ecmlibra

Laporan Tahunan 2005 Annual Report

ECM Libra Berhad 288682-P

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corporate information

DIRECTORS
Dato' Kalimullah bin Masheerul Hassan (Chairman)
Datuk Roger Tan Kim Hock (Deputy Chairman)
Lim Kian Onn
Chua Ming Huat
Dato' Mohd Ali bin Abd. Samad
Tan Sri Dato' Dr. Sak Cheng Lum

SECRETARY
Wong Seong Cho

AUDITORS
Messrs Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 03-2087 7000
Fax : 03-2095 5332

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
8A Floor Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2178 1888
Fax : 03-2161 8818

BUSINESS ADDRESS
8A Floor Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2178 1888
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 47, 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 Libra") on 2 April 2004. He is a member of the Nomination Committee. He attended all four (4) Board meetings held during the financial year ended 31 March 2005.

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

Datuk Roger Tan Kim Hock

Deputy Chairman/Executive Non-Independent

Aged 58, 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 the 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 Libra on 2 April 2004. He attended three (3) of the four (4) Board meetings held during the financial year ended 31 March 2005.

Datuk Roger Tan is a Director of The Bank of Nova Scotia Berhad and ECM Libra Foundation. He has no family relationship with the other directors or major shareholders of ECM Libra, has no conflict of interest with ECM Libra and has no conviction for offences within the past ten years.

Lim Kian Onn

Chief Executive Officer/Non-Independent

Aged 48, Mr 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 co-founded the ECM Libra Group in 2002 with Dato' Kalimullah and Mr David Chua. Mr Lim is also the non-executive Chairman of Plato International Limited, a company incorporated in Singapore and listed on the SGX Dealing & Automation Quotation System.

Mr Lim was appointed to the Board and as a member of the Board Audit & Risk Management Committee ("BARMC") of ECM Libra on 2 April 2004. He is a member of the Remuneration Committee. He attended all four (4) Board meetings held during the financial year ended 31 March 2005.

Mr Lim is a Director of ECM Libra Foundation. He has no family relationship with the other directors or major shareholders of ECM Libra, has no conflict of interest with ECM Libra and has no conviction for offences within the past ten years.

David Chua Ming Huat

Chief Operating Officer/Non-Independent

Aged 42, 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 started 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 Libra on 2 April 2004. He attended all four (4) Board meetings held during the financial year ended 31 March 2005.

Mr David Chua is a Director of ECM Libra Foundation. He has no family relationship with other directors or major shareholders of ECM Libra, has no conflict of interest with ECM Libra and has no conviction for offences within the past ten years.

directors' profile continued

Dato' Mohd Ali bin Abd. Samad

Non-Executive Director/Independent

Aged 57, 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 as the Chairman of the BARMC of ECM Libra on 2 April 2004. He is the Chairman of the Remuneration Committee and a member of the Nomination Committee. He attended all four (4) Board meetings held during the financial year ended 31 March 2005.

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

Tan Sri Dato' Dr. Sak Cheng Lum

Non-Executive Director/Independent

Aged 61, 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 as a member of the BARMC of ECM Libra on 21 May 2004. He is the Chairman of the Nomination Committee and a member of the Remuneration Committee. He attended all four (4) Board meetings held during the financial year ended 31 March 2005.

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

board audit & risk management committee report

Constitution

The Audit Committee, which was established on 14 March 1995 by the Board of Directors ("Board"), was renamed the Board Audit & Risk Management Committee ("BARMC") on 2 April 2004.

Composition

The members of the BARMC during the financial year were:

Chairman: Dato' Mohd Ali bin Abd Samad (appointed on 2 April 2004)
(Independent Non-Executive Director)

Mej. Gen. (Rtd) Dato' Haji Fauzi bin Hussain (resigned on 2 April 2004)
(Independent Non-Executive Director)

Members: Tan Sri Dato' Dr Sak Cheng Lum (appointed on 21 May 2004)
(Independent Non-Executive Director)

Mr Lim Kian Onn (appointed on 2 April 2004)
(Non-Independent Executive Director)

Datuk Mohd Zaman Khan @ Hassan bin Rahim Khan (resigned on 2 April 2004)
(Independent Non-Executive Director)

Mr Soo Kim Wai (resigned on 2 April 2004)
(Non-Independent Non-Executive Director)

Terms of Reference

(i) To review the following and report the same to the Board:-

(a) nominate and recommend a person or persons as external auditors, and review the audit fees;

(b) with the external auditor, the audit plan;

(c) with the external auditor, his evaluation of the system of internal accounting controls;

(d) with the external auditor, his audit report;

(e) the assistance given by the employees of the Group and the Company to the external auditor;

(f) 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;

(g) 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;

(h) the findings of the Internal Audit Department on internal audits undertaken and management's response and ensure that appropriate action is taken.

board audit & risk management committee report
continued

Terms of Reference (Continued)

(ii) To consider any related party transaction and conflict of interest situation that may arise within the Company or Group.

(iii) To review and monitor the adequacy and integrity of internal control systems, including risk management and management information systems.

(iv) To consider any other function or duty as may be agreed to by the BARMC and the Board.

Authority

The BARMC 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 Group and shall have the resources it requires to perform its duties. All employees are directed to cooperate with any request made by the BARMC.

The BARMC is authorised by the Board to obtain independent legal or other external independent professional advice, if it considers necessary.

The BARMC is authorised by the Board to obtain information on any resignation of internal audit staff members. It is further authorised to provide the resigning staff member an opportunity to submit his reasons for resigning. The BARMC is authorised by the Board to approve any appointment or termination of senior staff members of the internal audit function.

Meetings

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. The BARMC shall meet with the external auditor without executive board members present, at least once in a financial year. Minutes of each meeting shall be distributed to each member of the Board.

Two (2) members, who shall be independent and non-executive directors, shall constitute a quorum for meetings.

The Company Secretary shall be the secretary of the BARMC.

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 BARMC.

board audit & risk management committee report
continued

Activities

The BARMC carried out its duties as set out in the Terms of Reference. The BARMC met four (4) times during the financial year ended 31 March 2005. The details of attendance are as follows:

Director	No. of meetings attended
Dato' Mohd Ali bin Abd Samad	4/4
Tan Sri Dato' Dr Sak Cheng Lum	3/3
Mr Lim Kian Onn	3/4

The BARMC reviewed the quarterly financial statements and audited financial statements of the Group prior to the Board's approval and subsequent announcement. The BARMC also reviewed the external auditors' scope of work and audit plan for the Group, considered significant changes in accounting and auditing issues, reviewed the management letter and management's response and discussed applicable accounting and auditing standards. The BARMC also reviewed the resource requirements of the internal audit function, approved the internal audit plan for the financial year and the revision thereto, the internal audit programme, the audit findings and recommendations as well as Bursa Malaysia Securities Berhad's Inspection Report on the stockbroking division.

In addition, the BARMC reviewed the adequacy and integrity of internal control systems, including risk management and relevant management information systems. It also reviewed the processes put in place to identify, evaluate and manage the significant risks encountered by the Group. The BARMC also reviewed various related party transactions carried out by the Group and the procedures adopted to monitor recurrent related party transactions.

Internal Audit

During the financial year ended 31 March 2005, the Internal Audit Department carried out its duties in the stockbroking and investment banking divisions. The audit of the stockbroking division covered financial and operational areas which are payment and bank reconciliation, credit control on opening of trading accounts and licensing of dealer's representatives, capital adequacy requirement (CAR), usage of clearing accounts, margin operations, information technology on programme amendments and distribution of reports and readiness review of the trading area for the Penang branch. The audit of the investment banking division covered compliance to Labuan Offshore Financial Services Authority (LOFSA) guidelines.

corporate governance statement

The Board of Directors ("Board") of ECM Libra Berhad ("ECM Libra" or "the Company") is committed to manage the ECM Libra Group in line with corporate governance practices as proposed in the Malaysian Code on Corporate Governance (the "Code"). The Board firmly believes that corporate accountability complements business practices that will facilitate the achievement of the Company's goals and objectives.

In preparing this statement, the Board is pleased to report, 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 2005.

A. DIRECTORS

(i) The Board

The Company is led by a proactive Board with a blend of good management and entrepreneurial skills, supported by independent directors who bring to the Board their different fields of training and experiences.

The Board is primarily entrusted with the responsibility of setting the goals and the direction of the Group. It also oversees the conduct of the Group's businesses, ensuring various control systems are in place as well as regularly evaluating such systems to ensure its integrity. The controls are necessary to minimise the risks associated with the businesses of the Group.

In order to ensure that the ECM Libra 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, four (4) 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 during the financial year ended 31 March 2005 are set out below:

Director	No. of meetings attended
Dato' Kalimullah bin Masheerul Hassan	4/4
Datuk Roger Tan Kim Hock	3/4
Mr Lim Kian Onn	4/4
Mr David Chua Ming Huat	4/4
Dato' Mohd Ali bin Abd Samad	4/4
Tan Sri Dato' Dr Sak Cheng Lum	4/4

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

The Board is updated on ECM Libra Group's affairs at Board meetings. The Directors are encouraged to obtain information on the Group's activities by consultation with senior management at anytime. This is to ensure and enable the Board members to discharge their duties and responsibilities competently and in an informed manner.

A. DIRECTORS (Continued)

(ii) Board Balance

For the financial year ended 31 March 2005, the Board comprised six (6) directors, with one (1) non-independent non-executive Chairman, three (3) non-independent 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.

Dato' Kalimullah bin Masheerul Hassan, the non-executive Chairman leads the Board while the executive management of the Company is led by the Chief Executive Officer, Mr Lim Kian Onn. 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.

