group's Risk Management Policy;
- the changes to the Risk Management Framework of the Group; and
- the reports prepared by the Risk Committee.

Quorum and Attendance at Meetings

- 12. The quorum of meetings of the Committee shall consist of not less than three (3) members; the majority of those present must be Independent Directors.
- 13. The Head of Finance, the Head of Internal Audit and a representative of the external auditors shall normally attend the meetings. Other Board members, employees and external independent professional advisers may attend the meetings upon the invitation of the Committee.
- 14. The Company Secretary shall be the secretary of the Committee.

(continued)

Terms of Reference (continued)

Frequency of meetings and minutes

- 15. Meetings shall be held not less than four (4) times in a financial year. The external auditors may request a meeting if they consider that one is necessary.
- 16. The Committee shall meet with the external auditor without executive board members present, at least once in a financial year.
- 17. Minutes of each meeting shall be distributed to each member of the Board.

Summary of Activities of the Committee During the Financial Year Ended 31 March 2004

The Audit Committee convened five (5) meetings during the financial year ended 31 March 2004. The details of attendance are as follows:

Name of Director	No. of meetings attended		
YBhg. Mej. Gen. (Rtd) Dato' Haji Fauzi bin Hussain	5/5		
YBhg. Dato' Oh Her Sang (resigned on 19 August 2003)	3/3		
Mr. Soo Kim Wai	5/5		
YBhg. Datuk Mohd Zaman Khan @ Hassan Bin Rahim Khan (appointed on 26 May 2003)	4/4		

During the financial year, the ECM Group engaged the services of Arab-Malaysian Corporation Berhad's ("AMCORP") internal audit department to perform its internal audit functions. The representatives of AMCORP's internal audit department and external auditors both attended four (4) of the five (5) meetings held.

During the period, the Audit Committee carried out its duties as set out in the terms of reference and discussed the following issues:-

- Reviewed the audited financial statements for the financial year ended 31 March 2003 and the unaudited quarterly financial statements of the Group prior to the Board approval and subsequent announcements.
- Reviewed the external auditors' scope of work and audit plan for the Group for the financial year ended 31 March 2004. Prior to the audit, representatives from external auditors presented their audit strategy and plan.
- Reviewed with the external auditors the results of the audit, audit report and the management letters.
- Met with the external auditors once during the financial year without the presence of any executive Board member.
- Reviewed the Group's procedures in respect of recurrent related party transactions.
- Reviewed the Risk Committee report on the risk profile and control self-assessment of the Group and the adequacy and integrity of internal control systems to manage these risks.
- Reviewed the internal audit department's resource requirements, programmes and plan for the financial year under review.
- Reviewed the internal audit reports, which highlight the audit issues, recommendations and management's response.
 Discussed with management to undertake the corrective measures to address gaps and deficiencies identified in the internal audit report.
- Reviewed the Group's compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and other relevant legal and regulatory requirements.

(continued)

Summary of Activities of the Internal Audit Function During the Financial Year Ended 31 March 2004

The scope of internal audit functions performed by AMCORP's internal audit department encompasses audit visits to all relevant subsidiaries of the Group on a regular basis. The objectives of such audit visits are to determine whether adequate controls have been established and are operating in the Group, to provide reasonable assurance that:

- business objectives and policies are adhered to;
- operations are cost effective and efficient;
- assets and resources are safeguarded and effectively used;
- integrity is protected on records and information; and
- applicable laws and regulations are complied with.

The emphasis of such audit visits encompasses critical areas of the Group such as revenue, cost of sales, expenditure, assets, internal controls, operating performance and financial statement review. Audit reports are issued to highlight any deficiency or findings requiring the management's attention. Such reports also include practical and cost effective recommendations as well as proposed corrective actions to be adopted by the management. The audit reports and management's responses are then circulated to the Chief Executive Officer, Audit Committee and the Group Chairman for review and comments. Follow-up audits are then carried out to determine whether corrective actions have been taken by the management.

The Board of Directors ("Board") of ECM Libra Berhad (formerly known as South Peninsular Industries Berhad) ("the Company" or "ECM") recognises that corporate governance is a continuous process and is therefore committed to direct and manage the Company in ensuring that the Group practises good corporate governance in line with the Malaysian Code on Corporate Governance (the "Code") in discharging its responsibilities to enhance shareholder value and to protect the interests of shareholders.

The Board firmly believes that corporate accountability complements business practices and will facilitate the achievement of the Company's goals and objectives. In preparing this report, the Board has considered the manner in which the Company has applied the principles of the Code and the extent to which it has complied with the Best Practices of the Code. The Board is of the opinion that, save as set out below, the Group has applied the principles set out in Part 1 of the Code and has complied with the best practices set out in Part 2 of the Code throughout the financial year ended 31 March 2004.

A. Directors

i) The Board

The ECM Group is led by a proactive Board with a blend of good management and entrepreneurial skills, supported by high calibre independent directors.

The Board is primarily entrusted with the responsibility of setting the goals and the direction of the Group. In addition, the Board also oversees the conduct of the Company's business, whereby it devises and puts in place various systems of control. These controls are necessary to minimise the downside risks for the Group in its business endeavours.

In order to ensure that the ECM Group is efficiently managed, the Board meets on a quarterly basis and additionally as and when required, with a formal schedule of matters specifically reserved for its deliberation and decision. During the financial year under review, six (6) Board meetings were held and all the Directors have complied with the requirements in respect of board meeting attendance as provided in the Articles of Association.

The details of Directors' attendance at the Board meetings are set out below:

Name of Director	No. of meetings attended
YBhg. Tan Sri Dato' Azman bin Hashim	6/6
YBhg. Mej. Gen. (Rtd) Dato' Haji Fauzi bin Hussain	6/6
YBhg. Dato' Oh Her Sang (resigned on 19 August 2003)	3/3
YBhg. Datuk Mohd Zaman Khan @ Hassan Bin Rahim Khan (appointed on 26 May 2003)	5/5
Mr. Soo Kim Wai	6/6
Pn. Shalina bt Azman	5/6

The Board collectively deliberates, reviews and considers all corporate proposals prior to implementation. Corporate proposals are put to vote after careful deliberation. In the event of a tie in votes for or against any particular proposal, the Chairman of the meeting shall have a second or casting vote except when only two Directors are competent to vote on the question in issue.

The Board is regularly updated on the ECM Group's affairs prior to board meetings. This is to ensure that the members of the Board discharge their duties and responsibilities competently and are enabled to do so in an informed manner.

(continued)

A. Directors (continued)

Board Balance

At the end of the financial year on 31 March 2004, the Board comprised five (5) directors, with one (1) nonindependent non-executive Chairman, two (2) non-independent non-executive directors and two (2) independent non-executive directors. There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The wide spectrum of knowledge, skills and experience of the Board members gives added strength to the leadership which is necessary for the effective stewardship of the Group.

The Board recognises the importance and contribution of its independent non-executive directors. They represent the element of objectivity, impartiality and independent judgement of the Board. This ensures that there is adequate check and balance at the Board level. The two (2) independent directors of the Company provide the Board with vast and varied exposure, expertise and broad business and commercial experience.

Tan Sri Dato' Azman bin Hashim, the non-executive Chairman leads the Board while the executive management of the Company is led by a Chief Executive Officer, En Shahman bin Azman. Given the composition of the Board and the separation of the roles of Chairman and Chief Executive Officer, the Board does not consider it necessary to nominate a Senior Independent Non-Executive Director to whom concerns may be directed.

All the five (5) directors resigned on 2 April 2004 and five (5) new directors were appointed on the same day upon completion of the restructuring exercise of the Group. A brief profile of each of the newly appointed members of the Board is set out on pages 3 and 4 of this Annual Report.

Supply of information

The Board is provided with notice of meetings, setting out the agenda and accompanied by the comprehensive Board papers in a timely manner prior to board meetings. This is to ensure the members of the Board discharge their duties and responsibilities competently and are enabled to do so in a well-informed manner. All members of the Board have access to the advice and services of the Company Secretaries and, where necessary, independent professional advisers. They also have unlimited access to all information with regard to the activities of the ECM Group.

iv) Appointments to the Board

The Nomination Committee, which was set up on 29 May 2001, comprises two (2) independent non-executive directors and a non-independent non-executive director. Its primary role is to identify and recommend to the Board suitable nominees for appointment to the Board and Board Committees. The members of the Nomination Committee during the financial year comprised:

- YBhg. Mej. Gen. (Rtd) Dato' Haji Fauzi bin Hussain (Chairman)
- YBhg. Dato' Oh Her Sang (resigned on 19 August 2003)
- Mr. Soo Kim Wai.

During the financial year, the members of the Nomination Committee met once to evaluate and recommend the appointment of YBhg. Datuk Mohd Zaman Khan @ Hassan Bin Rahim Khan as an independent non-executive director. All the members attended the meeting.

The Board was of the opinion that the mix of experience and expertise was sufficient for overseeing the proper implementation of the strategies of the ECM Group.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysts Malaysia, an affiliate of Bursa Malaysia Securities Berhad. The Directors will continue to attend the Continuing Education Programme on an annual basis.

vi) Re-election

The Articles of Association of the Company provide that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire at least once in every three years. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

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

(continued)

B. Directors' Remuneration

The Remuneration Committee, which was set up on 29 May 2001, comprises two (2) independent non-executive directors. The members of the Committee during the financial year were:

- YBhg. Mej. Gen. (Rtd) Dato' Haji Fauzi bin Hussain (Chairman)
- YBhg. Dato' Oh Her Sang (resigned on 19 August 2003)
- YBhg. Datuk Mohd Zaman Khan (appointed on 19 August 2003).

The Committee is responsible for making recommendations on salary and benefits of the executive directors. The Board as a whole determines the level of remuneration of non-executive directors and executive directors. Directors do not participate in discussing and voting on decisions regarding their own remuneration package. The aggregate annual Directors' fees are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board.

ECM has an established framework of principles to evaluate performance and determine rewards for executive directors. Remuneration packages for the executive directors are formulated to be competitive and realistic, emphasis being placed on performance, with aims to attract, motivate and retain high calibre executive directors to run the ECM Group. For nonexecutive directors, the level of remuneration would commensurate with the experience and level of responsibilities undertaken by them.

The Committee met twice during the financial year ended 31 March 2004. All the members attended both meetings. The first meeting was held on 21 November 2003 to review and recommend the payment of allowance to the chairman, YBhg. Tan Sri Dato' Azman bin Hashim. The second meeting was held on 24 February 2004 to review and recommend the salary increment and annual bonus payment based on year 2003 performance for the Chief Executive Officer, Encik Shahman bin Azman.

The details of the remuneration of the directors of ECM are set out in the audited financial statements on page 43 of this Annual Report.

C. Shareholders

The Board recognises the importance of timely and equal dissemination of information to shareholders on the ECM Group's performance and direction. Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, timely announcements are made to the public in regard to the Group's corporate proposal, financial results and other announcements that are required. The Company's Annual General Meeting serves as a forum for dialogue with shareholders. At each Annual General Meeting, the Chairman of the Board briefs the shareholders on the progress and performance of the business of the ECM Group. Shareholders are encouraged to participate in the question and answer session during the Annual General Meeting. The status of all resolutions proposed at the Annual General Meeting is submitted to Bursa Malaysia Securities Berhad at the end of the meeting day.

Apart from contact at general meetings, there is no formal programme or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the management has the option of calling for meetings with investors/analysts if deemed necessary. Thus far, the management is of the opinion that this arrangement has been satisfactory to all parties.

D. Accountability and Audit

Financial Reporting

The Board is aware of its responsibilities to shareholders and the requirement to present a balanced and comprehensive assessment of the ECM Group's financial position by means of the annual and guarterly reports and other published information. In this regard, the Board is primarily responsible for the preparation of financial statements that present a fair and balanced report of the financial state of affairs of the ECM Group.

(continued)

D. Accountability and Audit (continued)

Internal Control

The Statement on Internal Control as set out on page 14 of this Annual Report provides an overview of the state of internal controls within the Group.

(iii) Relationship with Auditors

The Company, through the Audit Committee, has an appropriate and transparent relationship with the external auditors. Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's Report as set out on pages 5 to 8 of this Annual Report.

Directors' Responsibility Statement

The Board is required by the Companies Act, 1965 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cashflows for the year then ended. The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 March 2004, the Group has adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting standards in Malaysia have been followed and the financial statements have been prepared on a going concern basis.

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

The Directors also have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additional Information

Non-audit fee

The amount of non-audit fees paid to the external auditors for the financial year ended 31 March 2004 is RM193,825.

Material contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiaries involving the interests of the Directors or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 20, Part A, Appendix 9C of the Listing Requirements of Bursa Malaysia Securities Berhad.

(iii) Recurrent related party transactions of a revenue or trading nature

The Group had entered into the following recurrent related party transactions during the financial year ended 31 March 2004 pursuant to the mandate approved by the shareholders at the Annual General Meeting held on 26 September 2003, the aggregate value of which is as follows: -

(continued)

Additional Information (continued)

Related Party	Type of transaction	Interested director, major shareholder and person connected	Purchases (RM)	Sales (RM)
Goodhart Industries Sdn Bhd	Sale and purchase of plastic parts, raw materials, packing materials and pallets.	Dato' Gan Kim Huat John Ng Wan Cher	2,800	11,220
Syarikat Sin Kwang Plastic Industries Sdn Bhd ("SKP")	Sale and purchase of raw and packing materials, plastic parts, pallets, stencil and mould repair expenses charged by SKP	Dato' Gan Kim Huat John Ng Wan Cher	636,984	1,085,284
Goodhart Technology Sdn Bhd ("GT")	Purchase and repair of moulds charged by GT	Dato' Gan Kim Huat John Ng Wan Cher	4,480	312
Goodhart Land Sdn Bhd ("GL")	Rental of premises from GL	Dato' Gan Kim Huat John Ng Wan Cher	192,000	0

Note: Dato' Gan Kim Huat resigned from the Board of ECM on 26 August 2002 and ceased to be a major shareholder on 28 November 2002. John Ng Wan Cher retired as a Director/Chief Executive Officer of ECM on 30 November 2002.

STATEMENT ON INTERNAL CONTROL

The Board of Directors ("Board") is responsible for the Group's system of internal control and for reviewing its adequacy and integrity.

However, the Group's system of internal control is designed to manage and not eliminate the risk of failure to achieve the Group's objectives; hence it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of ECM Libra Berhad (formerly known as South Peninsular Industries Berhad) is pleased to disclose that:

- there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year, and
- the said process is regularly reviewed by the Board and accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Board summarises below the process it has applied in reviewing the adequacy and the integrity of the system of internal control:

- The Board has appointed the Audit Committee to examine the effectiveness of the Group's systems of internal control on behalf of the Board. This is accomplished through the review of the internal audit department's work, which focuses on areas of priority as identified by risk analysis and in accordance with the audit plan approved by the Audit
- (ii) The Group's Risk Management framework is outlined in the Group's Risk Management Policy. The Audit Committee shall assist the Board in evaluating the adequacy of the Group's Risk Management framework. A Risk Management Committee comprising members of senior management monitors the risks faced by the Group and the Risk Management Committee reports to the Audit Committee.
- (iii) The framework of the Group's system of internal control and key procedures includes the following:
 - A management structure exists with clearly defined lines of responsibility and the appropriate levels of delegation.
 - Key functions such as accounts, tax, treasury, insurance and legal matters are controlled centrally.
 - The management determines the applicability of risk monitoring and reporting procedures and is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.
 - Policies and procedures are clearly documented in the Corporate Policy Manual and Standard Operating Procedures of most of the Operating Units in the Group with which its operations must comply.
 - Corporate values, which emphasise ethical behaviour, quality products and services are set out in the Group's Employee Handbook.
- (iv) The Group also practises Annual Budgeting and monitoring processes as follows:
 - There is an annual budgeting process for each area of business and approval of the annual budget by the Board.
 - Actual performance compared with budget is reviewed monthly with detailed explanation of any major variances, while budget for the current year is reviewed at least once in 6 months.