A brief profile of the Directors is set out on pages 3 to 5 of this Annual Report.

(iii) Supply of information

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

(iv) Appointments to the Board

The Nomination Committee, which was set up on 29 May 2001 and re-constituted on 19 August 2004 comprises two (2) independent non-executive directors and a non-independent non-executive director. The Committee is responsible for proposing and recommending new nominees to the Board as well as directors to fill seats on Board committees; assessing, on an annual basis, the effectiveness of the Board, the Board committees and the contribution of each individual director; and annual review of the required mix of skills, experience and other qualities which non-executive directors should bring to the Board.

The members of the Nomination Committee, which was re-constituted on 19 August 2004, comprised:

- Tan Sri Dato' Dr Sak Cheng Lum (Chairman)
- Dato' Mohd Ali bin Abd Samad
- Dato' Kalimullah bin Masheerul Hassan.

During the financial year, the Nomination Committee met once to deliberate on the framework for evaluation of the effectiveness of the Board and Board committees. The Committee also reviewed the mix of skills, experience and other qualities of non-executive directors. All the members attended the meeting. The Board was of the opinion that the skills mix and experience of the non-executive members of the Board adequately meet the needs of the Company for the time being.

A. DIRECTORS (Continued)

(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.

(v) Directors' Training

All the Directors have attended the Mandatory Accreditation Programme during the financial year ended 31 March 2005 conducted by the Research Institute of Investment Analysts Malaysia, an affiliate of Bursa Malaysia Securities Berhad ("Bursa Securities"). Although PN15/2003 on Continuing Education Programme for directors has been repealed by Bursa Securities with effect from 1 January 2005, the Board has decided that the Directors will continue to attend training relevant to their respective needs on an annual basis commencing from 1 April 2005.

B. DIRECTORS' REMUNERATION

The Remuneration Committee, which was set up on 29 May 2001 and re-constituted on 19 August 2004, comprises two (2) independent non-executive directors and an executive director. The members of the Committee since its re-constitution on 19 August 2004 were:

- Dato' Mohd Ali bin Abd Samad (Chairman)
- Tan Sri Dato' Dr Sak Cheng Lum
- Mr Lim Kian Onn.

The Committee is responsible for recommending to the Board the remuneration of executive directors in all its forms. The Board as a whole determines the level of remuneration of non-executive directors and executive directors. Directors do not participate in discussion and voting on decisions regarding their own remuneration. The aggregate annual directors' fees as recommended by the Board must be approved by shareholders at the Annual General Meeting.

ECM Libra has an established framework to evaluate performance and reward for executive directors and all employees. Remuneration packages for the executive directors and employees are formulated to be competitive, with emphasis being placed on performance, which aims to attract, motivate and retain all levels of staff to manage the ECM Libra Group. For non-executive Directors, the level of remuneration would commensurate with the experience and level of responsibilities undertaken by them.

The Committee met once during the financial year ended 31 March 2005. All the members attended the meeting. At the meeting, the Committee affirmed the framework to evaluate performance and rewards for executive directors.

The details of the remuneration of the Directors of ECM Libra are set out in the audited financial statements on page 53 of this Annual Report.

corporate governance statement continued

C. SHAREHOLDERS

The Board places emphasis on timely and equitable dissemination of information to shareholders on ECM Libra Group's performance. Pursuant to the Listing Requirements of Bursa Securities, timely announcements are made to the public in regard to the Group's corporate proposals, financial results and other requisite matters. The Company's Annual General Meeting serves as a forum for dialogue with shareholders. At the Annual General Meeting, shareholders are encouraged to participate in the question and answer session. The status of all resolutions proposed at the Annual General Meeting is submitted to Bursa Securities at the end of the meeting day.

Apart from contacts 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 it is deemed necessary. Thus far, the management is of the opinion that this arrangement has been satisfactory to all parties.

The Board has adopted a written policy and procedures in corporate disclosure on 25 November 2004 setting out the persons authorised and responsible to approve and disclose material information to the investing public and analysts.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

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

(ii) Internal Control

The Statement on Internal Control as set out on page 12 of this Annual Report provides an overview of the state of internal controls within the Group.

(iii) Relationship with Auditors

The Company, through the Board Audit & Risk Management Committee ("BARMC"), has an appropriate and transparent relationship with the external auditors. Key features underlying the relationship of the BARMC with the external auditors are included in the BARMC's Report as set out on pages 6 to 8 of this Annual Report.

E. STATEMENT ON INTERNAL CONTROL

The Board is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The Board recognises that 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 financial losses and fraud.

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 reviewed by the Board and accords with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Board has appointed the BARMC to examine the effectiveness of the Group's system 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 assessment and in accordance with the audit plan approved by the BARMC.

E. STATEMENT ON INTERNAL CONTROL (Continued)

The framework of the Group's system of internal control and key procedures include:

- A management structure exists with clearly defined lines of responsibility and the appropriate levels of delegation.
- Key functions such as finance, taxation, treasury, human resources 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 Standard Operating Procedures of the operating units in the Group with which its operations must comply.
- Corporate values, which emphasise on ethical behaviour and quality services, are set out in the Group's Employee Handbook.

The BARMC assists the Board in evaluating the adequacy of the Group's risk management practices. A Credit Committee comprising members of senior management monitors the risks by evaluating and approving loan applications, proprietary and strategic investments and policy matters relating to all credit matters of the Group.

On a yearly basis, all the business units within the Group draw up their Business Plans & Budgets for the Board's approval and the performance is tracked on a quarterly basis with the senior management team with detailed explanations of major variances.

An associated company has not been dealt with as part of the Group for purposes of applying this guidance. However, as the associated company operates within a highly regulated business environment and through periodic reporting to the Group, the Board believes that the risk management practices of this associated company has been effectively caried out by its own Board and management.

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 2005, 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.

notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of ECM LIBRA BERHAD ("the Company") will be held at Anggerik Room, 4th Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Friday, 26 August 2005 at 11.00 a.m. in order: -

AGENDA

1. 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 2005;
2. to declare a final dividend of 5% less tax for the financial year ended 31 March 2005 to be paid on 22 September 2005 to shareholders registered in the Record of Depositors on 15 September 2005;
3. to approve the payment of Directors' fees of RM196,250 to be divided amongst the Directors in such manner as the Directors may determine;
4. to re-elect the following Directors retiring pursuant to the Company's Articles of Association:-
   i) Dato' Kalimullah bin Masheerul Hassan;
   ii) Datuk Roger Tan Kim Hock;
5. to re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration;
6. 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 in any one financial year does not exceed 10% of the issued capital of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on 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
7. to consider any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:-

(a) shares transferred into depositor's securities account before 4.00 p.m. on 15 September 2005 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

WONG SEONG CHO
Secretary

Kuala Lumpur
4 August 2005

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 authorized 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 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 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 the Bursa Malaysia Securities Berhad)

1. **Directors who are standing for re-election at the Eleventh Annual General Meeting of the Company pursuant to Article 107 of the Company's Articles of Association**

   Dato' Kalimullah bin Masheerul Hassan

   Datuk Roger Tan Kim Hock.

2. **Details of attendance of Directors at Board Meetings**

   There were four (4) Board Meetings held during the financial year ended 31 March 2005. Details of attendance of the Directors are set out in the Directors' Profile appearing on pages 3 to 5 of the Annual Report.

3. **Place, Date and Time of Eleventh Annual General Meeting**

   The Eleventh Annual General Meeting of the Company will be held at the Anggerik Room, 4th Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Friday, 26 August 2005 at 11.00 a.m.

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

   (i) Directors' profile on page 3.

   (ii) Details of interest in the securities of the Company, if any, are disclosed in the Directors' shareholding on page 94.

chairman's statement

Dear Shareholders,

It was a tough year. There were many challenges and economic uncertainties that shaped the markets and business sentiments. Yet, despite the demanding conditions, ECM Libra Berhad had a fairly good year.

On behalf of your Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements for the year ended 31 March 2005.

Financial and Business Review

The ECM Libra Group posted its maiden profits, achieving a robust turnaround after a breakthrough year underlined by a sturdy performance.

Notwithstanding the soft market environment, I am pleased to note that the new management team undertook a course that demonstrated their ability to adapt and react to the testing conditions and yet deliver positive results for shareholders.

As shareholders, you will be pleased to note for the financial year under review, the results are: an inaugural Group profit after tax of RM40.3 million. The comparison? A loss of RM10.6 million in the previous financial year.

This is the breakdown:

- Group revenue increased 84.1% to RM73.2 million from RM39.8 million;
- Contributions from the financial advisory and equities businesses accounted for 43% and 35% respectively of the total revenues;
- Interest and investment income made up the balance;
- Earnings per share improved to 9.32 sen from a loss of 15.6 sen in the preceding year.

In these 12 months, the Group further established its position as a premier investment and financial services group by completing several notable transactions for blue chip clients. These include:

- Air Asia;
- Hyundai-Berjaya;
- Digi.Com; and
- YTL Group.

For its excellent work, the Group received the following awards:

- the ***Malaysia Equity Deal of the Year 2004*** for its role as joint book runner for Telekom Malaysia's secondary share placement; and
- the ***Best Airline IPO 2004 award*** for its role as joint book runner for the AirAsia IPO.

Corporate Developments

ECM Libra Group's strategy to expand into regional markets saw it acquiring a 29.2% stake in Westcomb Financial Group Limited, a leading Singapore-listed financial boutique.

Westcomb's principal activities include the provision of financial advisory, stockbroking and private equity services and they were ranked the leading firm for IPOs in Singapore with the most number of IPOs managed for a period of three consecutive years from 2002 through 2004, including the most number of firms from China listed on the Singapore Stock Exchange.