There were no material losses incurred during the financial year as a result of weaknesses in internal control.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of ECM Libra Berhad (formerly known as South Peninsular Industries Berhad) ("the Company") will be held at Anggerik Room, 4th Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 22 September 2004 at 10.00 a.m. in order : -

AGENDA

- to receive and consider the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 March 2004;
- to re-elect the following Directors retiring pursuant to the Company's Articles of Association :-
 - Dato' Kalimullah bin Masheerul Hassan;
 - Datuk Roger Tan Kim Hock; ii)
 - Lim Kian Onn; iii)
 - David Chua Ming Huat; iv)
 - Dato' Mohd Ali bin Abd. Samad;
 - Tan Sri Dato' Dr. Sak Cheng Lum;
- to appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration; 3.
- as special business, to consider and, if thought fit, pass the following Ordinary Resolution :-

Authority To Directors To Issue Shares

- "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."; and
- to consider any other business of which due notice shall have been given.

By Order of the Board

WONG SEONG CHO IRENE LOW YUET CHUN

Secretaries

Kuala Lumpur

30 August 2004

NOTES:

- 1. A member entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company. A member who is an authorised nominee may appoint not more than two (2) proxies in respect of each securities account it holds.
- 2. The Form of Proxy must be deposited at the Registered Office of the Company at Level 2, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur not less than 48 hours before the time and date of the meeting or adjourned meeting.
- 3. Explanatory note on special business
 - Ordinary Resolution on authority to Directors to issue shares

The Ordinary Resolution, if passed, will give authority to the Directors of the Company to issue shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

Directors who are standing for re-election at the Tenth Annual General Meeting of the Company pursuant to Article 94 of the Company's Articles of Association

Dato' Kalimullah bin Masheerul Hassan

Datuk Roger Tan Kim Hock

Lim Kian Onn

David Chua Ming Huat

Dato' Mohd Ali bin Abd. Samad

Tan Sri Dato' Dr. Sak Cheng Lum

2. Details of attendance of Directors at Board Meetings

There were six (6) Board Meetings held during the financial year ended 31 March 2004. Details of attendance of the Directors are set out in the Directors' Profile appearing on pages 3 and 4 of the Annual Report.

Place, Date and Time of Tenth Annual General Meeting

The Tenth Annual General Meeting of the Company will be held at the Anggerik Room, 4th Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 22 September 2004 at 10.00 a.m.

4. Further details of individuals who are standing for re-election as Directors

- Directors' profile on pages 3 and 4.
- Details of interest in the securities of the Company, if any, are disclosed in the Directors' shareholding on page 72.

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report and the Audited Financial Statements for the year ended 31 March 2004 on behalf of the Board of Directors of ECM Libra Berhad (formerly known as South Peninsular Industries Berhad).

Performance and Financial Review

For the financial year under review, the Group's revenue deteriorated to RM39.8 million from RM57.7 million the previous year. The Group recorded a loss before taxation of RM9.8 million for the reporting year against a profit before taxation of RM9.4 million in the previous year. The Group's loss attributable to shareholders in the reporting year stood at RM10.6 million compared with a profit of RM8.6 million in the previous financial year.

The losses are attributable to the deteriorating performance of the plastic manufacturing operations of S. P. I. Plastic Industries (M) Sdn Bhd which has since been sold on 31 March 2004. The sale of Metal Perforators (Malaysia) Sdn Bhd was completed on 28 May 2004.

The results of the Group for the year ended 31 March 2004, therefore, do not reflect the current activities of the newly-acquired companies as the acquisitions were completed only on 30 March 2004.

Corporate Developments

As part of the exercise to re-focus our business, the Group acquired a group of financial services companies comprising ECM Libra Holdings Limited, ECM Libra Partners Sdn Bhd, ECM Libra Capital Sdn Bhd (collectively "ECM Purchase") and ECM Libra Securities Sdn Bhd ("ELS") (formerly known as BBMB Securities Sdn Bhd) ("BBMB Purchase") on 30 March 2004. The consideration for the ECM Purchase was satisfied by the issuance of new shares and redeemable convertible unsecured loan stocks while the BBMB Purchase was satisfied by the proceeds from a private placement of new shares. The Company completed a concurrent bonus share issue to reward shareholders and facilitate the transfer of its listing from the Second Board to the Main Board of Bursa Malaysia Securities Berhad. The transfer took place on 6 April 2004.

The appointment of our current Board of Directors and the change of our Company name took place on 2 April 2004 and 31 March 2004 respectively, reflecting the presence of the new management team and business operations of the Group. On 20 May 2004, BBMB Securities Sdn Bhd changed its name to ECM Libra Securities Sdn Bhd.

New Business Direction

The ECM Libra Group is an integrated boutique investment banking group focusing on advisory services and securities broking. The Group provides its advisory services to a substantial and diversified client base that includes government-linked corporations, corporations, financial institutions and high-net-worth individuals. The success of the Group is founded on several fundamental principles that differentiate it from its competitors. ECM Libra focuses on providing the highest quality of clientcentric services and distinguishes itself by providing focused, senior-level attention in complex and challenging situations.

The Group has successfully undertaken several landmark equity advisory and placement transactions. Notable advisory transactions include acting as lead financial advisor for the restructuring exercise of Technology Resources Industries Bhd which won Asiamoney's "Most Innovative Deal" of the year award in 2002. The Group also acted as one of the financial advisors to Astro All Asia Networks Plc in Malaysia's biggest initial public offering, valued at RM2.03 billion. Other notable transactions include secondary placements of shares for Celcom Malaysia Berhad (RM347 million), YTL Power International Berhad (RM348 million), Maxis Communications Berhad (RM1.3 billion) and MEASAT Global Berhad (RM590 million). The Group's ability to originate and execute transactions in the toughest of market conditions has resulted in many other mandates which were swiftly completed during the financial year.

The ELS acquisition provides a platform for the Group to distribute its equity products to retail as well as government-linked and private institutions. This would enable the Group to capture selling commission in connection with equity placement and advisory transactions. Besides the principal office in Kuala Lumpur, ELS has a branch office in Penang. ELS currently has about 100 remisiers serving retail clients across both locations. ELS also has a strong institutional dealing team serving local institutions as well as foreign inter-broker clients and institutions.

CHAIRMAN'S STATEMENT

(continued)

Business Areas

Looking ahead, the Group will focus its resources on addressing market needs in the following core business areas - corporate advisory services, equity capital markets and retail and institutional equities broking.

The Group's corporate advisory activities encompass a broad array of services to corporate and public sector clients including the provision of advice on mergers and acquisitions, divestments, valuation, fund raising, privatisations, corporate restructuring, debt restructuring and other corporate strategy related matters. Our advisory team is structured along industry lines, allowing us to leverage specialist industry knowledge and expertise in handling a variety of advisory assignments. We are currently engaged in several advisory mandates. Due to the nature of the job, mandates often span a longer period of time.

Our equity capital markets team oversees the Group's activities in the primary and secondary equity and equity-linked markets where it advises, manages and underwrites the full range of equity capital market products, including initial public offerings, rights issues and placements. Equity capital markets has been the most active business area in the past year, successfully executing several large placement advisory transactions as noted above. The ability to originate and swiftly execute the transactions was largely due to an astute understanding of issuers' needs, combined with the ability to identify and distribute to the right investors.

The Group also provides securities dealing services to institutional clients such as asset management companies, corporates, government-linked corporations and the foreign inter-broker business. Besides securities dealing, the Group also undertakes market-making and structuring. Supported by our revamped Research Department, the Group's strategy is to provide our institutional client base with the best information flow and growth-investment-focused ideas. Towards this end, our institutional equities team organises an ongoing series of seminars to promote companies to fund managers as well as provide a platform for discussion on the development of Malaysian capital markets.

Within the retail brokerage segment, we have further segmented our offerings based on client needs and established a Private Wealth Management ("PWM") team that sees to the needs of high-net-worth individuals, in addition to a traditional remisierbased retail brokerage service. Our PWM team works with affluent and sophisticated individuals in providing investment advice on a range of specific products as well as broader guidance on investment and wealth accumulation strategies. PWM works closely with all other units of the Group, providing its clients with the same resources and services as our institutional clients, including margin financing facilities, securities research and access to IPOs, private placements and other new issues.

Our traditional remisier-based brokerage business caters in turn to the mass retail market. Management recognises the importance of this business in terms of revenue and profit contribution despite the gradually deteriorating commission rate structure. The Research Department provides product support for the increasingly sophisticated investing public to guide them in making their investment decisions. As part of our effort to proactively assist our remisiers in expanding their business, management supports them through training as well as by providing their clients with access to investment seminars and margin financing lines.

Economic and Market Outlook

The outlook for the Malaysian economy continues to be very positive with the recovery becoming more broad-based. As such, the government's forecast of 6% to 6.5% GDP growth for 2004 remains achievable.

External demand continues to show significant growth as the US economic recovery continues to gather pace. In particular, the strong recovery in private IT investments in the US bodes well for our electronics sector. Malaysia continues to enjoy strong trade and current account surpluses resulting in the country's external reserves hitting a record high of RM205.1 billion as of June 2004.

Meanwhile, on the domestic front, recovery is becoming much more broad-based, with very encouraging signs of a pick up in private investment whilst consumption growth remains robust. Importantly, domestic growth is now far less dependent on government fiscal spending and is driven instead by private sector initiatives. Specifically, within the domestic private sector, it is encouraging to see growth coming through not just from private consumption, but also from rising investment, especially in the industrial sector.

Domestic credit demand too has shown signs of a strong recovery. Of significance is the increase in loan demand from cross sections of the Small and Medium Enterprise sector, indicating capacity expansion is now taking place after having being deferred for the last few years, providing further evidence of the underlying drivers and breadth of the domestic recovery.

The country's monetary policy remains pro-growth, which is encouraging. The recent timely liberalisation of the interest rate structure by the central bank will also serve to further stimulate private investment and consumption, and indirectly promote more competition among local financial institutions. On the interest rate front, we see Malaysia under no pressure to raise domestic interest rates for the foreseeable future.

Barring a sharp slowdown in the major world economies, we are confident that Malaysia's economic outlook remains bright and this, in turn, will provide a healthy platform for the domestic capital markets to develop and, indeed, thrive.

CHAIRMAN'S STATEMENT

(continued)

Current Year Prospects

The management believes that the Group has carved out a niche for itself in the extremely competitive financial services industry. With our proven track record in originating and executing transactions, management is confident that the Group's new business direction will create substantial value for all shareholders going forward.

In view of the positive economic and market outlook, we expect an active capital market for fund raising exercises through share placements and initial public offerings in the current year. Improving economic and market fundamentals will also generate opportunities for corporate advisory mandates in mergers and acquisitions and debt and capital restructuring exercises. We have a healthy pipeline of deals at various stages of execution and the Board is optimistic that the Group will perform satisfactorily in the financial year ahead.

Dividends

A final dividend of 2% tax exempt amounting to RM840,000 was paid on 23 October 2003 in respect of the financial year ended 31 March 2003. The Board does not recommend the payment of a final dividend in respect of the current financial year ended 31 March 2004.

Acknowledgement

On behalf of the Board, we wish to record our sincere thanks and appreciation to Tan Sri Dato' Azman bin Hashim, Mej. Gen (Rtd) Dato' Haji Fauzi bin Hussain, Mr Soo Kim Wai, Puan Shalina binti Azman, Datuk Mohd Zaman Khan and Dato' Oh Her Sang who have served the Board for many years and assisted in the smooth transition during the changeover of the Company's management.

I also wish to express our deepest appreciation and gratitude to the previous management and all the staff for their contribution to the Group. My appreciation also goes to shareholders for their continued support.

DATO' KALIMULLAH BIN MASHEERUL HASSAN Chairman

Date: 12 August 2004

The directors of ECM LIBRA BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended March 31, 2004.

Principal Activities

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 13 to the Financial Statements.

Other than as stated under Significant Events below, there have been no significant changes in the nature of activities of the Company and the subsidiary companies during the current financial year.

Change of Name

On April 2, 2004, the Company changed its name from South Peninsular Industries Berhad to ECM Libra Berhad.

Significant Events During the Financial Year

During the financial year, the Company undertook the following:

- The disposal of the Company's entire equity interest in Handal Lagenda Sdn. Bhd. and South Peninsular Technologies Sdn. Bhd., both companies incorporated in Malaysia, for a total cash consideration of RM20. These disposals were completed on March 31, 2004;
- The disposal of the Company's entire equity interest in Kayangan Pelita Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM535,000. This disposal was completed on March 31, 2004;
- The disposal of the Company's entire equity interest in South Peninsular Ventures Sdn. Bhd., Rama Technology Sdn. Bhd. (formerly known as Arab-Malaysian Institute of Technology Sdn. Bhd.), South Peninsular Management Services Sdn. Bhd., MPM Metal Sdn. Bhd. and TRE Industrial Galvanising Services Sdn. Bhd., all companies incorporated in Malaysia, for a total cash consideration of RM50. These disposals were completed on March 31, 2004;
- The disposal of the Company's entire equity interest in S.P.I. Plastic Industries (M) Sdn. Bhd. to Freesia Valley Sdn. Bhd. for a total cash consideration of RM15,000,000. This disposal was completed on March 31, 2004;
- The Company had on March 30, 2004 completed the acquisition of 100% equity interest in ECM Libra Securities Sdn. Bhd. (formerly known as BBMB Securities Sdn. Bhd.) for a cash consideration paid of RM172,811,479 subject to certain final adjustments to be mutually agreed upon ("BBMB Acquisition");
- The acquisitions of 100% equity interest in ECM Libra Holdings Limited (formerly known as ECM Holdings Limited), ECM Libra Capital Sdn. Bhd. (formerly known as ECM Capital Sdn. Bhd.) and ECM Libra Partners Sdn. Bhd. for a total purchase consideration of RM330,000,000 which was satisfied by way of an issue of 270,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 each and an issue of RM60,000,000 5-year Redeemable Convertible Unsecured Loan Stocks at 100% of the nominal value with a coupon rate of 3% per annum ("ECM Libra Acquisitions"). These acquisitions were completed on March 30, 2004;
- A bonus issue of 21,000,000 new ordinary shares of RM1 each through capitalisation of RM21,000,000 from the unappropriated profit account on the basis of one (1) new ordinary share of RM1 each for every two (2) existing ordinary shares of RM1 each held in the Company ("Bonus Issue"). The Bonus Issue was completed on March 30, 2004;
- viii) A private placement of 100,000,000 new ordinary shares of RM1 each by the Company at an issue price of RM2.10 per ordinary share of RM1 each ("Private Placement"). The Private Placement was completed on March 30, 2004; and
- The disposal of the Company's entire equity interest in Metal Perforators (Malaysia) Sdn. Bhd. to Temasek Berkat Sdn. Bhd. for a total cash consideration of RM4,500,000 which is currently pending completion.

(continued)

Subsequent Event and Outstanding Proposals

On April 6, 2004, the listing and quotation of the entire issued and paid-up share capital of the Company of RM433,000,000 comprising 433,000,000 ordinary shares of RM1.00 each was transferred from the Second Board to the Main Board of Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad).

The disposal of the Company's entire equity interest in Metal Perforators (Malaysia) Sdn. Bhd. to Temasek Berkat Sdn. Bhd. for a total cash consideration of RM4,500,000 is currently pending completion.

Results of Operations

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Loss before tax	(9,834,532)	(4,161,644)
Income tax expense	(790,967)	(7,354,744)
Loss after tax	(10,625,499)	(11,516,388)
Minority interest	22,540	-
Net loss for the year	(10,602,959)	(11,516,388)

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

Dividends

A final dividend of 2%, tax exempt, amounting to RM840,000 was paid on October 23, 2003 in respect of the previous financial year. The directors do not recommend the payment of final dividend in respect of the current financial year.

Reserves and Provisions

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

Issue of Shares and Debentures

As approved by the shareholders at the Extraordinary General Meeting held on March 1, 2004, the authorised share capital of the Company was increased from RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each to RM1,000,000,000 comprising 1,000,000,000 ordinary shares of RM1.00 each by the creation of an additional 950,000,000 ordinary shares of RM1.00 each.

During the financial year, the Company increased its issued and fully paid-up ordinary capital from RM42,000,000 to RM433,000,000 by way of the issuance of shares in relation to the BBMB Acquisition and ECM Libra Acquisitions, Bonus Issue and Private Placement as mentioned above under Significant Events During the Financial Year.