Corporate Developments (Continued)

Through the combined presence in the China and Singapore capital markets and ECM Libra's strong position in the equity advisory markets, the acquisition provided the Group the strategic platform to access regional market opportunities in Singapore and North Asia.

If the Group continues to seize the opportunities as it has shown its competence to do so, then China's growth can only promise better returns to shareholders in future.

Nearer home, Bank Negara Malaysia has just given us approval to commence negotiations with Malaysian Industrial Development Finance Berhad for the proposed acquisition of Malaysia Discounts Berhad and Amanah Short Deposits Berhad. If successful, this would enable the transformation of the Group into an investment bank and will see us better poised to face the challenges of liberalisation and globalization.

Economic and market outlook

Malaysia's recovery from the severe Asian financial crisis and recession in 1998 was relatively rapid. The 7.1% GDP growth achieved in 2004 reaffirms the country's good track record in sound macroeconomic management. Higher consumer and business spending, boosted by strong export performance, supported the rebound.

But amidst all the rosy news, there are clouds on the horizon. There are combinations of challenging factors that may tilt Malaysia's growth prospect to the weaker side of the equation. They are:

- slower than expected global trade;
- externally driven oil shocks;
- labor shortages; and
- lagged investment recovery.

These factors will keep businesses cautious.

Mega infrastructure revivals in Thailand and Indonesia and a lack of key infrastructure spending in Malaysia, in line with the Government policy of reducing the Budget deficit, will keep investment recovery modest. Our base case assumes a 5.2% real GDP growth this year, with a downward bias.

Inflation may more than double compared to 1.4% in 2004. Given the hike in fuel prices, this may translate into a slew of price increases. Rising inflation, declining real interest rates and widening interest rate differential in favor of the U.S. may compel Malaysian authorities to raise interest rates. But we believe that the government should be able to maintain the stability of the MYR peg at RM3.80 to the U.S. dollar for the rest of this year.

While the Malaysian economy remains in an expansion phase, global and domestic conditions point towards more moderate corporate earnings growth in 2005 relative to 2004. Decelerating loans growth in the banking sector, declining imports of consumption goods and weak wage growth further signal a generally modest business environment in the coming months.

Certain sectors nonetheless continue to thrive, such as the oil and gas industry, aided by strong oil prices. Positive results from the authorities' efforts to improve the operating and financial performance of government-linked companies will also be increasingly evident from the second half of this year.

chairman's statement continued

Current year prospects

The modest economic outlook for the current year should pose challenges to businesses, particularly to our industry. The competitive landscape continues to evolve. The advent of stronger local players coupled with the entry of foreign brokers and heightened cost pressures will pose significant challenges for the Group in the year ahead. But the ECM Libra Group has stood up to the challenges in past years. As again, I am confident your management team will rise to the challenge and respond proactively to the changing market environment.

I expect the structural changes being implemented in the investment banking sector, including the new framework for investment banking and liberalization of foreign exchange controls, will enhance the sector's growth and enable us to offer our clients a broader menu of investment products to suit clients' risk and return profile.

The Group will continue to focus on areas where it has a strong competitive niche. But, in addition, we intend to build new profit growth areas. These include:

- structured products;
- debt capital market advisory; and
- private wealth management.

Towards this end, several key initiatives will be implemented in the current year including accelerating our investment in the human capital and talent pool, the creation of a debt capital market unit and extending our retail presence with a new branch in Ipoh to serve our retail and private clients.

Dividends

The Board of Directors is recommending a final gross dividend of 5 sen per share representing 53% of the net profits attributable to shareholders in appreciation for their continued support. The dividend quantum is consistent with the Group's dividend policy to target a payout ratio in the range of 50 to 60 percent of net profits to shareholders.

Appreciation

I would like to record a note of thanks to my fellow Board members for their support and guidance to the Group, and to the management and staff for their dedication and hard work throughout the year. They have done well and it is my belief that they will continue to serve you, our shareholders, well in the coming years.

Dato' Kalimullah bin Masheerul Hassan

Chairman

21 July 2005

financial review

directors' report

The directors of ECM Libra Berhad ("ECMLB" or "Company") have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2005

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 12 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the current financial year.

Results

	Group RM	Company RM
Net profit for the year	40,339,310	17,766,759

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

Dividends

The directors propose a final dividend of 5% less tax, payable upon shareholders' approval at the forthcoming Annual General Meeting. Based on the Company's issued and paid-up share capital of 433,000,000 ordinary shares as at 31 March 2005, the proposed dividend would amount to RM15,588,000. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2006.

Reserves and Provisions

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

Directors

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

Dato' Kalimullah bin Masheerul Hassan

Datuk Roger Tan Kim Hock

Lim Kian Onn

Chua Ming Huat

Dato' Mohd Ali bin Abd Samad

Tan Sri Dato' Dr. Sak Cheng Lum

In accordance with Article 107 of the Articles of Association of the Company, Dato' Kalimullah bin Masheerul Hassan and Datuk Roger Tan Kim Hock retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' Interests

The Directors holding office at the end of the financial year who had beneficial interest in the shares/new shares to be issued arising from the exercise of Redeemable Convertible Unsecured Loan Stocks ("RCULS") of the Company and/or related corporations during the financial year ended 31 March 2005, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Shareholdings in which Directors have direct interest			
	Number of ordinary shares/new shares to be issued arising from the exercise of RCULS^ of RM1.00 each			
	As at 1.4.2004	**Acquired**	**Sold**	**As at 31.3.2005**
Interest of Dato' Kalimullah bin Masheerul Hassan				
ECMLB	66,000,000	-	6,000,000*	60,000,000
	18,000,000^	-	-	18,000,000^
Interest of Lim Kian Onn				
ECMLB	88,000,000	-	8,000,000*	80,000,000
	24,000,000^	-	-	24,000,000^
Interest of Chua Ming Huat				
ECMLB	66,000,000	-	6,000,000*	60,000,000
	18,000,000^	-	-	18,000,000^

* Some of the shares were sold on 6 April 2004 in connection with the private placement exercise undertaken by the Company while the balance of the shares was transferred to family members at no consideration.

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 a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company or of a related company) 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 Lim Kian Onn who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisition and/or disposal of stocks and shares and/or the provision of services including but not limited to management and consultancy services, tenancies and/or the provision of treasury functions and the conduct of normal stockbroking business between the Company and its related corporations or corporations in which Lim Kian Onn is deemed to have interests.

There were no arrangements during and at the end of the financial year which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the RCULS of the Company.

RCULS

As at the end of the current financial year, all the RM60,000,000 5-year RCULS at 100% of the nominal value with a coupon rate of 3% per annum of the Company remained unredeemed and unconverted. The salient features of the RCULS are as disclosed in Note 30 to the financial statements.

Share Options

No options have been granted by the Company to any party 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

(I) As at the end of the financial year

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

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

(ii) to ensure that any current assets, other than debts and financing, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

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

Other Statutory Information (Continued)

(II) From the end of the financial year to the date of this report

(a) The directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts and financing or the amount of the provision for doubtful debts and financing inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements misleading; and

(iii) which had arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(b) In the opinion of the directors:

(i) the results of the operations of the Group and the Company for the financial year ended 31 March 2005 are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which had arisen in the interval between the end of the financial year and the date of this report; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

(a) There are no charges on the assets of the Group and the Company which had arisen since the end of the financial year which secures the liabilities of any other person.

(b) There are no contingent liabilities which had arisen since the end of the financial year.

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

directors' report continued

Significant Events

The significant events are as disclosed in Note 36 to the financial statements.

Auditors

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

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

Lim Kian Onn

Chua Ming Huat

Kuala Lumpur, Malaysia
25 May 2005

statement by directors

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

We, Lim Kian Onn and Chua Ming Huat, being two of the directors of ECM Libra Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 27 to 90 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

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

Lim Kian Onn

Chua Ming Huat

Kuala Lumpur, Malaysia
25 May 2005

statutory declaration

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

I, Lim Boon Soon, being the officer primarily responsible for the financial management of ECM Libra Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 27 to 90 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Lim Boon Soon
at Kuala Lumpur in Wilayah Persekutuan
on 25 May 2005

Lim Boon Soon

Before me,

Teong Kian Meng
Commissioner for Oaths

25 May 2005

auditors' report

REPORT OF THE AUDITORS TO THE MEMBERS OF ECM LIBRA BERHAD

(Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 27 to 90. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

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

  (i) the financial position of the Group and the Company as at 31 March 2005 and of the results and the cash flows of the Group and the Company for the year then ended; and

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

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report thereon of the subsidiary of which we have not acted as auditors, as indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

Ernst & Young
AF: 0039
Chartered Accountants

Gloria Goh Ewe Gim
1685/04/07(J)
Partner

Kuala Lumpur, Malaysia
25 May 2005

income statements

for the year ended 31 march 2005

		Group		Company	
	Note	2005	2004	2005	2004
		RM	RM	RM	RM
Revenue	3	**73,206,410**	39,754,199	**27,718,140**	28,751,343
Other operating income	4	**13,376,885**	2,671,384	**4,315,733**	4,402,023
Manufacturing costs relating to an entity disposed off during the year		**(393,538)**	(18,807,706)	**-**	-
Staff costs	5	**(16,931,717)**	(8,322,117)	**-**	(235,599)
Depreciation of property, plant and equipment		**(1,986,987)**	(5,534,545)	**(57,750)**	-
Other operating expenses	4	**(20,944,455)**	(16,329,666)	**(522,627)**	(35,474,277)
Profit/(loss) from operations		**46,326,598**	(6,568,451)	**31,453,496**	(2,556,510)
Finance costs	8	**(6,519,557)**	(3,266,081)	**(6,387,256)**	(3,243,545)
Share of result of associate company		**965,399**	-	**-**	-
Profit/(loss) before taxation		**40,772,440**	(9,834,532)	**25,066,240**	(5,800,055)
Income tax expense	9	**(433,130)**	(790,967)	**(7,299,481)**	(7,354,744)
Profit/(loss) after taxation		**40,339,310**	(10,625,499)	**17,766,759**	(13,154,799)
Minority interest		**-**	22,540	**-**	-
Net profit/(loss) for the year		**40,339,310**	(10,602,959)	**17,766,759**	(13,154,799)
Basic earnings/(loss) per share (sen)	10	**9.32**	(15.66)		
Fully diluted earnings/(loss) per share (sen)	10	**8.72**	(15.66)		

The accompanying Notes form an integral part of the Financial Statements.

balance sheets

as at 31 march 2005

		Group		Company	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
Non-Current Assets					
Property, plant and equipment	11	**13,264,969**	7,191,503	**231,000**	-
Investments in subsidiary companies	12	**-**	-	**519,306,613**	521,999,598
Interest in an associate company	13	**44,863,686**	-	**-**	-
Other investments	14	**4,000,000**	16,500,001	**4,000,000**	4,000,000
Goodwill on consolidation	15	**360,793,666**	360,699,492	**-**	-
Deferred tax assets	28	**1,331,789**	-	**-**	-
		424,254,110	384,390,996	**523,537,613**	525,999,598
Current Assets					
Properties held for resale	16	**-**	750,000	**-**	-
Inventories	17	**-**	862,634	**-**	-
Marketable securities	18	**41,227,920**	4,056,870	**-**	-
Trade receivables	19	**119,161,490**	216,787,512	**-**	-
Loan receivables	20	**51,975,713**	2,659,714	**-**	-
Other receivables	21	**17,752,937**	41,975,523	**813,171**	30,650,314
Amount owing by subsidiary companies	22	**-**	-	**126,078,348**	742,206
Cash and short term funds	23	**158,204,378**	249,113,824	**20,041,368**	119,815,190
		388,322,438	516,206,077	**146,932,887**	151,207,710

The accompanying Notes form an integral part of the Financial Statements.

balance sheets continued
as at 31 march 2005

	Note	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Current Liabilities					
Borrowings	24	**5,000,000**	-	**-**	-
Trade payables	25	**101,969,292**	196,434,003	**-**	-
Other payables	26	**30,512,262**	65,707,589	**14,320,787**	40,058,063
Amount owing to a subsidiary	22	**-**	-	**946**	-
Tax liabilities		**532,048**	209,119	**343,000**	-
		138,013,602	262,350,711	**14,664,733**	40,058,063
Net Current Assets		**250,308,836**	253,855,366	**132,268,154**	111,149,647
Non-Current Liabilities					
Borrowings	27	**(40,000,000)**	(40,000,000)	**(40,000,000)**	(40,000,000)
Deferred tax liabilities	28	**(1,527,524)**	(2,591,156)	**(1,527,524)**	(1,860,156)
Provision for retirement benefits	29	**(175,887)**	(377,440)	**-**	-
Redeemable Convertible Unsecured Loan Stocks - liability component	30	**(54,578,979)**	(53,356,584)	**(54,578,979)**	(53,356,584)
		(96,282,390)	(96,325,180)	**(96,106,503)**	(95,216,740)
		578,280,556	541,921,182	**559,699,264**	541,932,505
Represented by:					
Share capital	31	**433,000,000**	433,000,000	**433,000,000**	433,000,000
Redeemable Convertible Unsecured Loan Stocks - equity component	30	**4,783,260**	4,783,260	**4,783,260**	4,783,260
Reserves	32	**140,497,296**	104,137,922	**121,916,004**	104,149,245
Shareholders' Equity		**578,280,556**	541,921,182	**559,699,264**	541,932,505

The accompanying Notes form an integral part of the Financial Statements.

statements of changes in equity

for the year ended 31 march 2005

Group	Share capital RM	Redeemable Convertible Unsecured Loan Stocks Equity Portion RM	Share Premium RM	Foreign Exchange Reserve RM	Reserve on Consolidation RM	Distributable Reserve Unappropriated Profit/ (Accumulated Loss) RM	Total RM
			<—— Non-Distributable Reserves ——>				
Balance as of 1 April 2003	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 33)	-	-	-	-	-	(840,000)	(840,000)
Issue of shares (Note 31):							
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 - Equity component (Note 30)	-	4,783,260	-	-	-	-	4,783,260
Balance as of 31 March 2004	433,000,000	4,783,260	105,490,894	-	3,899,315	(5,252,287)	541,921,182
Balance as of 1 April 2004	433,000,000	4,783,260	105,490,894	-	3,899,315	(5,252,287)	541,921,182
Net profit for the year	-	-	-	-	-	40,339,310	40,339,310
Arising from disposal of a subsidiary	-	-	-	-	(3,899,315)	-	(3,899,315)
Foreign exchange translation	-	-	-	(80,621)	-	-	(80,621)
Balance as of 31 March 2005	433,000,000	4,783,260	105,490,894	(80,621)	-	35,087,023	578,280,556

The accompanying Notes form an integral part of the Financial Statements.

statements of changes in equity continued

for the year ended 31 march 2005

Company	Share capital RM	Redeemable Convertible Unsecured Loan Stocks Equity Portion RM	Non-Distributable Reserves Share Premium RM	Reserve on Consolidation RM	Distributable Reserve Unappropriated Profit/ (Accumulated Loss) RM	Total RM
Balance as of 1 April 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						
As previously stated	-	-	-	-	(11,516,388)	(11,516,388)
Prior year adjustment (Note 37)	-	-	-	-	(1,638,411)	(1,638,411)
As restated	-	-	-	-	(13,154,799)	(13,154,799)
Dividends (Note 33)	-	-	-	-	(840,000)	(840,000)
Issue of shares (Note 31): 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 - Equity component (Note 30)	-	4,783,260	-	-	-	4,783,260
Balance as of 31 March 2004	433,000,000	4,783,260	105,490,894	-	(1,341,649)	541,932,505
Balance as of 1 April 2004						
As previously stated	433,000,000	4,783,260	105,490,894	-	296,762	543,570,916
Prior year adjustment (Note 37)	-	-	-	-	(1,638,411)	(1,638,411)
As restated	433,000,000	4,783,260	105,490,894	-	(1,341,649)	541,932,505
Net profit for the year	-	-	-	-	17,766,759	17,766,759
Balance as of 31 March 2005	433,000,000	4,783,260	105,490,894	-	16,425,110	559,699,264

The accompanying Notes form an integral part of the Financial Statements.

consolidated cash flow statement

for the year ended 31 march 2005

	2005 RM	2004 RM
Cash Flows from Operating Activities		
Profit/(loss) before taxation	**40,772,440**	(9,834,532)
Adjustments for:		
Depreciation of property, plant and equipment	**1,986,987**	5,534,545
Allowance for diminution in value of properties held for resale	**-**	1,022,074
Allowance for doubtful debts	**1,296,354**	36,000
Property, plant and equipment written off	**1,102**	34,517
Finance costs	**6,519,557**	3,266,081
(Reversal)/ Provision for retirement benefits	**(138,100)**	4,800
Interest income	**(5,307,152)**	(1,742,732)
Gain on disposal of property, plant and equipment	**(3,999)**	(123,666)
(Gain)/ Loss on disposal of subsidiary companies	**(2,733,755)**	613,628
(Gain)/ Loss on disposal of other investments	**(4,940,973)**	233,242
Amortisation of premium on other investments	**-**	130,883
Gain from disposal of marketable securities	**(7,907,077)**	-
Allowance for diminution in value of marketable securities	**2,394,730**	-
Bad debts written off/(written back)	**(1,224,774)**	145
Goodwill written off	**-**	2,321,542
Share of results in associate company	**(965,399)**	-
Operating profit before working capital changes	**29,749,941**	1,496,527
(Increase)/Decrease in:		
Properties held for resale	**750,000**	(2,025,904)
Inventories	**(27,462)**	2,072,786
Trade receivables	**96,361,520**	4,100,713
Loan receivables	**(49,315,999)**	-
Other receivables	**22,979,482**	628,027

The accompanying Notes form an integral part of the Financial Statements.

consolidated cash flow statement continued

for the year ended 31 march 2005

	2005 RM	2004 RM
Cash Flows from Operating Activities (Continued)		
Amount owing by former holding company	**-**	4,458,085
Amount owing by other former related companies	**-**	11,197,491
Increase/(Decrease) in:		
Trade payables	**(95,580,825)**	2,778,710
Other payables and accrued expenses	**(35,188,019)**	18,096,054
Amount owing to other former related companies	**-**	(11,003,195)
Net cash (used in)/generated from operations	**(30,271,362)**	31,799,294
Interest received	**4,862,508**	1,644,599
Income tax refunded	**3,639,887**	-
Retirement benefits paid	**(35,666)**	-
Tax paid	**(3,855,616)**	(350,130)
Net cash (used in)/generated from operating activities	**(25,660,249)**	33,093,763
Cash Flows From Investing Activities		
Proceeds from disposal of other investments	**17,440,974**	10,915,485
Acquisition of other investments	**-**	(11,279,610)
Proceeds from disposal of marketable securities	**46,448,601**	-
Acquisition of marketable securities	**(78,104,115)**	-
Additions to property, plant and equipment	**(12,188,492)**	(96,850)
Acquisition of subsidiary companies (Note 13)	**(110,339)**	133,959,750
Acquisition of investment in associate company	**(44,093,603)**	-
Proceeds from disposal of property, plant and equipment	**-**	2,686,286
Proceeds from disposal of subsidiary companies	**3,601,544**	(1,350,031)
Net cash (used in)/generated from investing activities	**(67,005,430)**	134,835,030