All new shares issued rank pari passu with the existing ordinary shares of the Company except that they shall not be entitled to participate in any dividends, rights, allotments and/or any other distributions the entitlement of which is prior to their allotments.

(continued)

Issue of Redeemable Convertible Unsecured Loan Stocks

During the financial year, the Company issued RM60,000,000 5-year Redeemable Convertible Unsecured Loan Stocks at 100% of the nominal value with a coupon rate of 3% per annum ("RCULS"). The salient features of the RCULS are as follows:

- The registered holder of the RCULS shall be entitled from the date of issue of March 25, 2004 until March 25, 2009, at their sole and absolute discretion, at any time and from time to time, to convert the whole or part of the RCULS into new ordinary shares of RM1 each in the Company by tendering the RCULS at the nominal value thereof;
- All new ordinary shares issued upon such conversion shall rank pari passu in all respects with the existing ordinary shares of the Company except that these shares are not entitled to any dividends, rights, allotments and/or distributions the record date of which is prior to the allotment of the new shares;
- Unless previously converted, all outstanding RCULS will be redeemed at full nominal value by the Company on the maturity date of March 25, 2009;
- The RCULS bears interest at 3% of the nominal value and is payable annually on the outstanding RCULS; and iv)
- The RCULS is non-transferable and non-tradable.

Share Options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Other Statutory Information

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance for doubtful debts had been made: and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off as bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the directors, 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 operations of the Group and of the Company for the financial year in which this report is made.

(continued)

Directors

The following directors served on the Board of the Company since the date of the last report:

Dato' Kalimullah bin Masheerul Hassan (appointed on 2.4.2004)

Datuk Roger Tan Kim Hock (appointed on 2.4.2004)

Lim Kian Onn (appointed on 2.4.2004)

Chua Ming Huat (appointed on 2.4.2004)

Dato' Mohd Ali bin Abd Samad (appointed on 2.4.2004)

Tan Sri Dato' Dr. Sak Cheng Lum (appointed on 21.5.2004)

Tan Sri Dato' Azman Hashim (resigned on 2.4.2004)

Mej. Gen (Rtd) Dato' Haji Fauzi Bin Hussain (resigned on 2.4.2004)

Soo Kim Wai (resigned on 2.4.2004)

Shalina Binti Azman (resigned on 2.4.2004)

Datuk Mohd Zaman Khan @ Hassan Bin Rahim Khan (resigned on 2.4.2004)

Dato' Oh Her Sang @ Hwu Hor Shan (resigned on 19.8.2003)

In accordance with Article 94 of the Articles of Association of the Company, Dato' Kalimullah bin Masheerul Hassan, Datuk Roger Tan Kim Hock, Lim Kian Onn, Chua Ming Huat, Dato' Mohd Ali bin Abd Samad dan Tan Sri Dato' Dr. Sak Cheng Lum (collectively "new directors"), who were appointed to the Board since the last Annual General Meeting, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The new directors were appointed to the Board after the financial year end pursuant to the completion of the BBMB Acquisition and ECM Libra Acquisitions.

Directors' Interests

The Directors holding office at the end of the financial year who had beneficial interest in the shares of the Company and/ or related corporations during the financial year ended March 31, 2004 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:

	Number of shares of RM1.00 each				
	As at 1.4.2003	Acquired	Sold	As at 31.3.2004	
Indirect interest by virtue of shares held by companies in which a director has interests:					
Tan Sri Dato' Azman Hashim	23,378,075	10,871,789	(4,310,200)	29,939,664	

Directors' Benefits

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain directors of the Company are also directors and/or have substantial financial interests as mentioned in Notes 21 and 23 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby the directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

(continued)

Holding Company

During the year, the Company ceased to be a subsidiary company of Arab-Malaysian Corporation Berhad, a listed company incorporated in Malaysia.

Auditors

The auditors, Messrs. Deloitte KassimChan, have indicated that they will not seek re-appointment at the forthcoming Annual General Meeting.

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

LIM KIAN ONN

DATO' KALIMULLAH BIN MASHEERUL HASSAN

Kuala Lumpur, May 21, 2004

AUDITORS' REPORT

Report of the Auditors to the Members of ECM Libra Berhad

(Formerly known as South Peninsular Industries Berhad) (Incorporated in Malaysia)

We have audited the accompanying balance sheets as of March 31, 2004 and the related statement of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- the abovementioned financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - the state of affairs of the Group and of the Company as of March 31, 2004 and of the results and cash flows of the Group and of the Company for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of the subsidiary companies of which we have not acted as auditors, as indicated in Note 13 to the Financial Statements, being financial statements that have been included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN AF 0080

Chartered Accountants

HIEW KIM TIAM 1717/08/05(J)

Partner

May 21, 2004

INCOME STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2004

		The G 2004 RM	roup 2003 RM	The Cor 2004 RM	mpany 2003 RM
Revenue	4	39,754,199	57,745,989	28,751,343	11,691,545
Other operating income	5	766,547	771,042	3,563,222	980,468
Changes in inventories of finished goods and work-in-progress		(538,235)	88,075	-	-
Raw materials and consumables used		(18,269,471)	(27,360,415)	-	-
Directors' remuneration	7	(44,900)	(607,566)	(44,900)	(71,550)
Staff costs	5	(8,322,117)	(9,105,964)	(235,599)	(70,950)
Depreciation of property, plant and equipment	12	(5,534,545)	(3,061,682)	-	-
Cost of properties sold		-	(2,596,615)	-	-
Other operating expenses	5	(16,284,766)	(6,110,848)	(33,792,755)	(101,523)
Profit/(Loss) from operations		(8,473,288)	9,762,016	(1,758,689)	12,427,990
Finance costs	8	(3,266,081)	(1,098,123)	(3,241,756)	(1,140,905)
Income from other investments	9	1,904,837	740,335	838,801	169,244
Profit/(Loss) before tax Income tax expense	10	(9,834,532) (790,967)	9,404,228 (779,306)	(4,161,644) (7,354,744)	11,456,329 (1,831,036)
Profit/ (Loss) after tax Minority interest		(10,625,499) 22,540	8,624,922 178	(11,516,388)	9,625,293 -
Net profit/(loss) for the year		(10,602,959)	8,625,100	(11,516,388)	9,625,293
Basic (loss)/earnings per share (sen)	11	(15.66)	13.69		
Fully diluted (loss)/earnings per share (sen)	11	(15.40)	13.69		

BALANCE SHEETS

AS OF MARCH 31, 2004

	Note	The G 2004 RM	iroup 2003 RM	The Cor 2004 RM	mpany 2003 RM
Property, plant and equipment	12	7,191,503	28,912,055	-	-
Investments in subsidiary companies	13	-	-	521,999,598	48,575,832
Other investments	14	16,500,001	4,000,000	4,000,000	4,000,000
Goodwill on consolidation	15	360,699,492	2,321,542	-	-
Current Assets					
Properties held for resale	16	750,000	2,643,650	-	-
Inventories	17	862,634	2,935,420	-	-
Marketable securities	18	4,056,870	-	-	-
Trade receivables	19	216,787,512	6,580,723	-	-
Loan receivables	20	2,659,714	46,065,068	-	-
Other receivables and prepaid expenses	19	41,975,523	2,736,679	30,650,314	1,441,415
Amount owing by former holding company	21	-	4,048,496	-	4,100,889
Amount owing by subsidiary companies	21	-	-	2,380,617	58,211,795
Cash and bank balances	22	249,113,824	29,508,782	119,815,190	924,360
		516,206,077	94,518,818	152,846,121	64,678,459
Current Liabilities					
Trade payables	23	196,434,003	3,882,887	-	-
Other payables and accrued expenses	23	65,707,589	7,700,406	40,058,063	1,186,080
Amount owing to other former					
related companies	21	-	102,113	-	5,300
Amount owing to subsidiary companies	21	-	-	-	409,761
Hire-purchase payables	24	-	42,543	-	-
Tax liabilities		209,119	335,972	-	-
		262,350,711	12,063,921	40,058,063	1,601,141
Net Current Assets		253,855,366	82,454,897	112,788,058	63,077,318
Long-Term and Deferred Liabilities					
Borrowings	25	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000
Hire-purchase payables - non-current portion	24	-	(180,748)	-	-
Deferred tax liabilities	26	(2,591,156)	(3,290,000)	(1,860,156)	-
Provision for retirement benefits	27	(377,440)	(22,187)	-	-
Redeemable convertible unsecured loan stocks					
 liability component 	29	(53,356,584)	-	(53,356,584)	-
		(96,325,180)	(43,492,935)	(95,216,740)	(40,000,000
Minority Interest		-	(22,540)	-	
		541,921,182	74,173,019	543,570,916	75,653,150
Represented by:					
Share capital	28	433,000,000	42,000,000	433,000,000	42,000,000
Redeemable convertible unsecured				. =	
loan stocks – equity component	29	4,783,260	-	4,783,260	-
Reserves	30	104,137,922	32,173,019	105,787,656	33,653,150
Shareholders' Equity		541,921,182	74,173,019	543,570,916	75,653,150

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2004

		Redeemable Convertible Unsecured	Non-Distrib	outable Reserves	Distributable Reserve Unappropriated	
	Share Capital RM	Loan Stocks - Equity Portion RM		Reserve on Consolidation RM	Profit / (Accumulated Loss) RM	Total RM
Balance as of April 1, 2002						
As previously stated	16,800,000	-	1,191,380	5,380,347	43,414,192	66,785,919
Prior year adjustments	-	-	-	(398,000)	-	(398,000)
As restated	16,800,000	-	1,191,380	4,982,347	43,414,192	66,387,919
Net profit for the year	-	-	-	-	8,625,100	8,625,100
Dividends (Note 32)	-	-	-	-	(840,000)	(840,000)
Bonus issue (Note 28)	25,200,000	-	(1,191,380)	-	(24,008,620)	-
Balance as of March 31, 2003						
As previously stated	42,000,000	-	-	5,380,347	27,190,672	74,571,019
Prior year adjustments	-	-	-	(398,000)	-	(398,000)
As restated	42,000,000	-	-	4,982,347	27,190,672	74,173,019
Arising from disposal of subsidiary companies	-	-	-	(1,083,032)	_	(1,083,032)
Net loss for the year	-	-	-	-	(10,602,959)	(10,602,959)
Dividends (Note 32)	-	-	-	-	(840,000)	(840,000)
Issue of shares (Note 28):						
For acquisition of subsidiary companies	270,000,000	-	-	-	_	270,000,000
Private placement	100,000,000	-	105,490,894	-	-	205,490,894
Bonus issue	21,000,000	-	-	-	(21,000,000)	-
Issue of Redeemable Convertible Unsecured Loan Stocks (Note 29):						
Equity component	-	6,643,416	-	-	-	6,643,416
Tax on equity component (Note 26)	-	(1,860,156)	-	-	-	(1,860,156)
Balance as of March 31, 2004	433,000,000	4,783,260	105,490,894	3,899,315	(5,252,287)	541,921,182

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2004 (continued)

			Redeemable Non-Distri Convertible Unsecured		Distributable Reserve		
The Company	Share Capital RM	Loan Stocks - Equity Portion RM		Revaluation Reserve RM	Unappropriated Profit RM	Total RM	
Balance as of							
April 1, 2002	16,800,000	-	1,191,380	24,568,735	24,307,742	66,867,857	
Net profit for the year	-	-	-	-	9,625,293	9,625,293	
Dividends (Note 32)	-	-	-	-	(840,000)	(840,000)	
Bonus issue (Note 28)	25,200,000	-	(1,191,380)	(24,008,620)	-	-	
Balance as of March 31, 2003	42,000,000	-	-	560,115	33,093,035	75,653,150	
Arising from disposal of subsidiary companies	-	-	-	(560,115)	560,115	-	
Net loss for the year	-	-	-	-	(11,516,388)	(11,516,388)	
Dividends (Note 32)	-	-	-	-	(840,000)	(840,000)	
Issue of shares (Note 28): For acquisition of subsidiary companies	270,000,000					270,000,000	
Private placement	100,000,000	_	105,490,894	_	_	205,490,894	
Bonus issue	21,000,000	-	-	_	(21,000,000)	-	
Issue of Redeemable Convertible Unsecured Loan Stocks (Note 29):	,,				(), 2, 2, 2, 2,		
Equity component	-	6,643,416	-	-	-	6,643,416	
Tax on equity component	(Note 26) -	(1,860,156)	-	-	-	(1,860,156)	
Balance as of March 31, 2004	433,000,000	4,783,260	105,490,894	-	296,762	543,570,916	

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2004

The Group	Note	2004 RM	2003 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit/(Loss) before tax		(9,834,532)	9,404,228
Adjustments for:			
Depreciation of property, plant and equipment		5,534,545	3,061,682
Allowance for diminution in value of properties held for resale		1,022,074	
Allowance for doubtful debts		36,000	137,204
Property, plant and equipment written off		34,517	15,845
Finance costs		3,266,081	1,098,123
Provision for retirement benefits		4,800	1,200
Interest income		(1,690,462)	(861,419
Loss/(Gain) on disposal of property, plant and equipment		(123,666)	260,686
Loss on disposal of subsidiary companies		613,628	
Loss on disposal of other investments		447,617	
Amortisation of premium on other investments		130,883	
Bad debts written off/(written back)		145	(53,372
Goodwill written off		2,321,542	
Operating Profit Before Working Capital Changes		1,763,172	13,064,17
(Increase)/Decrease in:			
Properties held for resale		(2,025,904)	2,596,61
Inventories		2,072,786	468,52
Trade receivables		4,100,713	165,73
Loan receivables		-	(46,065,06
Other receivables and prepaid expenses		575,757	(1,624,37)
Amount owing by former holding company		4,458,085	(105,10
Amount owing by other former related companies		11,197,491	170
Increase/(Decrease) in:			
Trade payables		2,778,710	(2,202,602
Other payables and accrued expenses		18,096,054	(89,05
Amount owing to other former related companies		(11,003,195)	85,47
Net Cash From/(Used In) Operations		32,013,669	(33,705,50
Interest received		1,644,599	1,094,90
Income tax refunded		-	9,22
Retirement benefits paid		-	(33,62
Tax paid		(350,130)	(2,566,82
Interest paid		-	(38,46
Net Cash From/(Used In) Operating Activities		33,308,138	(35,240,28

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2004 (continued)

The Group	Note	2004 RM	2003 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of other investments		10,701,110	-
Acquisition of other investments		(11,279,610)	-
Additions to property, plant and equipment		(96,850)	(5,240,717)
Acquisition of subsidiary companies (Note 13)		133,959,750	-
Acquisition of investment in unquoted bonds		-	(4,000,000)
Advances to former holding company		-	(9,721,066)
Repayment of advances to former holding company		-	9,732,510
Proceeds from disposal of property, plant and equipment		2,686,286	760,800
Proceeds from disposal of subsidiary companies		(1,350,031)	-
Net Cash From/(Used In) Investing Activities		134,620,655	(8,468,473)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from term loan		-	40,000,000
Repayment of short-term borrowings		-	(3,400,000)
Drawdown of short-term borrowings		-	3,400,000
Dividends paid		(840,000)	(840,000)
Repayment of hire-purchase payables		(223,291)	(16,710)
Interest paid		(3,197,381)	(6,941)
Repayment of loan received		39,954,859	-
Net Cash From Financing Activities		35,694,187	39,136,349
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		203,622,980	(4,572,407)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		29,508,782	34,081,189
CASH AND CASH EQUIVALENTS AT END OF YEAR	34	233,131,762	29,508,782

Note: During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of RM96,850 (2003: RM5,480,717) of which RM Nil (2003 : RM240,000) was acquired under hire-purchase. Cash payments for the acquisition of property, plant and equipment amounted to RM96,850 (2003: RM5,240,717).