The accompanying Notes form an integral part of the Financial Statements.

consolidated cash flow statement continued
for the year ended 31 march 2005

	2005 RM	2004 RM
Cash Flows From Financing Activities		
Drawdown of short-term borrowings	**5,000,000**	-
Dividends paid	**-**	(840,000)
Repayment of hire-purchase payables	**-**	(223,291)
Finance charges paid	**(5,052,421)**	(3,197,381)
Repayment of loan received	**-**	39,954,859
Net cash (used in)/generated from financing activities	**(52,421)**	35,694,187
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(92,718,100)**	203,622,980
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**233,131,762**	29,508,782
CASH AND CASH EQUIVALENTS AT END OF YEAR	**140,413,662**	233,131,762
Cash and cash equivalents comprise:		
Short term deposits	**145,933,698**	237,446,094
Cash on hand and at bank	**12,270,680**	11,667,730
	158,204,378	249,113,824
Less: Deposits held in trust	**(17,790,716)**	(15,982,062)
	140,413,662	233,131,762

The accompanying Notes form an integral part of the Financial Statements.

cash flow statement

for the year ended 31 march 2005

	Note	2005 RM	2004 RM
Cash Flows from Operating Activities			
Profit/(Loss) before tax		**25,066,240**	(5,800,055)
Adjustments for:			
Finance costs		**6,387,256**	3,241,756
Waiver of amount owing to subsidiary companies		**-**	(1,358,722)
Bad debts written off		**-**	244,508
Dividend income		**(27,718,140)**	(28,751,343)
Interest income		**(4,853,677)**	(3,043,301)
Loss on disposal of other investments		**-**	447,617
Amortisation of premium on other investments		**-**	130,883
Depreciation of property, plant & equipment		**57,750**	-
Allowance for diminution in value of investment in subsidiary companies		**-**	9,098,492
Loss on disposal of subsidiary companies		**568,785**	19,708,482
Operating loss before working capital changes		**(491,786)**	(6,081,683)
(Increase)/Decrease in:			
Other receivables and prepaid expenses		**29,109,927**	7,245,652
Increase/(Decrease) in:			
Other payables and accrued expenses		**(25,903,544)**	3,987,035
Amount owing to former other related company		**-**	635,955
Net cash generated from operations		**2,714,597**	5,786,959
Dividends received		**20,377,063**	21,796,356
Interest received		**4,906,624**	2,997,438
Tax paid		**-**	-
Net cash generated from operating activities		**27,998,284**	30,580,753

The accompanying Notes form an integral part of the Financial Statements.

cash flow statement continued

for the year ended 31 march 2005

	Note	2005 RM	2004 RM
Cash Flows From Investing Activities			
Proceeds from disposal of other investments		-	10,701,110
Proceeds from disposal of subsidiary companies		**4,500,000**	1,500,070
Acquisition of other investments		**-**	(11,279,610)
Additions to property, plant & equipment		**(288,750)**	-
Repayment of advances to holding company		**-**	4,100,889
Advances to subsidiary companies		**(124,608,963)**	-
Acquisition of subsidiary companies, net of proceeds from shares issued		**(2,375,800)**	31,406,298
Repayment of advances to subsidiary companies		**-**	55,894,376
Net cash (used in)/generated from investing activities		**(122,773,513)**	92,323,133
Cash Flows From Financing Activities			
Interest paid		**(4,998,593)**	(3,173,056)
Dividends paid		**-**	(840,000)
Net cash used in financing activities		**(4,998,593)**	(4,013,056)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(99,773,822)**	118,890,830
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**119,815,190**	924,360
CASH AND CASH EQUIVALENTS AT END OF YEAR	34	**20,041,368**	119,815,190
Cash and cash equivalents comprise:			
Short term deposits		**19,929,371**	118,188,482
Cash on hand and at bank		**111,997**	1,626,708
		20,041,368	119,815,190
Less: Deposits held in trust		**-**	-
		20,041,368	119,815,190

The accompanying Notes form an integral part of the Financial Statements.

notes to the financial statements

1. CORPORATE 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 12.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office and the principal place of business is at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The total number of employees of the Group and the Company at year end was 230 (2004 : 316) and Nil (2004 : Nil) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention, modified by the revaluation of certain long term leasehold land and buildings and investments in subsidiary companies, and comply with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

(b) Revenue Recognition

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

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.

Margin income comprise margin interest income and rollover fees. Margin interest income is recognised on an accrual basis except where such margin account is considered non-performing in accordance with Schedule 7A of the Rules of Bursa Securities, 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.

Advisory, arrangement and placement fees are recognised as and when services are performed.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue Recognition (Continued)

Interest income	- on an accrual basis unless collectibility is in doubt, in which case they are recognised on receipt basis.
Dividend income	- when the right to receive payment is established.
Proceeds from sale of properties	- based on sales and purchase agreement and on the percentage of completion method as determined by the proportion of development cost incurred to date against the total estimated cost where the outcome of the projects can be reliably estimated. All anticipated losses on development properties are fully provided.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment loss is as stated in Note 2(m).

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.

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%

(d) 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. The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(c).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign Currency Conversion

(i) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These exchange differences are taken directly to equity until the disposal of the net investment, at which time they are recognised in the income statement.

(ii) Foreign Entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised in equity.

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

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	2005 RM	2004 RM
1 United States Dollar	**3.80**	3.80
1 Singapore Dollar	**2.30**	2.28
1 Hong Kong Dollar	**0.49**	0.49

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Employee Benefits

(i) Short Term Benefits

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

(ii) Retirement Benefits

A subsidiary company operates an unfunded defined contribution retirement benefits scheme for its 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 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.

In the previous financial year, another subsidiary company, which has since been disposed prior to the end of the previous financial year, had an unfunded non-contributory defined contribution retirement plan for its eligible employees. Under this plan, 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.

(g) 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 year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill 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 accounting profit nor taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Income Tax (Continued)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised 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 negative goodwill.

(h) Basis of Consolidation

(i) Subsidiary Companies

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies. Subsidiary companies are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

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

Intra-group transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Unrealised losses are eliminated on consolidation unless costs cannot be recovered. The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.

(ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments in Subsidiary Companies and Associates

The Company's investments in subsidiary companies are stated at cost or at directors' valuation, less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m). 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 regular interval of at 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 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.

The Company's investments in associates and other non-current investments are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(j) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary company or associate at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

Goodwill arising on the acquisition of subsidiary company is presented separately in the balance sheet while goodwill arising on the acquisition of associates and jointly controlled entities is included within the respective carrying amounts of these investments. Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary company of an associate at the date of acquisition over the cost of acquisition.

Negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average useful life of those assets. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the income statement.

To the extent that negative goodwill relates to expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which are not identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Properties Held for Resale

Properties held for resale are valued at the 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.

(l) 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 comprise the original cost of purchase plus the cost of bringing the inventories to their present location. The cost of finished goods and work-in-progress 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.

(m) Impairment of Assets

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

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

(n) Provisions

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

(o) Financial Instruments

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial Instruments (Continued)

(i) 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 the 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.

(ii) 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 Securities. General provisions are made based on a certain percentage of trade receivables (excluding outstanding purchase contracts which are not due for payment), net of interest-in-suspense and specific provisions already made. When an account is classified as non-performing, interest is suspended and is subsequently recognised on a cash basis.

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

Types of account	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 130% of the outstanding balance.

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.

(iii) Payables

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

(iv) Interest Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial Instruments (Continued)

(v) Equity Instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(vi) Redeemable Convertible Unsecured Loan Stocks ("RCULS")

The RCULS have been classified separately into their components parts as liability or as equity on the balance sheet in accordance with MASB 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. Interest on the liability portion of the RCULS is recognised in the income statement in the period in which it is incurred.

(vii) Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances and 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.

3. REVENUE

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Gross dividend income from subsidiary companies	**-**	-	**27,718,140**	28,751,343
Gross brokerage	**25,619,251**	159,388	**-**	-
Advisory, arrangement and placement fees	**31,708,189**	-	**-**	-
Interest and margin income	**5,756,431**	2,411,779	**-**	-
Underwriting commissions	**149,427**	-	**-**	-
Gross dividend income	**27,957**	-	**-**	-
Investment income	**8,690,617**	-	**-**	-
Manufacturing	**955,150**	37,183,032	**-**	-
Other fee income	**299,388**	-	**-**	-
	73,206,410	39,754,199	**27,718,140**	28,751,343

4. OTHER OPERATING INCOME/(EXPENSES)

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

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Gain/(loss) on disposal of property, plant and equipment	**3,999**	123,666	**-**	-
Interest income from:				
Advances to former holding company	**-**	30,410	**-**	30,410
Advances to subsidiary companies	**-**	21,860	**2,068,502**	2,174,090
Unquoted bonds	**493,820**	688,481	**493,820**	688,481
Fixed deposits	**4,813,332**	1,001,981	**2,291,355**	150,320
Realised gain on foreign exchange	**196,177**	21,860	**-**	-
Bad debts written back	**1,224,774**	-	**-**	-
Rental of premises	**(2,750,282)**	(660)	**-**	-
Allowance for diminution in value of investments in subsidiary companies	**-**	-	**-**	(9,098,492)
Allowance for diminution in value of properties held for resale	**-**	(1,022,074)	**-**	-
Allowance for doubtful debts	**(1,296,354)**	(36,000)	**-**	-
Audit fees:				
Current year	**(124,657)**	(56,400)	**(15,000)**	(20,000)
(Under)/over provision in prior years	**(5,521)**	(700)	**5,000**	-
Waiver of amount owing to subsidiary companies	**-**	-	**-**	1,358,722
Gain/(loss) on disposal of subsidiary companies	**2,733,755**	(613,628)	**(568,787)**	(19,708,482)
Bad debts written off	**-**	(145)	**-**	(244,508)
Sales of properties	**50,000**	-	**-**	-

4. OTHER OPERATING INCOME/(EXPENSES) (Continued)

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Management fee payable to:				
Former holding company	**-**	(37,500)	**-**	-
Other former related companies	**-**	(288,000)	**-**	-
Others	**-**	(1,500,000)	**-**	-
Property, plant and equipment written off	**1,102**	(34,517)	**-**	-
Realised loss on foreign exchange	**(11,154)**	(2,524)	**(10,793)**	-
Reversal of provision/(provision for retirement benefits)	**138,100**	(4,800)	**-**	-
Gain/(loss) on disposal of other investments	**4,940,973**	(233,242)	**-**	(447,617)
Amortisation of premium on other investments	**-**	(130,883)	**-**	(130,883)
Gain from disposal of marketable securities	**7,907,077**	-	**-**	-
Allowance for diminution in value of marketable securities	**(2,394,730)**	-	**-**	-
Goodwill written off	**-**	(2,321,542)	**-**	-

5. STAFF COSTS

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

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Contributions to provident funds	**1,831,866**	329,014	**-**	-

6. SEGMENT REPORTING

Business segments

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

- advisory
- stockbroking
- principal finance and investments
- others

Inter-segment sales in the previous financial year were charged at cost plus a percentage profit mark-up.

The Group 2005	Advisory RM	Stockbroking RM	Principal Finance and Investments RM	Others RM	Eliminations RM	Consolidated RM
Revenue						
External sales	**30,230,718**	**28,716,124**	**13,304,418**	**955,150**	**-**	**73,206,410**
Inter-segment sales	**-**	**-**	**-**	**-**	**-**	**-**
Total revenue	**30,230,718**	**28,716,124**	**13,304,418**	**955,150**	**-**	**73,206,410**
Results						
Segment results	**24,250,740**	**(1,959,444)**	**11,230,007**	**2,906,463**	**-**	**36,427,766**
Unallocated corporate expenses						**(580,377)**
Other income						**10,479,209**
Profit from operations						**46,326,598**
Finance costs						**(6,519,557)**
Share of results of associate company						**965,399**
Profit before tax						**40,772,440**
Income tax expense						**(433,130)**
Profit after tax						**40,339,310**

6. SEGMENT REPORTING (Continued)

The Group (Continued)

2005	Advisory RM	Stockbroking RM	Principal Finance and Investments RM	Others RM	Eliminations RM	Consolidated RM
Consolidated Balance Sheet - Assets						
Segment assets	6,593,902	279,952,551	173,185,149	807,645	-	460,539,247
Unallocated corporate assets	-	-	-	-	-	352,037,301
Consolidated total assets						812,576,548
Consolidated Balance Sheet - Liabilities						
Segment liabilities	2,611,592	114,560,424	6,339,455	13,101	-	123,524,572
Unallocated corporate liabilities	-	-	-	-	-	110,771,420
Consolidated total liabilities						234,295,992
Other Information						
Capital additions	733,031	11,159,419	7,212	288,830	-	12,188,492
Depreciation and amortisation	189,925	1,581,830	36,366	178,866	-	1,986,987

6. SEGMENT REPORTING (Continued)

The Group

2004	**Advisory RM**	**Stockbroking RM**	**Principal Finance and Investments RM**	**Others RM**	**Eliminations RM**	**Consolidated RM**
Revenue						
External sales	-	159,388	-	39,594,811	-	39,754,199
Inter-segment sales	-	-	-	303,895	(303,895)	-
Total revenue	-	159,388	-	39,898,706	(303,895)	39,754,199
Results						
Segment results	(4,333)	157,657	5,283	(6,310,353)	-	(6,151,746)
Unallocated corporate expenses						(2,321,542)
Other income						1,904,837
Loss from operations						(6,568,451)
Finance costs						(3,266,081)
Loss before tax						(9,834,532)
Income tax expense						(790,967)
Loss after tax						(10,625,499)

6. SEGMENT REPORTING (Continued)

The Group (Continued)

2004	Advisory RM	Stockbroking RM	Principal Finance and Investments RM	Others RM	Eliminations RM	Consolidated RM
Consolidated Balance Sheet - Assets						
Segment assets	5,504,739	344,799,097	27,231,063	7,917,508	-	385,452,407
Unallocated corporate assets						515,144,666
Consolidated total assets						900,597,073
Consolidated Balance Sheet - Liabilities						
Segment liabilities	17,047,239	204,124,672	484,225	1,671,423	-	223,327,559
Unallocated corporate liabilities						135,348,332
Consolidated total liabilities						358,675,891
Other Information						
Capital additions	428,556	18,823,138	646,254	96,850	-	19,994,798
Depreciation and amortisation	-	-	-	5,633,545	-	5,665,428

6. SEGMENT REPORTING (Continued)

Geographical segments

The Group's operations for the current financial year are located in Malaysia and Hong Kong.

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

	Revenue by geographical market	
	2005	**2004**
	RM	**RM**
Malaysia	**65,766,539**	38,542,787
Hong Kong	**7,489,871**	-
Singapore	-	1,211,412
	73,256,410	39,754,199

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 additions**	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Malaysia	**806,805,924**	859,662,249	**12,188,492**	19,994,798
Hong Kong	5,770,624	40,934,824	-	-
	812,576,548	900,597,073	**12,188,492**	19,994,798

7. DIRECTORS' REMUNERATION

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Executive directors				
The Company directors:				
Fees	**107,500**	-	**107,500**	-
Other emoluments	**3,927,452**	-	**-**	-
	4,034,952	-	**107,500**	-
Non-executive directors:				
The Company's directors:				
Fees	**173,751**	-	**151,251**	-
Other emoluments	**1,230,745**	44,900	**-**	44,900
	1,404,496	44,900	**151,251**	44,900

Other then the monetary benefits stated above, there is no benefit in kind received or receivable by the directors of the Company.

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	
	2005	2004
Executive directors:		
Below RM50,000	**1**	-
RM50,001 - RM450,000	**-**	-
RM450,001 - RM500,000	**2**	-
	3	-
Non-executive directors:		
Below RM50,000	**-**	2
RM50,001 - RM100,000	**3**	-
	3	2

8. FINANCE COSTS

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Facility and commitment fees	**64,657**	-	**-**	-
Bond arrangement fees	**200,000**	-	**200,000**	-
Interest on:				
Bank overdrafts	**-**	492	**-**	-
Revolving credits	**53,828**	-	**-**	-
Advances from other former related companies	**-**	10,658	**-**	-
Hire-purchase	**-**	13,175	**-**	-
RCULS	**2,987,969**	34,426	**2,987,969**	34,426
Term loans	**3,198,593**	3,207,330	**3,198,593**	3,207,330
Bank Charges	**14,510**	-	**694**	1,789
	6,519,557	3,266,081	**6,387,256**	3,243,545

9. INCOME TAX EXPENSE

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Current tax				
- Group	**1,988,249**	932,908	**7,717,000**	6,966,488
- Share of tax of an associate	**195,316**	-	**-**	-
	2,183,565	932,908	**7,717,000**	6,966,488
(Over)/under provision in respect of prior years	**(44,014)**	389,197	**(84,887)**	388,256
	2,139,551	1,322,105	**7,632,113**	7,354,744
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	**(833,847)**	(531,138)	**(332,632)**	-
Underprovision of deferred tax assets in prior year	**(872,574)**	-	**-**	-
	(1,706,421)	(531,138)	**(332,632)**	-
	433,130	790,967	**7,299,481**	7,354,744

As of 31 March 2005, the Company has tax exempt income amounting to approximately RM1,500,240 (2004 : RM23,958,000) 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 31 March 2005, 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 RM109,007 (2004 : RM80,000). 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:

9. INCOME TAX EXPENSE (Continued)

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Profit/(Loss) before tax	**40,772,440**	(9,834,532)	**25,066,240**	(5,800,055)
Tax at the statutory income tax rate of 28%	**11,416,283**	(2,753,669)	**7,018,547**	(1,624,015)
Reduction in tax rates	**(2,832,528)**	780,659	-	-
Tax effects of:				
Non-deductible expenses for tax purposes	**2,409,073**	2,771,760	**1,866,061**	9,685,903
Income that is not taxable in determining taxable profit	**(3,518,719)**	(396,980)	**(1,500,240)**	(1,095,400)
Utilisation of deferred tax assets previously not recognised	**(5,218,597)**	-	**-**	-
Underprovision of deferred tax assets in prior years	**(872,574)**	-	**-**	-
Deferred tax assets not recognised	**(905,794)**	-	**-**	-
(Under)/Overprovision of tax charge in prior years	**(44,014)**	389,197	**(84,887)**	388,256
	433,130	790,967	**7,299,481**	7,354,744

10. (LOSS)/EARNINGS PER SHARE

(a) Basic

	2005 RM	2004 RM
Net profit/(loss) attributable to ordinary shareholders	**40,339,310**	(10,602,959)

	2005 Units	2004 Units
Number of shares in issue at beginning of year	**433,000,000**	42,000,000
Effect of bonus issue	**-**	21,000,000
Issuance of shares for acquisition of subsidiary companies	**-**	4,438,356
Private placement	**-**	273,973
Weighted average number of ordinary shares in issue	**433,000,000**	67,712,329

	2005	2004
Basic earnings/(loss) per share (sen)	**9.32**	(15.66)

10. (LOSS)/EARNINGS PER SHARE (Continued)

(b) Fully Diluted

	2005 RM	2004 RM
Net (loss)/profit attributable to ordinary shareholders	**40,339,310**	(10,602,959)
Add: Assumed saving in interest on RCULS, net of tax	**2,655,337**	24,787
	42,994,647	(10,578,172)

	2005 Units	2004 Units
Weighted average number of ordinary shares in issue	**433,000,000**	67,712,329
Number of shares that would have been issued assuming full conversion of RCULS	**60,000,000**	986,301
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	**493,000,000**	68,698,630

	2005	2004
Fully diluted earnings/(loss) per ordinary share (sen)	**8.72**	(15.40)

In the previous financial year, the effects of the RCULS conversion were anti-dilutive in nature. Hence the prior year fully diluted earnings per share is disclosed as the same as the basic earnings per share.