CASH FLOW STATEMENT OF THE COMPANY

FOR THE YEAR ENDED MARCH 31, 2004

The Company No.	2004 ote RM	2003 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before tax	(4,161,644)	11,456,329
Adjustments for:		
Finance costs	3,241,756	1,140,905
Waiver of amount owing to subsidiary companies	(1,358,722)	-
Bad debts written off	244,508	-
Dividend income	(28,751,343)	(11,691,545)
Interest income	(838,801)	(1,149,712)
Loss on disposal of other investment	447,617	-
Amortisation of premium on other investment	130,883	-
Allowance for diminution in value of investment in subsidiary companies	9,098,492	-
Loss on disposal of subsidiary companies	19,708,482	-
Operating Loss Before Working Capital Changes	(2,238,772)	(244,023)
(Increase)/Decrease in: Other receivables and prepaid expenses	5,607,241	(933,269)
Increase/(Decrease) in: Other payables and accrued expenses	3,987,035	(144,089)
Amount owing to former other related company	635,955	5,300
Net Cash From/(Used In) Operations	7,991,459	(1,316,081)
Dividends received	21,796,356	9,115,500
Interest received	792,938	168,443
Tax refund/(paid)	-	(7,994)
Net Cash Generated From Operating Activities	30,580,753	7,959,868
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of other investments	10,701,110	-
Proceeds from disposal of subsidiary companies	1,500,070	-
Acquisition of other investments	(11,279,610)	(4,000,000
Repayment of advances to holding company	4,100,889	-
Advances to subsidiary companies	-	(43,356,036
Acquisition of subsidiary companies, net of proceeds from shares issued	31,406,298	-
Repayment of advances to subsidiary companies	55,894,376	1,079,480
Net Cash From/(Used In) Investing Activities	92,323,133	(46,276,556)

CASH FLOW STATEMENT OF THE COMPANY

FOR THE YEAR ENDED MARCH 31, 2004 (continued)

The Company	Note	2004 RM	2003 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from term loan		-	40,000,000
Advances from subsidiary companies		-	79,462
Advances from former holding company		-	4,536
Interest paid		(3,173,056)	(6,404)
Dividends paid		(840,000)	(840,000)
Net Cash From/(Used In) Financing Activities		(4,013,056)	39,237,594
NET INCREASE IN CASH AND CASH EQUIVALENTS		118,890,830	920,906
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		924,360	3,454
CASH AND CASH EQUIVALENTS AT END OF YEAR	34	119,815,190	924,360

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 13 to the Financial Statements.

There has been no significant change in the nature of the principal activities of the Company and the subsidiary companies during the current financial year.

The total number of employees of the Group and the Company at year end was 316 (2003: 484) and nil (2003: 1) respectively.

The registered office business of the Company is located at Level 2, Menara Olympia, 8 Jalan Raja Chulan, 50200 Kuala Lumpur while the principal place of business is at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

2. Basis of Preparation of Financial Statements

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on May 21, 2004.

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

3. Significant Accounting Policies

Accounting Basis

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include revaluation of certain long leasehold land and buildings and investments in subsidiary companies.

Revenue Recognition

Sales are recognised upon delivery of products and when the risks and rewards of ownership have passed to the customers. Sales represent gross invoiced value of goods sold and services provided, net of discounts and returns.

Gross brokerage is recognised upon the execution of trade on behalf of clients, computed based on a pre-determined percentage of the contract value.

Margin income comprises margin interest income and rollover fees. Margin interest income is recognised on an accrual basis except where such a margin account is considered non-performing in accordance with Schedule 7A of the Rules of Bursa Malaysia Securities Berhad, in which case recognition of such interest is suspended. Subsequent to suspension, interest is recognised upon receipt until all arrears have been paid. Rollover fees are recognised on an accrual basis. Rollover fees from non-performing margin accounts will be suspended until the accounts are reclassified as performing.

Gains or losses on disposal of investments are recognised upon confirmation of transactions by the stockbrokers.

Other revenues earned by the Group are recognised on the following bases:

on an accrual basis unless collectibility is in doubt, in which case they are recognised on receipt Interest income

Dividend income when the right to receive payment is established

Proceeds from sales of properties

based on sales and purchase agreement and on the percentage of completion method as determined by the proportion of development cost incurred todate against the total estimated cost where the outcome of the projects can be reliably estimated. All anticipated losses on development properties are fully provided.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. All impairment losses are recognised in the income statements.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

3. Significant Accounting Policies (continued)

Property, Plant and Equipment

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

A gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to unappropriated profit account.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statements unless it reverses a previous revaluation in which case it is treated as a revaluation decrease.

Property, plant and equipment are depreciated on a straight line basis to their residual values at the following annual rates based on the estimated useful lives of the assets:

Long-term leasehold land	over the lease period of 99 years
Short-term leasehold land	over the lease period of 44 - 60 years
Factory buildings	2%
Plant and machinery	6.67% - 20%
Tools and dies	20%
Office equipment, furniture and fittings	10% - 25%
Motor vehicles	15% - 20%
Renovations	10% - 20%

With effect from the current financial year, the Group revised its annual depreciation rate for certain plant and machinery from 6.67% to 10% to more realistically reflect the estimated economic useful lives of the plant and machinery. The effect of this accounting change is an increase in depreciation charge and, correspondingly, an increase in loss before tax for the current financial year of RM2,766,000.

Property, Plant And Equipment Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates prevailing at the transaction dates or at contracted dates where applicable or, where settlement has not yet been made at the end of the financial period, at the approximate exchange rates prevailing at balance sheet date. All foreign exchange gains and losses are taken up in the income statements.

The closing rates used in the translation of foreign currency balances at balance sheet date are as follows:

	2004 RM	2003 RM
1 United States Dollar	3.80	3.80
1 Singapore Dollar	2.28	2.10
1 Australian Dollar	2.82	2.80

For the purposes of consolidation, the financial statements of subsidiary companies expressed in foreign currencies are translated into Ringgit Malaysia as follows:

Assets and liabilities	-	at the following	closing rates:

			2004	2003
RM/USD			3.80	3.80
RM/HKD			2.05	2.03
Issued capital	-	at historical rate		
Revenue and expenses	-	at average rate		

(continued)

3. Significant Accounting Policies (continued)

Gains or losses arising on translation into Ringgit Malaysia are taken up in the translation reserve under shareholders' equity. Translation losses in excess of amounts in the translation reserve, if any, are taken up in the income statements.

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

Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The Group and the Company make statutory contributions to statutory approved provident funds, and contributions are charged to the income statements when incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations. The post employment benefit scheme is in accordance with local practices in which it operates and is a defined contribution plan.

Retirement Benefits

A subsidiary company operates an unfunded defined contribution retirement benefits scheme for employees. The benefits are determined based on the length of service at predetermined contribution rates.

The liability in respect of the scheme is based on the amounts identified for eligible employees (5 employees as of March 31, 2004) and on the subsidiary company's contribution obligations in relation to the past earnings of such employees.

The initial provision was established in the financial year ended December 31, 2000 when the benefits of eligible employees first vested. Thereafter, the provision for each financial year is based on the accretion of the subsidiary company's contribution obligations computed on the appropriate proportion of the earnings of the eligible employees during the financial year. The provision in respect of individual employees is written back in the event of their cessation of employment prior to retirement.

Another subsidiary company has an unfunded non-contributory defined contribution retirement plan for eligible employees (5 employees as of March 31, 2004).

Provision for retirement benefit is computed at half a month's salary for each year of service for the first seven years of service. Upon completion of seven years of service by an employee, the subsidiary company makes a lump sum contribution of this provision to the Employees Provident Fund and thereafter provides for retirement benefits annually based on a certain percentage of annual salaries of the employee.

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 the taxable profit for the period and is measured using the tax rates that have been enacted at the balances sheet date.

In previous financial years, the tax effects of transactions were recognised, using the "liability" method, in the year such transactions entered into the determination of net income, regardless of when they were recognised for tax purposes. However, where timing differences gave rise to net deferred tax asset, the tax effects were generally recognised on actual realisation.

During the current financial year, the Group changed its accounting policy in accounting for deferred tax in accordance with MASB Standard 25, Income Taxes which became mandatory effective on July 1, 2002. Under MASB Standard 25, deferred tax is accounted for using the "balance sheet liability" method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

Under MASB Standard 25, deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or reserve on consolidation or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither account profit nor taxable profit.

(continued)

3. Significant Accounting Policies (continued)

Deferred tax is measured at the tax rates that are expected to apply in the period when the assets are realised or the liability settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or reserve on consolidation.

The accounting change has been accounted for retrospectively and the effect of this change is disclosed in Note 31.

Basis of Consolidation

Subsidiary companies are those enterprises controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The consolidated financial statements incorporate the audited financial statements of the Company and its subsidiary companies, as mentioned in Note 13 drawn up to the end of the financial year.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiary companies acquired or disposed of during the year are included in the income statement of the Group from the effective date of acquisition or up to the date of disposal.

All significant intercompany balances and transactions have been eliminated on consolidation.

Goodwill/Reserve on Consolidation

Goodwill arising on consolidation represents the excess of the purchase consideration over the share of the fair values of the identifiable net assets of a subsidiary company at the date of acquisition.

Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount.

Reserve on consolidation represents the excess of the value attributable to the proportionate net tangible assets of the subsidiary companies at the date of acquisition over the purchase consideration paid for acquiring their share capital.

Investments

Investments in subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements, at cost or at directors' valuation. Directors' valuation recognise the value of the underlying net assets based on latest audited financial statements of the subsidiary companies. The investment in subsidiary companies will be revalued at a regular interval of least once in 5 years. Where market conditions indicate that the carrying values of revalued investments materially differ from the value of the underlying net tangible assets of the subsidiary companies, the directors will consider revaluation in those intervening years.

An increase in the carrying amount arising from revaluation of a subsidiary company is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same investment and the balance of the deficit is charged to the income statements.

In all other cases, a decrease in carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same investment that was recognised as an expense, is credited to the income statement to the extent that it offsets the previously recorded decrease.

Other investments are stated at cost less impairment losses. Investment in shares of Bursa Malaysia Berhad arising from the demutualisation of the Kuala Lumpur Stock Exchange on January 5, 2004 is stated at fair value, as disclosed in

Investment in unquoted bonds is stated at cost.

On disposal of such investments, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statements.

(continued)

3. Significant Accounting Policies (continued)

Marketable Securities

Marketable securities represent quoted shares which are carried at the lower of cost and market value, determined on a portfolio basis. Cost is determined on a weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statements. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statements.

Properties Held for Resale

Properties held for resale are valued at lower of cost and net realisable value.

Interest incurred on the acquisition of land and construction of shophouses is capitalised and included as part of the cost of the properties. Interest will cease to be capitalised when the assets are ready for their intended use.

Inventories

Inventories are valued at the lower of cost (weighted average basis and first-in, first-out basis, as applicable) and net realisable value. The cost of raw materials, consumable goods and packing materials comprises the original cost of purchase plus the cost of bringing the inventories to their present location. The cost of finished goods and work-inprogress includes the cost of raw materials, direct labour and a proportion of the manufacturing overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Receivables

Trade receivables relating to the stockbroking activities are carried at anticipated realisable values. Bad debts are written off when identified. Specific provisions for bad and doubtful receivables are made for accounts which have been classified as non-performing, net of interest-in-suspense and taking into consideration any collateral held by the Group, in accordance with the Rules of Bursa Malaysia Securities Berhad. General provisions are made based on a certain percentage of trade receivables (excluding outstanding purchase contracts which are not due for payment), net of interestin-suspense and specific provisions already made. When an account is classified as non-performing, interest is suspended and subsequently recognised on a cash basis.

In accordance with the Rules of Bursa Malaysia Securities Berhad, clients' accounts are classified as non-performing under the following circumstances:

Type of accounts	Criteria for classification as non-performing
Contra losses	When the account remains outstanding for 16 calendar days or more from the date of contra transaction.
Overdue purchase contracts	When the account remains outstanding from T+3 market days onwards.
Margin accounts	When the value of collateral has fallen below

Other trade and non-trade receivables are carried at anticipated realisable values. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts while debts considered to be uncollectible are written off.

Provisions

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

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value, excluding monies held in trust.

(continued)

4. Revenue

An analysis of revenue is as follows:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Gross dividend income from subsidiary companies	-	-	28,751,343	11,691,545
Interest income	2,411,779	1,896,375	-	-
Manufacturing of perforated metal	7,518,612	5,397,299	-	-
Manufacturing of plastic components	29,664,420	47,498,827	-	-
Sale of properties	-	2,953,488	-	-
Gross brokerage	159,388	-	-	-
	39,754,199	57,745,989	28,751,343	11,691,545

5. Other Operating Income/(Expenses) and Staff Costs

Included in other operating income/(expenses) are the following:

The Group		The Cor	mpany
2004 RM	2003 RM	2004 RM	2003 RM
123,666	(260,686)	-	-
30,410	121,084	30,410	121,084
-	-	2,174,090	859,384
21,860	8,067	-	-
-	53,372	-	-
(660)	(392,710)	-	-
-	-	(9,098,492)	-
(1,022,074)	-	-	-
(36,000)	(137,204)	-	-
(56,400)	(56,860)	(20,000)	(13,000)
(700)	4,550	-	-
(57,100)	(52,310)	(20,000)	(13,000)
	2004 RM 123,666 30,410 - 21,860 - (660) - (1,022,074) (36,000) (56,400) (700)	2004 RM 2003 RM 2003 RM 123,666 (260,686) 30,410 121,084 21,860 8,067 - 53,372 (660) (392,710) - (1,022,074) (36,000) (137,204) (56,400) (56,860) (700) 4,550	2004 RM RM RM RM 2003 RM RM 2004 RM 2004 RM 2004 RM 2004 RM RM 123,666 (260,686) - 30,410 2,174,090 21,860 8,067 - 53,372 - (660) (392,710) (9,098,492) (1,022,074) - (36,000) (137,204) - (56,400) (56,860) (20,000) (700) 4,550 -

(continued)

5. Other Operating Income/(Expenses) and Staff Costs (continued)

	The Group		The Con	
	2004 RM	2003 RM	2004 RM	2003 RM
Waiver of amount owing to subsidiary companies	-	-	1,358,722	-
Loss on disposal of subsidiary companies	(613,628)	-	(19,708,482)	-
Bad debts written off	(145)	-	(244,508)	-
Management fee payable to:				
Former holding company	(37,500)	-	-	-
Related company	-	(100,000)	-	-
Other former related companies	(288,000)	-	-	-
Others	(1,500,000)	-	-	-
Property, plant and equipment written off	(34,517)	(15,845)	-	-
Realised loss on foreign exchange	(2,524)	(5,728)	-	-
Provision for retirement benefits	(4,800)	(1,200)	-	-
Loss on disposal of other investments	(447,617)	-	(447,617)	-
Amortisation of premium on other investments	(130,883)	-	(130,883)	-

Included in staff costs are contributions to the statutory approved provident funds made by the Group and the Company as follows:

	The Group		The Cor	npany
	2004 RM	2003 RM	2004 RM	2003 RM
Contributions to provident funds	329,014	306,218	-	-

6. Segment Reporting

Business segments

For management purposes, the Group is organised into the following operating divisions:

- manufacturing of industrial products
- financial services

Inter-segment sales are charged at cost plus a percentage profit mark-up.