Comparative figures of the basic and fully diluted earnings per share have been restated to reflect the bonus issue.

The adjusted weighted average number of shares in issue and issuable for the year was arrived at after taking into account the dilutive effects of the conversion of all outstanding RCULS of the Company and the net profit is adjusted to eliminate the applicable interest expense less the associated tax effects. The dilutive effect is computed assuming full conversion of the RCULS as at the date of issue.

11. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation Long term leasehold land and buildings* RM	<— At cost Short term leasehold land and buildings* RM	Plant and machinery RM	Tools and dies RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Motor vehicles under hire purchase RM	Renovation RM	Total —> RM
Cost/valuation									
At beginning of the year	2,400,000	706,788	7,664,428	865,292	19,179,287	1,183,373	-	296,347	32,295,515
Additions	-	-	-	-	11,418,175	288,830	-	481,487	12,188,492
Disposals	-	-	-	-	-	-	-	-	-
Written off	-	-	-	-	(3,419)	-	-	-	(3,419)
Disposal of subsidiary companies	(2,400,000)	(706,788)	(7,664,428)	(865,292)	(363,939)	(100,773)	-	(296,347)	(12,397,567)
At end of the year	-	-	-	-	30,230,104	1,371,430	-	481,487	32,083,021
Accumulated Depreciation									
At beginning of the year	538,911	138,203	5,979,578	814,625	16,936,254	415,930	-	280,511	25,104,012
Charge for the year	-	-	85,265	-	1,622,208	267,011	-	12,503	1,986,987
Disposals	-	-	-	-	-	-	-	-	-
Written off	-	-	-	-	(2,317)	-	-	-	(2,317)
Disposal of subsidiary companies	(538,911)	(138,203)	(6,064,843)	(814,625)	(335,352)	(98,185)	-	(280,511)	(8,270,630)
At end of the year	-	-	-	-	18,220,793	584,756	-	12,503	18,818,052

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group (Continued)	At valuation Long term leasehold land and buildings* RM	<— At cost: Short term leasehold land and buildings* RM	Plant and machinery RM	Tools and dies RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Motor vehicles under hire purchase RM	Renovation RM	Total RM —>
Net Book Value									
At end of the year	-	-	-	-	12,009,311	786,674	-	468,984	13,264,969
At beginning of the year	1,861,089	568,585	1,684,850	50,667	2,243,033	767,443	-	15,836	7,191,503
Depreciation charge for 2004	37,805	202,011	4,653,039	45,053	228,424	281,278	57,004	29,931	5,534,545
Details as at 1.4.2003									
Cost/valuation	2,400,000	10,088,067	30,439,714	845,792	1,797,487	2,394,240	285,017	701,928	48,952,245
Accumulated depreciation	501,106	1,139,328	14,589,919	769,572	1,007,966	1,357,742	19,000	655,557	20,040,190

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

* Leasehold land and buildings comprise:

Group (Continued)	<—— At valuation		——>	<—— At cost		——>
	Long term leasehold land RM	Factory buildings RM	Total RM	Short term leasehold land RM	Factory buildings RM	Total RM
Cost/valuation						
At beginning of the year	1,356,000	1,044,000	2,400,000	-	706,788	706,788
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-
Disposal of subsidiary companies	(1,356,000)	(1,044,000)	(2,400,000)	-	(706,788)	(706,788)
At end of the year	-	-	-	-	-	-
Accumulated Depreciation						
At beginning of the year	241,182	297,729	538,911	-	138,203	138,203
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Written off	-	-	-	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-
Disposal of subsidiary companies	(241,182)	(297,729)	(538,911)	-	(138,203)	(138,203)
At end of the year	-	-	-	-	-	-

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

* Leasehold land and buildings comprise:

Group (Continued)	<—— At valuation		——>	<—— At cost		——>
	Long term leasehold land RM	Factory buildings RM	Total RM	Short term leasehold land RM	Factory buildings RM	Total RM
Net Book Value						
At end of the year	-	-	-	-	-	-
At beginning of the year	1,114,818	746,271	1,861,089	-	568,585	568,585
Depreciation charge for 2004	16,925	20,880	37,805	23,601	178,410	202,011
Details as at 1.4.2003						
Cost/valuation	1,356,000	1,044,000	2,400,000	1,170,195	8,917,872	10,088,067
Accumulated depreciation	224,257	276,849	501,106	144,167	995,161	1,139,328

Company	Motor vehicles RM
Cost	
At beginning of the year	-
Additions	288,750
At end of the year	288,750
Accumulated Depreciation	
At beginning of the year	-
Charge for the year	57,750
At end of the year	57,750
Net Book Value	
At end of the year	231,000

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

In the previous financial year, the Group had two parcels of leasehold land held under long term leases of 99 years, expiring on 29 September 2069 and 9 August 2071 respectively. The land and buildings under long term 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 term 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 Malaysian Accounting Standards Board ("MASB").

The tax effects of the surplus arising on revaluation of the land and buildings under long term lease have been recognised retrospectively in the financial statements of the subsidiary company upon the adoption of MASB Standard No. 25, Income Taxes.

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

	The Group	
	2005 RM	2004 RM
Cost:		
Long-term leasehold land	-	371,155
Buildings	-	706,788
	-	1,077,943
Accumulated depreciation:		
Long-term leasehold land	-	66,293
Buildings	-	140,942
	-	(207,235)
Net book value at end of the year	-	870,708

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 RM15,813,258 (2004 : RM14,268,715).

12. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group 2005 RM	2004 RM
Unquoted shares:		
At cost	**518,806,612**	516,430,810
At directors' valuation	**3,532,146**	14,667,281
	522,338,758	531,098,091
Allowance for impairment loss	**(3,032,145)**	(9,098,493)
	519,306,613	521,999,598

Details of subsidiary companies are as follows:

Name of Subsidiary Company	Place of Incorporation	Principal Activities	Effective Percentage of Ownership 2005 %	2004 %
ECM Libra Capital Sdn. Bhd.	Malaysia	Provision of management, advisory and investment consulting services	100	100
ECM Libra Partner Sdn. Bhd.	Malaysia	Provision of credit services	100	100
ECM Libra Capital Markets Sdn. Bhd. (formerly known as Libra Capital Markets Sendirian Berhad)	Malaysia	Fund management	100	-
ECM Libra Holdings Limited	Labuan, Malaysia	Investment holding and provision of advisory services	100	100
ECM Libra Investment Bank Limited	Labuan, Malaysia	Provision of offshore investment banking and related financial services	100	100
ECM Libra Investments Limited	British Virgin Islands	Investment holding and provision of financial services	100	-

12. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

Name of Subsidiary Company	Place of Incorporation	Principal Activities	Effective Percentage of Ownership 2005 %	2004 %
*ECM Libra Securities Limited	Hong Kong	Securities dealing	100	100
ECM Libra Securities Sdn. Bhd.	Malaysia	Stock and share broking	100	100
ECM Libra Securities Nominees Sdn. Bhd. (formerly known as BBMB Securities Nominees Sdn. Bhd.)	Malaysia	Inactive	100	100
ECM Libra Securities Nominees (Tempatan) Sdn. Bhd. (formerly known as BBMB Securities Nominees (Tempatan) Sdn. Bhd.)	Malaysia	Provision of nominee services for local clients	100	100
ECM Libra Securities Nominees (Asing) Sdn. Bhd. (formerly known as BBMB Securities Nominees (Asing) Sdn. Bhd.)	Malaysia	Provision of nominee services for foreign clients	100	100
ECM Libra Securities Portfolio Management Sdn. Bhd. (formerly known as BBMB Securities Portfolio Management Sdn. Bhd.)	Malaysia	Dormant	100	100
South Peninsular Properties Sdn. Bhd.	Malaysia	Property trading and development	100	100
South Peninsular Capital Sdn. Bhd.	Malaysia	Provision of credit services	100	100
Metal Perforators (Malaysia) Sdn. Bhd.	Malaysia	Manufacturing and marketing of perforated products	-	100

*Audited by other auditors

12. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

On 18 October 2004, the Group acquired 100% equity interest in ECM Libra Capital Markets Sdn. Bhd. (formerly known as Libra Capital Markets Sendirian Berhad), a company incorporated in Malaysia, for a total cash consideration of RM2,375,800.

In the previous financial year, the Group had acquired ECM Libra Securities Sdn. Bhd., ECM Libra Holdings Limited, ECM Libra Capital Sdn. Bhd. and ECM Libra Partners Sdn. Bhd.