(continued)

6. Segment Reporting (continued)

The Group	Manufacturing of industrial products	Financial services	Others	Eliminations	Consolidated
2004	RM	RM	RM	RM	RM
Revenue					
External sales	37,183,032	2,571,167	-	-	39,754,199
Inter-segment sales	-	303,895	-	(303,895)	-
Total revenue	37,183,032	2,875,062	-	(303,895)	39,754,199
Results					
Segment results	(1,980,468)	(3,274,511)	(896,767)	-	(6,151,746)
Unallocated corporate expenses					(2,321,542)
Loss from operations					(8,473,288)
Finance costs					(3,266,081)
Income from other investments					1,904,837
Loss before tax					(9,834,532)
Income tax expense					(790,967)
Loss after tax					(10,625,499)
Other Information					
Capital additions	96,850	19,897,948	-	-	19,994,798
Depreciation and amortisation	5,465,219	55,863	13,463	-	5,534,545
Consolidated Balance Sheet - Assets					
Segment assets	7,161,804	866,232,325	755,704	-	892,614,179
Unallocated corporate assets					7,982,894
Consolidated total assets					900,597,073
Consolidated Balance Sheet - Liabilities					
Segment liabilities	968,923	303,986,308	12,245	-	304,967,476
Unallocated corporate liabilities					53,708,415
Consolidated total liabilities					358,675,891

(continued)

6. Segment Reporting (continued)

The Group	Manufacturing of industrial products	Financial services	Others	Eliminations	Consolidated
2003	RM	RM	RM	RM	RM
Revenue					
External sales	52,896,126	1,896,375	2,953,488	-	57,745,989
Inter-segment sales	-	356,891	-	(356,891)	-
Total revenue	52,896,126	2,253,266	2,953,488	(356,891)	57,745,989
Results					
Segment results	8,680,588	987,920	93,508	-	9,762,016
Unallocated corporate expenses					-
Profit from operations					9,762,016
Finance costs					(1,098,123)
Income from other investments					740,335
Profit before tax					9,404,228
ncome tax expense					(779,306)
Profit after tax					8,624,922
Other Information					
Capital additions	5,195,700	285,017	-	-	5,480,717
Depreciation and amortisation	2,966,458	86,512	8,712	-	3,061,682
Consolidated Balance Sheet - Assets					
Segment assets	47,388,892	77,886,007	3,835,336	-	129,110,235
Unallocated corporate assets					642,180
Consolidated total assets					129,752,415
Consolidated Balance Sheet - Liabilities					
Segment liabilities	10,356,641	41,450,089	124,154	-	51,930,884
Unallocated corporate liabilities					3,227,972
Consolidated total liabilities					55,158,856

Geographical segments

The Group's operations are located in Malaysia and Hong Kong.

The following is an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

		Sales revenue by geographical market		
	2004 RM	2003 RM		
Malaysia	38,542,787	57,721,969		
Singapore	1,211,412	24,020		
	39,754,199	57,745,989		

(continued)

6. Segment Reporting (continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	, ,	Carrying amount of segment assets Capital ac		
	2004 RM	2003 RM	Capital a 2004 RM	2003 RM
Malaysia	859,662,249	129,749,112	19,994,798	5,480,717
Hong Kong	40,934,824	3,303	-	-
	900,597,073	129,752,415	19,994,798	5,480,717

7. Directors' Remuneration

	The Group		The Co	mpany
	2004 RM	2003 RM	2004 RM	2003 RM
Executive directors:				
The Company's directors:				
Fees	-	-	-	-
Other emoluments	-	536,016	-	-
	-	536,016	-	-
Non-executive directors:				
The Company's directors:				
Fee	-	63,750	-	63,750
Other emoluments	44,900	7,800	44,900	7,800
	44,900	71,550	44,900	71,550
	44,900	607,566	44,900	71,550

The estimated monetary value of benefits in kind not included above received and receivable by the directors of the Company otherwise than in cash is RM Nil (2003: RM18,850).

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

	Number of Directors	
	2004 RM	2003 RM
Executive directors:		
RM50,001 - RM100,000	-	1
RM200,001 - RM250,000	-	-
RM400,001 - RM450,000	-	-
RM450,001 - RM500,000	-	1
Non-executive directors:		
Below RM50,000	2	2
	2	4

(continued)

8. Finance Costs

	The Group		The Co	mpany
	2004 RM	2003 RM	2004 RM	2003 RM
Interest on:				
Bank overdrafts	492	12,826	-	-
Advances from other former related companies	10,658	-	-	62,549
Hire-purchase	13,175	6,941	-	-
Redeemable convertible unsecured loan stocks	34,426	-	34,426	-
Term loans	3,207,330	1,078,356	3,207,330	1,078,356
	3,266,081	1,098,123	3,241,756	1,140,905

9. Income from Other Investments

	The G	The Group		mpany
	2004 RM	2003 RM	2004 RM	2003 RM
Interest income from:				
Unquoted bonds	688,481	-	688,481	-
Fixed deposits	1,001,981	740,335	150,320	169,244
Gain on disposal of other				
investments	214,375	-	-	-
	1,904,837	740,335	838,801	169,244

10. Income Tax Expense

	The Group		The Co	mpany
	2004	2003	2004	2003
	RM	RM	RM	RM
Current tax	932,908	883,991	6,966,488	1,848,036
Under/(Over) provision in respect of prior years	389,197	(50,685)	388,256	(17,000)
Deferred tax (Note 26)	(531,138)	(54,000)	-	-
	790,967	779,306	7,354,744	1,831,036

As of March 31, 2004, the Company has tax exempt income amounting to approximately RM23,958,000 (2002 : RM20,886,000) arising from tax exempt dividend received from its subsidiary companies. This tax exempt account is available for distribution as tax exempt dividends to the shareholders and is subject to approval by the tax authorities.

As of March 31, 2004, certain subsidiary companies have tax exempt income arising from the chargeable income on which income tax is waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999 amounting to RM19,000 (2003: RM876,136). These tax exempt income accounts which are subject to approval by the tax authorities, are available for distribution of tax exempt dividends to the shareholders of the subsidiary companies.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rates of the Group and of the Company is as follows:

(continued)

10. Income Tax Expense (continued)

	The G	roup	The Company		
	2004 RM	2003 RM	2004 RM	2003 RM	
Profit/(Loss) before tax	(9,834,532)	9,404,228	(4,161,644)	11,456,329	
Tax/(Deferred tax asset) at the statutory income tax rate of 28%	(2,753,669)	2,633,184	(1,165,260)	3,207,772	
Reduction in tax rates	780,659	(7,799)	-	-	
Tax effects of:					
Non-deductible expenses for tax purposes	2,771,760	538,770	9,227,148	211,227	
Income that is not taxable in determining taxable profit	(396,980)	(1,169,445)	(1,095,400)	(1,570,963)	
Reinvestment allowances claimed	-	(825,719)	-	-	
Utilisation of deferred tax assets previously not recognised	-	(339,000)	-	-	
Under/(Over) provision in prior years	389,197	(50,685)	388,256	(17,000)	
	790,967	779,306	7,354,744	1,831,036	

As mentioned in Note 3, the effects of temporary differences, unused tax losses and unused tax credits which give rise to net deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. As of March 31, 2004, the amount of net deferred tax asset of the Group calculated at the applicable tax rate which is not recognised in the financial statements, is as follows:

	Deferre	The Group Deferred Tax Asset/(Liability)		
	2004 RM	2003 RM		
Tax effects of:				
Temporary differences in respect of the excess of capital allowances over book depreciation of property, plant and equipment	-	589,000		
Unused tax losses	9,039,000	1,056,000		
Unabsorbed capital allowances	5,113,000	-		
Others	204,000	-		
	14,356,000	1,645,000		

The unutilised tax losses and unabsorbed capital allowances are subject to agreement by the tax authorities.

(continued)

11. (Loss)/Earnings Per Share

Basic	2004 RM	2003 RM
Net (loss)/profit attributable to ordinary shareholders	(10,602,959)	8,625,10
	2004 Units	2003 Units
Number of shares in issue at beginning of year	42,000,000	42,000,00
Effect of bonus issue	21,000,000	21,000,00
Issuance of shares for acquisition of subsidiary companies	4,438,356	
Private placement	273,973	
Weighted average number of ordinary shares in issue	67,712,329	63,000,0
	2004	2003
Basic (loss)/earning per share (sen)	(15.66)	13.6
Fully Diluted	2004 RM	2003 RM
Net (loss)/profit attributable to ordinary shareholders	(10,602,959)	8,625,1
Add: Assumed saving in interest on Redeemable Convertible Unsecured Loan Stocks, net of tax	24,787	
	(10,578,172)	8,625,1
	2004 Units	2003 Units
Weighted average number of ordinary shares in issue	67,712,329	63,000,0
No. of shares that would have been issued assuming full conversion of RCULS	986,301	
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	68,698,630	63,000,0
	2004	2003
Fully diluted (loss)/earnings per ordinary share (sen)	(15.40)	13.0

Comparative figures of the basic and fully diluted earnings per ordinary share have been restated to reflect the bonus issue mentioned in Note 28 during the financial year.

The adjusted weighted average number of shares in issue and issuable for the year has been arrived at after taking into account the dilutive effect of the conversion of all outstanding Redeemable Convertible Unsecured Loan Stocks ("RCULS") of the Company and the net profit is adjusted to eliminate the applicable interest expense less the associated tax effect. The dilutive effect is computed assuming full conversion of the RCULS as at the date of issue.

(continued)

12. Property, Plant and Equipment

The Group 2004

	At beginning of year RM	Additions RM	Acquisitions of subsidiary companies RM	Disposals/ Written off RM	Disposals of subsidiary companies RM	At end of year RM
Cost (except as otherwise stated)						
Long-term leasehold land - At 1989 valuation	1,356,000	-	-	-	-	1,356,000
Short-term leasehold land	1,170,195	-	-	-	(1,170,195)	-
Factory buildings:						
- At cost	8,917,872	-	-	-	(8,211,084)	706,788
- At 1989 valuation	1,044,000	-	-	-	-	1,044,000
Plant and machinery	30,439,714	55,800	-	(8,234,023)	(14,597,063)	7,664,428
Tools and dies	845,792	19,500	-	-	-	865,292
Office equipment, furniture and fittings	1,797,487	21,550	18,815,348	(157,532)	(1,297,566)	19,179,287
Motor vehicles	2,394,240	-	1,082,600	(97,917)	(2,195,550)	1,183,373
Motor vehicle under hire-purchase	285,017	-	-	-	(285,017)	-
Renovations	701,928	-	-	-	(405,581)	296,347
Total	48,952,245	96,850	19,897,948	(8,489,472)	(28,162,056)	32,295,515

The Group 2004

Accumulated Depreciation	At beginning of year RM	Charge for the year RM	Acquisitions of subsidiary companies RM	Disposals/ Written off RM	Disposals of subsidiary companies RM	At end of year RM	Net Boo 2004 RM		Depreciation Charge 2003 RM
Long-term leasehold land - At 1989 valuation	224,257	16,925	-	-	-	241,182	1,114,818	1,131,743	16,925
Short-term leasehold land	144,167	23,601	-	-	(167,768)	-	-	1,026,028	23,601
Factory buildings:									
- At cost	995,161	178,410	-	-	(1,035,368)	138,203	568,585	7,922,711	181,744
- At 1989 valuation	276,849	20,880	-	-	-	297,729	746,271	767,151	20,880
Plant and machinery	14,589,919	4,653,039	-	(5,690,440)	(7,572,940)	5,979,578	1,684,850	15,849,795	1,960,538
Tools and dies	769,572	45,053	-	-	-	814,625	50,667	76,220	63,967
Office equipment, furniture and fittings	s 1,007,966	228,424	16,613,226	(148,041)	(765,321)	16,936,254	2,243,033	789,521	205,061
Motor vehicles	1,357,742	281,278	319,371	(53,854)	(1,488,607)	415,930	767,443	1,036,498	357,540
Motor vehicle unde hire-purchase	r 19,000	57,004	-	-	(76,004)	-	-	266,017	19,000
Renovations	655,557	29,931	-	-	(404,977)	280,511	15,836	46,371	212,426
Total	20,040,190	5,534,545	16,932,597	(5,892,335)	(11,510,985)	25,104,012	7,191,503	28,912,055	3,061,682

(continued)

12. Property, Plant and Equipment (continued)

The Group has two parcels of leasehold land that are held under long leases of 99 years, expiring on September 29, 2069 and August 9, 2071 respectively.

The land and buildings under long lease of the Group were revalued by the previous directors in December, 1989 based on the report of an independent firm of professional valuers using the "open market value" basis. The surplus arising on revaluation has been credited to revaluation reserve in the financial statements of the subsidiary company. The land and buildings under long lease are stated at the 1989 valuation in the financial statements of the subsidiary company as allowed under the transitional provisions of International Accounting Standard No. 16 (Revised), Property, Plant and Equipment as adopted by the MASB.

The tax effects of the surplus arising on revaluation of the land and buildings under long lease have been recognised retrospectively in the financial statements of the subsidiary company upon the adoption of MASB Standard 25, Income Taxes.

The historical costs and carrying values of the revalued land and buildings under lease are as follows:

	The G	Group
	2004 RM	2003 RM
Cost:		
Long-term leasehold land	371,155	371,155
Buildings	706,788	706,788
	1,077,943	1,077,943
Accumulated depreciation:		
Long-term leasehold land	66,293	61,614
Buildings	140,942	126,687
	(207,235)	(188,301)
Net book value at end of year	870,708	889,642

Land and buildings of the Group with carrying amount of RM2,429,674 (2003: RM2,481,655) are pledged to a bank for an overdraft and banking facilities of RM2,800,000 granted to the Group during the year. These facilities were unutilised as at year end.

Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment which are still in use, with a cost of approximately RM3,522,619 (2003: RM4,342,802).

(continued)

13. Investments in Subsidiary Companies

	The Group		
	2004 RM	2003 RM	
Unquoted shares:			
At cost	516,430,810	-	
At 2002 directors' valuation	14,667,281	48,812,553	
Allowance for impairment loss	(9,098,493)	(236,721)	
	521,999,598	48,575,832	

Details of subsidiary companies are as follows:

Name of Subsidiary Company	Place of Incorporation	Principal Activities		e Percentage Ownership 2003 %
*ECM Libra Capital Sdn. Bhd. (formerly known as ECM Capital Sdn. Bhd.)	Malaysia	Provision of management, advisory and investment consulting services	100	-
*ECM Libra Partners Sdn. Bhd.	Malaysia	Provision of money lending services	100	-
*ECM Libra Holdings Limited (formerly known as ECM Holdings Limited) and its subsidiaries:	Labuan, Malaysia	Investment holding and provision of advisory services	100	-
*ECM Libra Investment Bank Limited	Labuan, Malaysia	Provision of offshore investment banking and related financial services	100	-
*ECM Libra Securities Limited	Hong Kong	Securities dealing	100	-
*ECM Libra Securities Sdn. Bhd. (formerly known as BBMB Securities Sdn. Bhd.) and its subsidiaries:	Malaysia	Stock and share broking	100	-
*BBMB Securities Nominees Sdn. Bhd.	Malaysia	Provision of nominee services	100	-
*BBMB Securities Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of nominee services for local clients	100	-
*BBMB Securities Nominees (Asing) Sdn. Bhd.	Malaysia	Provision of nominee services for foreign clients	100	-
*BBMB Securities Portfolio Management Sdn. Bhd.	Malaysia	Dormant	100	-
South Peninsular Properties Sdn. Bhd. and its subsidiary:	Malaysia	Property trading and development	100	100

(continued)

13. Investments in Subsidiary Companies (continued)

Name of Subsidiary Company	Place of Incorporation	Principal Activities		e Percent Ownership 200 %
Kayangan Pelita Sdn. Bhd.	Malaysia	Property trading and development	-	10
South Peninsular Capital Sdn. Bhd.	Malaysia	Provision of money lending services	100	10
Metal Perforators (Malaysia) Sdn. Bhd. and its subsidiary:	Malaysia	Manufacturing and marketing of perforated products	100	10
*TRE Industrial Galvanising Services Sdn. Bhd.	Malaysia	Dormant	-	10
*S.P.I. Plastic Industries (M) Sdn. Bhd. and its subsidiaries:	Malaysia	Manufacturing of plastic products	-	10
*Sun Sparkle Sdn. Bhd.	Malaysia	Dormant	-	10
*Tan Brothers Business Machines (Segamat) Sdn. Bhd.	Malaysia	Dormant	-	10
*MPM Metal Sdn. Bhd.	Malaysia	Dormant	-	10
*South Peninsular Management Services Sdn. Bhd.	Malaysia	Provision of management services	-	10
*South Peninsular Ventures Sdn. Bhd.	Malaysia	Provision of management services, investment holding and trading services	-	10
*South Peninsular Technologies Centre Sdn. Bhd.	Malaysia	Pre-operating	-	10
*Mezzanine Finance (HK) Limited	Hong Kong	In the process of deregistration	-	1
*Handal Lagenda Sdn. Bhd.	Malaysia	Investment holding	-	8
*South Peninsular Engineering Sdn. Bhd.	Malaysia	In the process of deregistration	-	8
*Rama Technology Sdn. Bhd. (formerly known as Arab-Malaysian Institute of Technology Sdn. Bhd.)	Malaysia	Dormant	-	10
*South Peninsular Components Sdn. Bhd.	Malaysia	In the process of deregistration	-	8

(continued)

13. Investments in Subsidiary Companies (continued)

The effect of the said acquisitions on the financial results of the Group from the dates of acquisition to the year end is as follows:

	Unaudited 2004 RM
Post-acquisition results of subsidiary companies acquired:	
Revenue	159,388
Cost of sales	-
Gross profit	159,388
Other operating income	84,225
Other operating expenses	(85,006)
Profit before tax	158,607
Income tax expense	-
Profit after tax	158,607
Minority interest	-
Decrease in Group loss attributable to shareholders	158,607

The fair value of the assets acquired and liabilities assumed from the acquisitions of subsidiary companies is as follows:

	2004 RM
Net assets acquired as at date of acquisition:	
Property, plant and equipment	2,965,351
Investment in quoted shares	12,500,001
Marketable securities	4,056,870
Trade receivables	215,975,598
Loan receivables	2,659,714
Other receivables and prepaid expenses	10,975,999
Cash and bank balances	128,252,399
Trade payables	(195,762,785)
Other payables and accrued expenses	(25,386,793)
Tax liabilities	(112,583)
Provision for retirement benefits	(350,453)
Deferred tax liabilities	(42,000)
Net assets acquired	155,731,318
Goodwill on acquisition	360,699,492
Total purchase consideration	516,430,810
Less: Issue of redeemable convertible unsecured loan stocks	(60,000,000)
Issue of shares, net of share issue expenses	(475,490,894)
Cash and bank balances	(112,270,337)
Unpaid portion, included in other payables	(2,629,329)
Cash inflow on acquisition, net of cash acquired	(133,959,750)

(continued)

13. Investments in Subsidiary Companies (continued)

During the year, the Group disposed off the following subsidiary companies:

South Peninsular Management Services Sdn. Bhd., Kayangan Pelita Sdn. Bhd., South Peninsular Ventures Sdn. Bhd., South Peninsular Technologies Centre Sdn. Bhd., Handal Lagenda Sdn. Bhd., South Peninsular Engineering Sdn. Bhd., Rama Technology Sdn. Bhd. (formerly known as Arab-Malaysian Institute of Technology Sdn, Bhd.), and S.P.I. Plastic Industries (M) Sdn. Bhd.

The effect of these disposals on the financial position of the Group at date of disposal and as of March 31, 2003 is as follows:

	Unaudited 2004 RM	Audited 2003 RM
Revenue	29,664,420	48,652,326
Operating expenses	(29,224,956)	(16,279,604)
Finance costs	(11,150)	(12,826)
Profit before tax	428,314	32,359,896
Income tax expense	(336,532)	(1,069,306)
	91,782	31,290,590

The effect of these disposals on the financial position of the Group at date of disposal and as of March 31, 2003 is as follows:

	Unaudited 2004 RM	Audited 2003 RM
Net assets disposed as at date of disposal:		
Property, plant and equipment	16,651,071	24,084,006
Investments in subsidiary companies	1,334,243	-
Inventories	1,563,238	1,739,532
Properties held for resale	-	987,301
Trade receivables	6,110,209	5,396,440
Other receivables	1,631,951	969,229
Cash and bank balances	3,385,101	6,549,889
Trade payables	(2,925,481)	(2,973,479
Other payables	(5,739,069)	(6,143,547
Tax liabilities	(1,210,617)	(252,323
Amount owing from subsidiary companies	534,875	
Amount owing to immediate holding company	(800,459)	
Amount owing to related company	(698,595)	
Amount owing to former ultimate holding company	(534,875)	
Amount owing to other former related companies	-	(95,000
Deferred tax liabilities	(2,069,862)	(2,649,000
Net assets disposed	17,231,730	27,613,048
Reserve on consolidation	(1,083,032)	
Loss realised on disposal	(613,628)	
Net value of disposal	15,535,070	
Less: Unpaid portion of cash consideration from		
disposal of subsidiary company	(13,500,000)	
Less: Cash and bank balances	(3,385,101)	
Cash flow on disposal, net of cash and cash equivalents disposed	(1,350,031)	

(continued)

14. Other Investment

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
At fair value:				
Unquoted shares	12,500,001	-	-	-
At cost:				
Unquoted bonds	4,000,000	4,000,000	4,000,000	4,000,000
	16,500,001	4,000,000	4,000,000	4,000,000

Investment in unquoted shares represents 4,545,455 ordinary shares in Bursa Malaysia Berhad received by a subsidiary company in the current financial year arising from the demutualisation of the Kuala Lumpur Stock Exchange which was completed on January 5, 2004. Under Section 4(4) of the Demutualisation (Kuala Lumpur Stock Exchange) Act 2003, the shares cannot be disposed without the appropriate regulatory approvals until and unless such shares have been listed. In the absence of other clear indicators, the directors consider that the underlying net tangible asset value as reflected in the latest audited financial statements of Bursa Malaysia Berhad to December 31, 2003 is a reasonable indication of fair value.

15. Goodwill on Consolidation

	The G	The Group	
	2004 RM	2003 RM	
At beginning of year	2,321,542	2,321,542	
Arising from acquisition of subsidiary companies (Note 13)	360,699,492	-	
Disposal of subsidiary companies	(2,321,542)	-	
At end of year	360,699,492	2,321,542	

16. Properties Held for Resale

	The Group	
	2004 RM	2003 RM
At cost:		
Freehold land	1,772,074	1,751,111
Leasehold land	-	892,539
	1,772,074	2,643,650
Less: Allowance for diminution in value	(1,022,074)	-
	750,000	2,643,650

(continued)

17. Inventories

	The G	The Group	
	2004 RM	2003 RM	
At cost:			
Raw materials	406,454	1,147,934	
Work-in-progress	212,275	417,418	
Finished goods	207,205	1,316,599	
Consumable goods	-	81,374	
Packing materials	72,967	8,362	
	898,901	2,971,687	
Less: Allowance for obsolete inventories	(36,267)	(36,267)	
	862,634	2,935,420	

18. Marketable Securities

	The G	The Group	
	2004 RM	2003 RM	
Quoted shares at cost:			
- Outside Malaysia	1,253,683		
- In Malaysia	3,294,685		
	4,548,368		
Less: Allowance for diminution in value	(491,498)		
	4,056,870		
Market value of quoted shares:			
- Outside Malaysia	766,775		
- In Malaysia	10,009,116		
	10,775,891		

(continued)

19. Trade Receivables, Other Receivables and Prepaid Expenses

Trade receivables consists of:

	The Group		The Co	mpany
	2004 RM	2003 RM	2004 RM	2003 RM
Amount owing by clients	135,515,167	-	-	-
Amounts owing by brokers	105,377,750	-	-	-
Less: Interest-in-suspense	(2,918,228)	-	-	-
Allowance for doubtful debts	(24,286,325)	-	-	-
	213,688,364	-	-	-
Other trade receivables	3,181,817	6,744,768	-	-
Less: Allowance for doubtful debts	(82,669)	(164,045)	-	-
	3,099,148	6,580,723	-	-
	216,787,512	6,580,723	-	-

Classification of non-performing accounts and related exposure in accordance with Schedule 7A of the Rules of Bursa Malaysia Securities Berhad.

	The C	The Group	
	2004 RM	2003 RM	
Classified as doubtful	432,660	-	
Classified as bad	35,909,234	-	
At end of year	36,341,894	-	

Movement of allowance for bad and doubtful debts:

	The Group	
	2004	2003
	RM	RM
At beginning of year	164,045	58,258
Arising from acquisition of subsidiary company	24,286,325	-
Allowance for bad and doubtful debts	36,000	137,204
Allowance written off against receivables	-	(31,417)
Arising from disposal of subsidiary companies	(117,376)	-
At end of year	24,368,994	164,045

iii) Movement of interest-in-suspense:

	The G	The Group	
	2004 RM	2003 RM	
At beginning of year	-		
Arising from acquisition of subsidiary company	2,918,228		
At end of year	2,918,228		

(continued)

19. Trade Receivables, Other Receivables and Prepaid Expenses (continued)

Other receivables and prepaid expenses consists of:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Tax recoverable	7,878,140	642,180	104,754	504,510
Proceeds receivable from stakeholder on the				
disposal of subsidiary company	13,500,00	-	13,500,000	-
Sundry receivables	18,050,802	761,220	16,262,792	801
Refundable deposits	1,239,262	360,551	2,000	2,000
Prepaid expenses	1,278,663	972,728	734,102	934,104
Staff loans	621,709	-	-	-
Interest income due and accrued	56,345	-	46,666	-
Less: Allowance for doubtful debts	(649,398)	-	-	-
	41,975,523	2,736,679	30,650,314	1,441,415

Trade receivables comprise mainly amounts due from clients and brokers and amount receivable for the sale of goods. The credit period granted on sales of goods ranges from 30 to 120 days (2003: 30 to 120 days). An allowance has been made for estimated irrecoverable amounts from the sale of goods of RM82,669 (2003: RM164,045). This allowance has been determined by reference to past default experience.

Receivable from a stakeholder represents the balance proceeds of the disposal of S.P.I. Plastics Industries (M) Sdn. Bhd. which was subsequently received on April 2, 2004.

Included in sundry receivables of the Group and of the Company is an amount of RM15,835,017 (2003: RM Nil) representing surplus consideration paid for the acquisition of a subsidiary company during the year, refundable from the vendor once mutually agreed upon.

Staff loans of the Group bear interest at 7% per annum and are secured over properties and motor vehicles financed.

20. Loan Receivables

As of March 31, 2004, the loan receivables arose from the acquisition of ECM Libra Investment Bank Limited and ECM Libra Partners Sdn. Bhd. All the loans will mature within a year.

Loan receivables for the previous year comprised amounts drawn down by the debtors from the revolving loan facilities of RM65,000,000 granted by the Company as a result of participation in funding agreements entered into with a former related company.

The credit period granted on revolving loan facility was 6 months from the date of draw down by the debtor. The amount outstanding bore interest at rates ranging from 10% to 11% per annum on the amount drawn down on a daily basis. During the current financial year, the loans were fully repaid.

21. Holding Company and Related Party Transactions

The Company has ceased to be a subsidiary company of Arab-Malaysian Corporation Berhad, a company incorporated in Malaysia, which was also regarded by the directors as the ultimate holding company.

The amount owing by the former holding company represented mainly advances given by the Company and bore interest at 3% (2003 : 3%) per annum.

The amounts owing by subsidiary companies in 2004 represent mainly advances given by the Company and expenses paid on behalf of the subsidiary companies and bore interest at 5% to 10% (2003: 3.5% to 10%) per annum.

The amount owing to subsidiary companies in 2003 represents mainly advances given to the Company and expenses paid on behalf of the Company and bore interest at 3%.

(continued)

21. Holding Company and Related Party Transactions (continued)

During the year, the significant related party transactions were as follows:

	The Group		The Company		
	2004 RM	2003 RM	2004 RM	2003 RM	
Subsidiary companies:					
Waiver of amount owing	-	-	1,358,722		
Interest income - net	-	-	2,174,090	859,38	
Interest expense	-	-	-	71,89	
Dividend income	-	-	28,751,343	11,691,54	
Former holding company:					
Management fee payable	37,500	-	-		
Interest income	30,410	121,084	30,410	121,08	
Arab-Malaysian Prima Realty Sdn. Bhd., a former related company					
Proceeds from disposal of subsidiary company, resulting in a net gain on disposal of RM461,692	535,000	-	535,000		
Management fee payable	18,000	100,000	-		
Interest expense	459	-	-		
Syarikat Sin Kwang Plastics Sdn. Bhd., an associated company of the former holding company:					
Sales	-	1,127,424	-		
Purchases	-	33,631	-		
Goodhart Technology Sdn.Bhd, a subsidiary company of Syarikat Sin Kwang Plastics Sdn. Bhd.:					
Purchases and mould repairs	-	130,248	-		
Goodhart Land Sdn. Bhd., a company in which Dato' Gan Kim Huat, a former director of the Company, has financial interest:		102.000			
Rental of premises	-	192,000			
Goodhart Industries Sdn. Bhd., a company in which Dato' Gan Kim Huat, a former director of the Company, has financial interest:					
Sales	-	1,136,129	-		
Purchases		1,809,736	-		
AmAssurance Berhad, a company in which Tan Sri Dato' Azman Hashim, a former director of the Company, is deemed interested:					
Insurance premiums payable	6,724	44,759	-		

(continued)

21. Holding Company and Related Party Transactions (continued)

During the year, the significant related party transactions were as follows:

	The G 2004 RM	Group 2003 RM	The Con 2004 RM	mpany 2003 RM
Melawangi Sdn. Bhd., a subsidiary company of Arab-Malaysian Corporation Berhad, in which Tan Sri Dato' Azman Hashim, a former director of the Company, is deemed interested:				
Interest expense	10,199	-	-	-
Corporateview Sdn. Bhd., a subsidiary company of Arab-Malaysian Corporation Berhad, in which Tan Sri Dato' Azman Hashim, a former director of the Company, is deemed interested:				
Management fee payable	270,000	-	-	-
Advisory fee for private placement exercise	262,500	-	262,500	-
Internal audit fee	21,500	-	15,500	-
Fulcrum Capital Sdn. Bhd., a subsidiary company of Arab-Malaysian Corporation Berhad, in which Tan Sri Dato' Azman Hashim, a former director of the Company is deemed interested:				
Advisory fee for placement of other investment	55,624	-	-	-
Reimbursement to cover cost in relation to early repayment of participation funds	556,000	-	-	-

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under normal commercial terms.

As of March 31, 2004, included in fixed deposits of the Group and of the Company are amounts of RM50,966,483 (2003: RM27,553,134) and RM50,966,483 (2003: RM870,738) respectively placed in the normal course of business and established under normal commercial terms with AmBank Berhad and AmMerchant Bank Berhad, licensed financial institutions in which Tan Sri Dato' Azman Hashim, a former director of the Company, is also a director and has substantial financial interest. During the current financial year, the interest income receivable from the said related parties for the Group and the Company amounted to RM888,771 (2003: RM713,309) and RM146,398 (2003: RM169,244) respectively.

(continued)

22. Cash and Bank Balances

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Fixed deposits with:				
Licensed banks	162,777,064	28,433,134	118,188,482	870,738
Licensed financial institutions	52,291,000	-	-	-
	215,068,064	28,433,134	118,188,482	870,738
Trust accounts with:				
Licensed banks	18,717,445	-	-	-
Deposits held in trust with:				
Licensed banks	2,432,969	-	-	-
Licensed financial institutions	1,227,616	-	-	-
Cash and bank balances	11,667,730	1,075,648	1,626,708	53,622
	249,113,824	29,508,782	119,815,190	924,360

The weighted average effective interest rate of deposits was 3.015% (2003: 2.6%) per annum. Deposits of the Group and of the Company have an average maturity of 187 days (2003: 30 days).

23. Trade Payables, Other Payables and Accrued Expenses

Trade payables consist of:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Amounts owing to clients	175,818,338	-	-	-
Amounts owing to brokers	16,878,469	-	-	-
Amount owing to suppliers	672,298	3,882,887	-	-
Dealers/remisiers trust accounts	3,064,898	-	-	-
	196,434,003	3,882,887	-	-

Amounts owing to clients and brokers mainly relate to contra gains owing to clients and outstanding contracts entered into on behalf of clients where settlements via the Central Depository System have yet to be made. Other trade payables comprise amounts outstanding for trade purchases and ongoing costs.

The trade credit term for non-margin clients and brokers is 3 market days according to the Bursa Malaysia Fixed Delivery and Settlement System ("FDSS") trading rules. The average credit period granted to the Group and the Company for other trade payables is 30 to 120 days (2003 : 30 to 120 days).

Included in amounts owing to clients are outstanding contracts of RM104,841,300 (2003: RM Nil) entered into on behalf of the directors of the Company.

(continued)

23. Trade Payables, Other Payables and Accrued Expenses (continued)

Other payables and accrued expenses consist of:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Amount owing to directors	13,375,002	-	-	-
Amount owing to Khazanah Nasional Berhad	28,464,346	-	28,464,346	-
Other payables	14,975,808	2,892,060	8,579,479	4,614
Interest payable	26,975	1,078,356	-	1,078,356
Provision for bonus	3,557,670	-	-	-
Accrued expenses	5,307,788	3,729,990	3,014,238	103,110
	65,707,589	7,700,406	40,058,063	1,186,080

Other payables consist mainly of ongoing costs and placement fees payable in connection with the shares issued during the year. Also included in other payables is an amount of RM2,450,000 (2003: RM Nil) representing deposit received for the proposed acquisition of Metal Perforators (Malaysia) Sdn Bhd.

Pursuant to a share sale agreement dated November 14, 2003, entered into between the Company and Khazanah Nasional Berhad ("Khazanah") for the acquisition of ECM Libra Securities Sdn Bhd (formerly known as BBMB Securities Sdn. Bhd.), proceeds amounting to RM10,000,000 arising from the receipt and eventual sale of the unquoted shares in Bursa Malaysia Berhad are to be made to Khazanah. This amount is unsecured, and interest free, and the repayment date is subject to the listing of the shares. Also included in the amount owing to Khazanah is an amount of RM18,464,346, subject to certain final adjustments to be mutually agreed upon, representing receivables of ECM Libra Securities Sdn. Bhd. payable by the Company to Khazanah upon collection.

The amount owing to directors arose mainly from dividend payable by a subsidiary company, ECM Libra Holdings Limited, of RM13,151,849, to Lim Kian Onn, Dato' Kalimullah bin Masheerul Hassan and Chua Ming Huat, former shareholders of the subsidiary company.

24. Hire-Purchase Payables

	The G	roup
	2004 RM	2003 RM
Total outstanding	-	260,150
Less: Interest-in-suspense outstanding	-	(36,859)
Principal outstanding	-	223,291
Less: Amount due within 12 months (shown under current liabilities)	-	(42,543)
Non-current portion	-	180,748

(continued)

24. Hire-Purchase Payables (continued)

The non-current portion is repayable as follows:

	The C	iroup
	2004 RM	2003 RM
Financial year ending March 31:		
2005	-	45,989
2006	-	49,436
2007	-	52,883
2008	-	32,440
	-	180,748

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangement. The term for hire-purchase is 5 years. For the financial year ended March 31, 2004, the effective borrowing rate was 6.8 % (2003: 6.8 %). Interest rate is fixed at the inception of the hire-purchase arrangement. The Group's hire-purchase payable is secured by the financial institutions' charge over the asset under hire-purchase.

25. Borrowings

	The Group		The Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Term loan (unsecured)	40,000,000	40,000,000	40,000,000	40,000,000

The Group and the Company has a five (5) year term loan of RM40,000,000 which is repayable in one lump sum upon maturity of the term loan in the financial year ending March 31, 2008.

The term loan was arranged at fixed interest rate. The effective interest rate is 8% per annum. The term loan was obtained by the Company in connection with the Company's investment in unquoted bonds.

26. Deferred Tax Liabilities

	The Group		The Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Balance at beginning of year	3,290,000	3,344,000	-	-
Arising from the acquisition of a subsidiary company	42,000	-	-	-
Arising from the disposal of a subsidiary company	(2,069,862)	-	-	-
Charged to equity	1,860,156	-	1,860,156	-
Transfer to income statements (Note 10)	(531,138)	(54,000)	-	-
Balance at end of year	2,591,156	3,290,000	1,860,156	-

(continued)

26. Deferred Tax Liabilities (continued)

The net deferred tax liabilities is in respect of the following:

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Temporary differences between depreciation and tax allowances on property,	445.000	2 202 000		
plant and equipment	465,000	3,203,000	-	-
Unutilised tax losses and capital allowances	(103,000)	-	-	-
Revaluation reserve	398,000	398,000	-	-
Redeemable Convertible Loan Stocks	1,860,156	-	1,860,156	-
Others	(29,000)	(311,000)	-	-
	2,591,156	3,290,000	1,860,156	-

27. Provision for Retirement Benefits

	The C	The Group	
	2004 RM	2003 RM	
Balance at beginning of year	22,187	54,608	
Provision for the year	4,800	1,200	
Arising from acquisition of a subsidiary company	350,453	-	
Payments	-	(33,621)	
Balance at end of year	377,440	22,187	

28. Share Capital

	The Gro the Co	
	2004 RM	2003 RM
Authorised:		
Ordinary shares of RM1 each		
At beginning of year	50,000,000	50,000,000
Created during the year	950,000,000	-
At end of year	1,000,000,000	50,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At beginning of year	42,000,000	16,800,000
Issued during the year:		
Acquisition of subsidiary companies	270,000,000	-
Private placement	100,000,000	-
Bonus issue	21,000,000	25,200,000
At end of year	433,000,000	42,000,000

(continued)

28. Share Capital (continued)

As approved by the shareholders at the Extraordinary General Meeting held on March 1, 2004, the Company increased its issued and fully paid up ordinary share capital from RM42,000,000 to RM433,000,000 by way of:

- an issue of 270,000,000 new ordinary shares of RM1.00 each as part consideration for the acquisition of 100% equity interest in ECM Libra Capital Sdn. Bhd., ECM Libra Holdings Limited and ECM Libra Partners Sdn. Bhd.;
- b) private placement of 100,000,000 new ordinary shares of RM1 each at the issue price of RM2.10 each; and
- c) a bonus issue of 21,000,000 new ordinary shares of RM1 each through capitalisation of RM21 million from the unappropriated profit account on the basis of one (1) new ordinary share of RM1 each for every two (2) existing ordinary shares of RM1 each held.

All new ordinary shares issued rank pari passu with the then existing shares except that they were not entitled to participate in any dividends, rights, allotments and/or any other distributions the entitlement of which was prior to their allotments.

All new ordinary shares issued were listed and quoted on the Bursa Malaysia Securities Berhad with effect from March 30, 2004.

29. Redeemable Convertible Unsecured Loan Stocks ("RCULS")

		The Group and the Company	
	2004 RM	2003 RM	
Balance at beginning of year	-	-	
Issued during the year:			
Liability component (Note 25)	53,356,584	-	
Equity component, net of deferred tax liability	4,783,260	-	
Deferred tax liability	1,860,156	-	
	60,000,000	-	
Balance at end of year	60,000,000		

On March 25, 2004, the Company issued RM60,000,000 5-year Redeemable Convertible Unsecured Loan Stocks at 100% of the nominal value with a coupon rate of 3% per annum ("RCULS") as part consideration for the ECM Libra Acquisitions. The salient features of the RCULS are as follows:

- The registered holder of the RCULS shall be entitled from the date of issue of March 25, 2004 until March 25, 2009, at their sole and absolute discretion, at any time and from time to time, to convert the whole or part of the RCULS into new ordinary shares of RM1 each in the Company by tendering the RCULS at the nominal value thereof;
- ii) All new ordinary shares issued upon such conversion shall rank pari passu in all respect with the existing ordinary shares of the Company except that these shares are not entitled to any dividends, rights, allotments and/or distributions the record date of which is prior to the allotment of the new shares;
- iii) Unless previously converted, all outstanding RCULS will be redeemed at full nominal value by the Company on the maturity date of March 25, 2009;
- iv) The RCULS bears interest at 3% of the nominal value and is payable annually on the outstanding RCULS; and
- v) The RCULS is non-transferable and non-tradable.

The RCULS have been classified separately into their component parts as liability or as equity on the balance sheet in accordance with MASB Standard 24 Financial Instruments: Disclosure and Presentation. The fair value of the liability component is calculated using a prevailing market interest rate at the date of issuance for a similar non-convertible loan stock. The residual amount, representing the fair value of the equity component, net of deferred tax liability, is included in shareholders' equity.

(continued)

30. Reserves

	The Group		The Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Distributable reserve:				
(Accumulated loss)/Unappropriated profit	(5,252,287)	27,190,672	296,762	33,093,035
Non-distributable reserves:				
Share premium	105,490,894	-	105,490,894	-
Revaluation reserve	-	-	-	560,115
Reserve on consolidation	3,899,315	4,982,347	-	-
	104,137,922	32,173,019	105,787,656	33,653,150

Revaluation Reserve

The revaluation reserve is used to record increases and decreases in revaluation of investments in subsidiary companies.

Unappropriated Profit

Distributable reserves are those available for distribution as cash dividends. Taking into account the tax exempt income accounts as mentioned in Note 10 and based on the estimated tax credits available and the prevailing tax rate applicable to dividends, the Company is able to frank the payment of cash dividends out of all of its unappropriated profit as of March 31, 2004 without additional tax liabilities being incurred.

Share premium arose from issuance of rights issue, special issue and issuance of shares for acquisition exercise net of issue expenses.

During the year, the increase in share premium arose from the private placement of 100,000,000 new ordinary shares of RM1 each at an issue price of RM2.10 per ordinary share giving rise to a share premium of RM110,000,000 net of share issue expenses of RM4,907,500.

31. Prior Year Adjustments

As mentioned in Note 3, during the financial year, the Group changed its accounting policy on the recognition of deferred tax assets and liabilities in compliance with MASB Standard 25, Income Taxes. The accounting change has no significant effect on the Group and the Company for the current financial year. The accounting change has also been accounted for retrospectively and the effects on the prior year have been taken up as a prior year adjustment in the financial statements. Accordingly, the following accounts of the Group have been restated to reflect the effects of the accounting change:

	As previously				
	stated RM	Adjustment RM	As restated RM		
As of April 1, 2002 and March 31, 2003					
Reserve on consolidation	5,380,347	(398,000)	4,982,347		
Deferred tax liabilities	2,892,000	398,000	3,290,000		

(continued)

32. Dividends

		The Group and the Company	
	2004 RM	2003 RM	
Final dividend paid:			
2%, tax exempt (2003: 5%, tax exempt)	840,000	840,000	

A final dividend of 2%, tax exempt, amounting to RM840,000 proposed in respect of ordinary shares in the previous financial year and dealt with in the previous directors' report was paid by the Company during the current financial year.

33. Financial Instruments

Financial Risk Management Objective and Policies

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity risk and cash flows risk. The Group has formulated a financial risk management framework whose principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and Company.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments, and the Company's policy is not to engage in speculative transactions.

Operational Risk

The operational risk losses which would result from inadequate or failed internal processes, people and systems are managed through established operational risk management processes, proper monitoring and reporting of business activities by control and support units which are independent of the business units and oversight by the management and

The operational risk management processes include comprehensive documentation of processes and procedures and built-in systems of internal controls. Key back-up procedures, regular contingency planning, self-compliance audit and independent audits also form an integral part of the operational risk management process.

Equity Price Risk

Equity price risk refers to the risk of an adverse deviation of the mark-to-market value of a portfolio of securities in the time it takes for liquidation. It is the risk of loss that has to be absorbed by a company in the course of facilitation of client's trades or underwriting/ placement activities.

Market risk arising from trading activities is independently marked-to-market on a daily basis against their predetermined market risk limits within internally approved policies and guidelines of the Bursa Malaysia Securities Berhad.

Foreign Currency Risk

Foreign currency exchange risk which arises from exchange rate movements may affect the company's exposure to receivables and payables denominated in foreign currency. The Group's exposure to foreign currency risk is minimal as its transactions are denominated mainly in Ringgit Malaysia (RM) and the United States Dollar (USD). The imposition of currency controls via the pegging of RM to USD at the fixed exchange rate of USD1.00 to RM3.80 by Bank Negara Malaysia since September 1998 has stabilised the risk arising from foreign exchange fluctuations.

Hedging of foreign currency exchange risk through the use of forward exchange contracts may be adopted should the foreign exchange rate fluctuate widely. There is no outstanding forward exchange contract as at end of the period.

(continued)

33. Financial Instruments (continued)

Interest Rate Risk

Interest rate risk refers to volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through interest rate sensitivity gap analysis. The potential reduction in net interest income from unfavourable interest rate movement is monitored closely and mark-tomarket valuations are regularly reported to management.

The Group is exposed to interest rate risk through the impact of rate changes on bank borrowings and interest bearing investments. The interest rates of fixed deposits and term loans of the Group are disclosed in Notes 22 and 25 respectively.

It is the Group's policy to place cash deposits on a short-term basis and therefore allow the Group to respond promptly to significant changes of interest rates. This has minimised the Group's interest rate exposure on interest bearing investments.

Credit Risk

Credit risk is the potential loss of revenue and principal losses in the form of specific provisions as a result of partial or total default of debts and/or margin financing.

Experienced key personnel are appointed to high level management committees to establish overall credit risk limits, margin financing assessment, collateral and prudent lending policies.

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers upon careful evaluation of the customer's financial condition and credit history. The Group also ensures that it maintains a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

Liquidity Risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

Liquidity risk is controlled through the Capital Adequacy Requirements of Bursa Malaysia Securities Berhad and the Group's liquidity risk management policy.

Cash Flow Risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Financial Assets

The Group's principal financial assets are investment in unquoted bonds, cash and bank balances, loans receivables and

The accounting policies applicable to the major financial assets are as disclosed in Note 3.

Financial Liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement.

The Group's significant financial liabilities include trade and other payables and term loan.

Term loans are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on accrual basis. Interest, dividends, gains and losses relating to a financial liability are reported as expense or income.

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

(continued)

33. Financial Instruments (continued)

Fair Values

The carrying amounts and estimated fair values of the Group's and Company's financial assets and financial liabilities as of March 31, 2004 are as follows:

	2004 The Group and the Company		2003 The Group and the Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets				
Investment in unquoted shares*	12,500,001	12,500,001	-	-
Investment in unquoted bonds	4,000,000	3,325,428	4,000,000	4,000,000
Financial Liabilities				
Borrowings - term loan	40,000,000	33,254,277	40,000,000	39,215,968
Redeemable convertible unsecured loan stocks - liability component	53,356,584	53,356,584	53,356,584	53,356,584

^{*} In the absence of other clear indicators, the directors consider that the underlying net tangible asset value as reflected in the latest audited financial statements of Bursa Malaysia Berhad to December 31, 2003 is a reasonable indication of fair value of the investment in unquoted shares in Bursa Malaysia Berhad.

Cash and cash equivalents, trade and other receivables, intercompany indebtedness and trade and other payables

The carrying amounts approximate fair value because of the short maturity of these instruments.

Marketable securities

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

Term loans and redeemable convertible unsecured loan stocks ("RCULS")

The fair value of term loan and redeemable convertible unsecured loan stocks is estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements. The carrying amount of the liability component of the RCULS approximates fair value as the instrument was newly issued during the year.

34. Cash and Cash Equivalents

	The Group		The Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Short term deposits	237,446,094	28,433,134	118,188,482	870,738
Cash on hand and at bank	11,667,730	1,075,648	1,626,708	53,622
	249,113,824	29,508,782	119,815,190	924,360
Less: Deposits held in trust	(15,982,062)	-	-	-
	233,131,762	29,508,782	119,815,190	924,360

(continued)

35. Contingent Liabilities

On March 21, 2003, an ex-client of a subsidiary company has initiated legal proceedings against a subsidiary company at the High Court of Kuala Lumpur for the sum of RM233,544, any appropriate compensation and interest at the rate of 8% per annum until settlement date. These claims were made in respect of fraud committed by an ex-dealer of the subsidiary company, who has performed illegal operations in the name of the subsidiary company. As at the date of reporting, the subsidiary company has yet to agree on a settlement amount with the claimant.

The directors of the subsidiary company are of the opinion that the claims are recoverable from the Comprehensive Crime and Professional Indemnity Policy mandatory for all participating organisations of Bursa Malaysia Securities Berhad and from certain financial institutions for the recovery of fraudulent cheques in the name of the subsidiary company.

36. Significant Events During the Financial Year

During the financial year, the Company undertook the following:

- The disposal of the Company's entire equity interest in Handal Lagenda Sdn. Bhd. and South Peninsular Technologies Sdn. Bhd., both companies incorporated in Malaysia, for a total cash consideration of RM20. These disposals were completed on March 31, 2004;
- The disposal of the Company's entire equity interest in Kayangan Pelita Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM535,000. This disposal was completed on March 31, 2004;
- (iii) The disposal of the Company's entire equity interest in South Peninsular Ventures Sdn. Bhd., Rama Technology Sdn. Bhd. (formerly known as Arab-Malaysian Institute of Technology Sdn. Bhd.), South Peninsular Management Services Sdn. Bhd., MPM Metal Sdn. Bhd. and TRE Industrial Galvanising Services Sdn. Bhd., all companies incorporated in Malaysia, for a total cash consideration of RM50. These disposals were completed on March 31, 2004;
- (iv) The disposal of the Company's entire equity interest in S.P.I. Plastic Industries (M) Sdn. Bhd. to Freesia Valley Sdn. Bhd. for a total cash consideration of RM15,000,000. This disposal was completed on March 31, 2004;
- (v) The Company had on March 30, 2004 completed the acquisition of 100% equity interest in ECM Libra Securities Sdn. Bhd. (formerly known as BBMB Securities Sdn. Bhd.) for a cash consideration paid of RM172,811,479 subject to certain final adjustments to be mutually agreed upon ("BBMB Acquisition");
- (vi) The acquisitions of 100% equity interest in ECM Libra Holdings Limited (formerly known as ECM Holdings Limited), ECM Libra Capital Sdn. Bhd. (formerly known as ECM Capital Sdn. Bhd.) and ECM Libra Partners Sdn. Bhd. for a total purchase consideration of RM330,000,000 which was satisfied by way of an issue of 270,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM1.00 each and an issue of RM60,000,000 5-year Redeemable Convertible Unsecured Loan Stocks at 100% of the nominal value with a coupon rate of 3% per annum ("ECM Libra Acquisitions"). These acquisitions were completed on March 30, 2004;
- (vii) A bonus issue of 21,000,000 new ordinary shares of RM1 each through capitalisation of RM21,000,000 from the unappropriated profit account on the basis of one (1) new ordinary share of RM1 each for every two (2) existing ordinary shares of RM1 each held in the Company ("Bonus Issue"). The Bonus Issue was completed on March 30, 2004;
- (viii) A private placement of 100,000,000 new ordinary shares of RM1 each by the Company at an issue price of RM2.10 per ordinary share of RM1 each ("Private Placement"). The Private Placement was completed on March
- (ix) The disposal of the Company's entire equity interest in Metal Perforators (Malaysia) Sdn. Bhd. to Temasek Berkat Sdn. Bhd. for a total cash consideration of RM4,500,000 which is currently pending completion.

37. Subsequent Events

- (i) On April 6, 2004, the listing and quotation of the entire issued and paid-up share capital of the Company of RM433,000,000 comprising 433,000,000 ordinary shares of RM1.00 each was transferred from the Second Board to the Main Board of Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad).
- (ii) The disposal of the Company's entire equity interest in Metal Perforators (Malaysia) Sdn. Bhd. to Temasek Berkat Sdn. Bhd. for a total cash consideration of RM4,500,000 is currently pending completion.

STATEMENT BY DIRECTORS

The directors of ECM LIBRA BERHAD state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity, are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of March 31, 2004 and of the results of their businesses and cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

LIM KIAN ONN

DATO' KALIMULLAH BIN MASHEERUL HASSAN

Kuala Lumpur, May 21, 2004

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, LIM BOON SOON, the officer primarily responsible for the financial management of ECM LIBRA BERHAD, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, 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.

LIM BOON SOON

Subscribed and solemnly declared by the abovenamed LIM BOON SOON at KUALA LUMPUR this 21st day of May, 2004.

Before me,

KARAM SINGH A/L SUDAGAR SINGH Commissioner for Oaths Kuala Lumpur May 21, 2004

OTHER INFORMATION

1. Analysis of Shareholders as at 30 July 2004

Authorised share capital RM1,000,000,000.00 Issued & paid-up capital RM 433,000,000.00

Class of shares Ordinary Shares of RM1.00 each

Voting rights

- on show of hands 1 vote

- on a poll 1 vote for each share held

Distribution schedule of shareholdings

Size of Holdings	No. of shareholders	%	No. of shares	%
Less than 100	16	0.36	651	0.00
100 - 1,000	704	15.86	641,375	0.15
1,001 - 10,000	2,660	59.92	11,422,510	2.64
10,001 - 100,000	847	19.08	27,217,486	6.29
100,001 - less than 5% of issued shares	208	4.69	167,590,986	38.70
5% and above of issued shares	4	0.09	226,126,992	52.22
	4,439	100.00	433,000,000	100.00

Thirty Largest Shareholders

Name of Shareholders	No. of Shares	%
1. Lim Kian Onn	84,000,000	19.40
2. Chua Ming Huat	60,000,000	13.86
3. Kalimullah Bin Masheerul Hassan	60,000,000	13.86
4. Hikkaya Jaya Sdn Bhd	22,126,992	5.11
5. Kumpulan Wang Amanah Pencen	12,000,000	2.77
6. Kenanga Nominees (Tempatan) Sdn Bhd- Irama Hasrat Sdn Bhd	10,000,000	2.31
7. Employees Provident Fund Board	7,316,000	1.69
8. Mezzanine Capital (Malaysia) Sdn Bhd	6,880,972	1.59
9. Mayban Nominees (Asing) Sdn Bhd- G.K. Goh Strategic Holdings Pte Ltd	6,100,000	1.41
10. A.A. Assets Nominess (Tempatan) Sdn. Bhd.- Gabungan Harmoni Sdn Bhd	5,874,600	1.36
11. Citicorp Nominees (Tempatan) Sdn Bhd- Prudential Assurance Malaysia Berhad (Prulink Equity Fund)	5,722,000	1.32
12. Mayban Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Simpanan Perkerja	4,600,000	1.06
13. Citicorp Nominees (Asing) Sdn Bhd- American International Assurance Co. Ltd (AIA Reg Equity Fund)	4,225,000	0.98
14. Citicorp Nominees (Tempatan) Sdn Bhd- Prudential Assurance Malaysia Berhad (Par Fund)	3,889,000	0.90
15. Citicorp Nominees (Asing) Sdn Bhd- Kuwait Investment Authority	3,585,000	0.83

OTHER INFORMATION

(continued)

1. Analysis of Shareholders as at 30 July 2004 (continued)

Name of Shareholders	No. of Shares	%
16. S. Elias Bin Abd. Rahman Alhabshi	3,210,000	0.74
17. Chua Lan Hiong	3,000,000	0.69
18. Lara Hassan Binti Kalimullah	3,000,000	0.69
19. Cartaban Nominees (Asing) Sdn Bhd - AIG South East Asia Fund Plc	2,925,000	0.68
20. BHLB Trustee Berhad - Prugrowth Fund	2,812,300	0.65
1. Citicorp Nominees (Asing) Sdn Bhd - AIG International Funds - Acorns of Asia Balanced Fund	2,292,400	0.53
22. Cartaban Nominees (Asing) Sdn Bhd - Credit Agricole Funds Asian Growth	1,890,000	0.44
23. Cartaban Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	1,628,000	0.38
24. Mayban Nominees (Asing) Sdn Bhd - AIG Asian Fund	1,608,100	0.37
25. Universal Trustee (Malaysia) Berhad - SBB Emerging Companies Growth Fund	1,495,000	0.35
26. Citicorp Nominees (Asing) Sdn Bhd - American International Assurance Company Limited	1,300,000	0.30
27. A.A. Assets Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Amanah Pencen	1,250,000	0.29
28. Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad	1,236,300	0.29
29. Alliancegroup Nominees (Tempatan) Sdn Bhd - Cheah Chee Kong	1,200,000	0.28
30. Cartaban Nominees (Asing) Sdn Bhd - AlG Asia Balanced Fund Plc	1,164,200	0.27
	326,330,864	75.37

Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Shareholders	No. of shares	%	No. of shares	%
Lim Kian Onn	84,000,000	19.40	-	-
Dato' Kalimullah bin Masheerul Hassan	60,000,000	13.86	-	-
Chua Ming Huat	60,000,000	13.86	-	-
Hikkaya Jaya Sdn Bhd	22,126,992	5.11	-	-
Arab-Malaysian Corporation Bhd	-	-	29,007,964 ⁽¹⁾	6.70
Tan Sri Dato' Azman Hashim	-	-	29,007,964 ⁽¹⁾	6.70
Slan Sdn Bhd	-	-	29,007,964 ⁽¹⁾	6.70
Ginagini Sdn Bhd	-	-	29,007,964 ⁽¹⁾	6.70

Notes: (1) Deemed interest through Hikkaya Jaya Sdn Bhd and Mezzanine Capital (Malaysia) Sdn Bhd.

OTHER INFORMATION

(continued)

2. Directors' Interests as at 30 July 2004

	Ordinary shares of RM1.00 each			Redeemable Convertible Unsecured Loan Stocks ("RCULS")				
	Direct Interest Deemed Interest		Direct Interest		Deemed Interest			
	No. of shares	%	No. of shares	%	No. of RCULS	%	No. of RCULS	%
In the Company								
Lim Kian Onn	84,000,000	19.40	-	-	24,000,000	40.00	-	-
David Chua Ming Huat	60,000,000	13.86	-	-	18,000,000	30.00	-	-
Dato' Kalimullah bin Masheerul Hassan	60,000,000	13.86	-	-	18,000,000	30.00	-	-
Datuk Roger Tan Kim Hock	-	-	-	-	-	-	-	-
Dato' Mohd Ali bin Abd. Samad	-	-	-	-	-	-	-	-
Tan Sri Dato' Dr. Sak Cheng Lum	-	-	-	-	-	-	-	-

3. List of Properties Held as at 31 March 2004

Location	Description	Land Tenure	Land Area (Built Up Area)	Net Book Value (RM'000)	Approx. Age of Building	Date of Revaluation
Lot 698, Mukim of Sri Gading VIII, District of Batu Pahat, Johor Darul Takzim	Vacant agricultural land	Freehold	207,281 sq. ft.	378	N/A	9.4.2004
Lot 761, Mukim of Sri Gading VIII, District of Batu Pahat, Johor Darul Takzim	Vacant agricultural land	Freehold	204,525 sq. ft.	372	N/A	9.4. 2004
Lot 5, Jalan Tukang 16/4, 40000 Shah Alam, Selangor Darul Ehsan	Industrial land & building	Leasehold (expiring 29.9.2069)	24,500 sq. ft. – (13,174 sq. ft.)	- 2,430	33	7.12.1989
Lot 7, Jalan Tukang 16/4, 40000 Shah Alam, Selangor Darul Ehsan	Industrial land & building	Leasehold (expiring 9.8.2071)	32,000 sq. ft. (17,920 sq. ft.)_		33	,,,,



(formerly known as South Peninsular Industries Berhad)

(Company No. 288682-P) (Incorporated in Malaysia)

FORM OF PROXY

of			
	g a member / members of ECM Libra Berhad, hereby appoint		
or fai	iling him/her		
of _			
Tenth	iling him/her, the Chairman of the meeting as my/our proxy/pr n Annual General Meeting of the Company to be held at Angger il, 50250 Kuala Lumpur on Wednesday, 22 September 2004 at	rik Room, 4th Floor, Hote	el Equatorial, Jalan Sultar
My/C	Our proxy/proxies is/are to vote either on a show of hands or or	n a poll as indicated bel	ow with an "X":
	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements and Reports		
2.	To re-elect the following as Directors :		
	2.1 Dato' Kalimullah bin Masheerul Hassan		
	2.2 Datuk Roger Tan Kim Hock		
	2.3 Lim Kian Onn		
	2.4 David Chua Ming Huat		
	2.5 Dato' Mohd Ali bin Abd. Samad		
	2.6 Tan Sri Dato' Dr. Sak Cheng Lum		
3.	To appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration		
4.	As special business, to approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965		
Date	d thisday of2004		
Nun	nber of shares held	Signa	ature of Member(s)

Notes:

1 / 1 /

- 1. If you wish to appoint other person(s) to be your proxy, delete the words "the Chairman of the meeting" and insert the name(s) and address(es) of the person(s) desired in the space so provided.
- 2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain at his/her discretion.
- 3. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- 4. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where two proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in order for the appointment to be valid. Where a member of the Company is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 5. In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its Attorney.
- 6. All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 2, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.

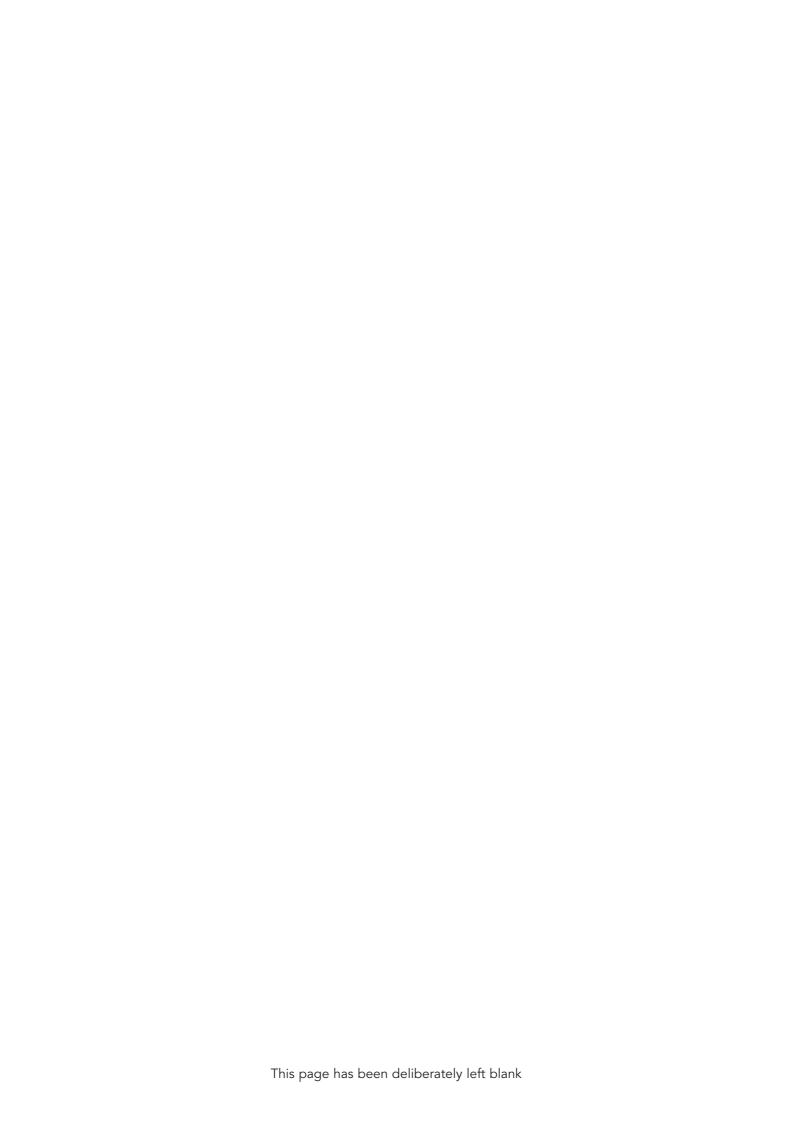
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The Company Secretary

ECM Libra Berhad (288682-P) (formerly known as South Peninsular Industries Berhad) Level 2, Menara Olympia, No. 8 Jalan Raja Chulan, 50200 Kuala Lumpur.

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To: The Shareholders

Dear Sir/Madam

NOTICE OF NOMINATION OF AUDITORS

NOTICE IS HEREBY GIVEN that in accordance with Section 172(12) of the Companies Act, 1965, Messrs Ernst & Young has been nominated for appointment as the Company's Auditors at the forthcoming Tenth Annual General Meeting of the Company.

The letter from David Chua Ming Huat is reproduced below for your information.

David Chua Ming Huat No. 34 Persiaran Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur 12 August 2004

The Board of Directors ECM Libra Berhad (formerly known as South Peninsular Industries Berhad) Level 2, Menara Olympia No. 8 Jalan Raja Chulan 50200 Kuala Lumpur

Dear Sirs,

NOMINATION OF AUDITORS

I, David Chua Ming Huat, being a shareholder of ECM Libra Berhad (formerly known as South Peninsular Industries Berhad), hereby give notice in accordance with Section 172(11) of the Companies Act, 1965, that I wish to nominate Messrs Ernst & Young, Chartered Accountants of Level 23A Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur as the Auditors of ECM Libra Berhad (formerly known as South Peninsular Industries Berhad) at the forthcoming Tenth Annual General Meeting.

Yours faithfully,

Signed DAVID CHUA MING HUAT

By Order of the Board

WONG SEONG CHO IRENE LOW YUET CHUN Secretaries

Kuala Lumpur 30 August 2004