The acquisitions had the following effects on the Group's financial results for the year:

	2005 RM	2004 RM
Post-acquisition results of subsidiary companies acquired:		
Revenue	**-**	159,388
Cost of sales	**-**	-
Gross profit	**-**	159,388
Other operating income	**24,552**	84,225
Other operating expenses	**(11,165)**	(85,006)
Profit before tax	**13,387**	158,607
Income tax expense	**(7,267)**	-
Profit after tax	**6,120**	158,607
Minority interest	**-**	-
Net profit for the year	**6,120**	158,607

12. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

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

	2005 RM	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	**55,268**	10,975,999
Cash and bank balances	**2,265,461**	128,252,399
Trade payables	-	(195,762,785)
Other payables and accrued expenses	**(39,102)**	(25,386,793)
Tax liabilities	**-**	(112,583)
Provision for retirement benefits	**-**	(350,453)
Deferred tax liabilities	**-**	(42,000)
Net assets acquired	**2,281,627**	155,731,318
Goodwill on acquisition	**94,173**	360,699,492
Total purchase consideration	**2,375,800**	516,430,810
Less: Issue of RCULS	**-**	(60,000,000)
Issue of shares, net of share issue expenses	**-**	(475,490,894)
Cash and bank balances	**(2,265,461)**	(112,270,337)
Unpaid portion, included in other payables	**-**	(2,629,329)
Cash outflow/(inflow) on acquisition, net of cash acquired	**110,339**	(133,959,750)

12. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

On 28 May 2004, the Company disposed a subsidiary company, Metal Perforators (Malaysia) Sdn. Bhd. for a cash consideration of RM4.5 million.

In the previous financial year, the Company disposed several subsidiary companies, namely 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. and S.P.I. Plastic Industries (M) Sdn. Bhd.

The disposals had the following effects on the Group's financial results for the year:

	2005 RM	2004 RM
Revenue	**955,150**	29,664,420
Other income	**85,180**	-
Operating expenses	**(875,727)**	(29,224,956)
Finance costs	**(2,926)**	(11,150)
Profit before tax	**161,677**	428,314
Income tax expense	**-**	(336,532)
Net profit for the year	**161,677**	91,782

12. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The effect of these disposals on the financial position of the Group at the respective dates of disposal are as follows:

	2005 RM	2004 RM
Net assets disposed as at date of disposal:		
Property, plant and equipment	**4,130,936**	16,651,071
Investments in subsidiary companies	**-**	1,334,243
Inventories	**890,096**	1,563,238
Trade receivables	**1,192,922**	6,110,209
Other receivables	**275,464**	1,631,951
Cash and bank balances	**898,456**	3,385,101
Trade payables	**(692,541)**	(2,925,481)
Other payables	**(312,989)**	(5,739,069)
Tax liabilities	**-**	(1,210,617)
Amount owing from subsidiary companies	**-**	534,875
Amount owing to immediate holding company	**-**	(800,459)
Amount owing to a related company	**-**	(698,595)
Amount owing to former ultimate holding company	**-**	(534,875)
Deferred tax liabilities	**-**	(2,069,862)
Net assets disposed	**6,382,344**	17,231,730
Reserve on consolidation	**(4,616,099)**	(1,083,032)
Gain/(loss) realised on disposal	**2,733,755**	(613,628)
Net value of disposal	**4,500,000**	15,535,070
Less: Unpaid portion of cash consideration from disposal of subsidiary company	**-**	(13,500,000)
Less: Cash and bank balances	**(898,456)**	(3,385,101)
Cash flow on disposal, net of cash and cash equivalents disposed	**3,601,544**	(1,350,031)

13. INVESTMENT IN AN ASSOCIATE COMPANY

	Group	
	2005	2004
	RM	RM
Unquoted shares outside Malaysia, at cost	**44,093,603**	-
Share of post acquisition reserves	**770,083**	-
Representing the Group's share of net assets	**44,863,686**	-

The interest in an associate relates to the Group's 29.2% (2004 : Nil) interest in Westcomb Financial Group Limited, a company incorporated in Singapore. The company is an investment holding company while its subsidiaries are principally involved in advisory services, securities dealing, pre-initial public offering consultancy services, private equity services, investment advisory, business consultancy, investment holding in China, investment in securities, and public and investor relations services.

14. OTHER INVESTMENTS

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	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
	4,000,000	16,500,001	**4,000,000**	4,000,000

Unquoted shares in the previous financial year relates to 4,545,455 ordinary shares in Bursa Malaysia Berhad received by a subsidiary company 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 at that time, without the appropriate regulatory approvals until and unless such shares have been listed. In the absence of other clear indicators, the directors considered that the underlying net tangible asset value as reflected in the then latest audited financial statements of Bursa Malaysia Berhad to 31 December 2003 is a reasonable indication of fair value at the time of receipt of the shares.

15. GOODWILL ON CONSOLIDATION

	Group	
	2005	**2004**
	RM	**RM**
At beginning of the year	**360,699,492**	2,321,542
Arising from acquisition of a subsidiary company (Note 12)	**94,174**	360,699,492
Disposal of subsidiary companies	**-**	(2,321,542)
At end of the year	**360,793,666**	360,699,492

16. PROPERTIES HELD FOR RESALE

	Group	
	2005	**2004**
	RM	**RM**
Freehold properties, at cost	**-**	1,772,074
Less: Allowance for diminution in value	**-**	(1,022,074)
	-	750,000

17. INVENTORIES

	Group	
	2005	**2004**
	RM	**RM**
At cost:		
Raw materials	**-**	406,454
Work-in-progress	**-**	212,275
Finished goods	**-**	207,205
Packing materials	**-**	72,967
	-	898,901
Less: Allowance for obsolete inventories	**-**	(36,267)
	-	862,634

18. MARKETABLE SECURITIES

	Group 2005 RM	Group 2004 RM
Quoted shares at cost:		
- Outside Malaysia	**34,201,926**	1,253,683
- In Malaysia	**9,909,031**	3,294,685
	44,110,957	4,548,368
Less: Allowance for diminution in value	**(2,883,037)**	(491,498)
	41,227,920	4,056,870
Market value of quoted shares:		
- Outside Malaysia	**39,181,706**	766,775
- In Malaysia	**9,243,696**	10,009,116
	48,425,402	10,775,891

19. TRADE RECEIVABLES

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Amount owing by clients	**114,166,968**	138,342,401	**-**	-
Amounts owing by brokers	**13,021,284**	105,377,750	**-**	-
Less: Interest-in-suspense	**(725,116)**	(2,918,228)	**-**	-
Allowance for doubtful debts	**(7,301,646)**	(24,286,325)	**-**	-
	119,161,490	216,515,598	**-**	-
Other trade receivables	**-**	354,583	**-**	-
Less: Allowance for doubtful debts	**-**	(82,669)	**-**	-
	-	271,914	**-**	-
	119,161,490	216,787,512	**-**	-

19. TRADE RECEIVABLES (Continued)

Trade receivables comprise mainly amounts due from clients and brokers and amount receivable for the sale of goods.

The trade settlement for amounts due from client and brokers is 3 market days according to the Fixed Delivery and Settlement System ("FDSS") trading rules of Bursa Securities. The Company's trade credit terms for margin clients are set within standard margin agreements.

(i) Classification of non-performing accounts and related exposure in accordance with Schedule 7A of the Rules of Bursa Securities:

	2005 RM	2004 RM
Classified doubtful	**151,125**	432,660
Classified as bad	**13,530,895**	35,909,234
At end of the year	**13,682,020**	36,341,894

(ii) Movement of allowance for bad and doubtful debts:

	2005 RM	2004 RM
At beginning of the year	**24,368,994**	164,045
Arising from acquisition of subsidiary company	**-**	24,286,325
Allowance for bad and doubtful debts	**838,011**	36,000
Allowance written off against receivables	**(17,822,690)**	-
Arising from disposal of subsidiary companies	**(82,669)**	(117,376)
At end of the year	**7,301,646**	24,368,994

(iii) Movement of interest-in-suspense:

	2005 RM	2004 RM
At beginning of the year	**2,918,228**	-
Net movement during the year	**(2,193,112)**	-
Arising from acquisition of subsidiary company	**-**	2,918,228
At end of the year	**725,116**	2,918,228

20. LOAN RECEIVABLES

All of the Group's loan receivables bear interest at rates ranging from 10% to 12% (2004: 10% to 12%) per annum and mature within a year.

21. OTHER RECEIVABLES

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Tax recoverable	**6,187,908**	7,878,140	**156,719**	104,754
Proceeds receivable from stakeholder on the disposal of subsidiary company	**-**	13,500,000	**-**	13,500,000
Sundry receivables	**9,169,768**	18,050,802	**111,701**	16,262,792
Refundable deposits	**1,332,686**	1,239,262	**2,000**	2,000
Prepaid expenses	**911,905**	1,278,663	**539,353**	734,102
Staff loans	**449,025**	621,709	**-**	-
Interest income due and accrued	**14,819**	56,345	**3,398**	46,666
Less: Allowance for doubtful debts	**(313,174)**	(649,398)	**-**	-
	17,752,937	41,975,523	**813,171**	30,650,314

Included in other receivables of the Group and of the Company is an amount of RM111,701 (2004: RM15,835,017) representing surplus consideration paid for the acquisition of a subsidiary company in the previous financial year which is refundable from the vendor once certain adjustments and terms are mutually agreed and resolved.

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

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

22. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES AND RELATED PARTY TRANSACTIONS

The amounts owing by subsidiary companies are unsecured, bear interest of between 5% to 5.25% (2004 : 5% to 10%) per annum and have no fixed terms of repayment.

The amount owing to a subsidiary company is unsecured, interest free and has no fixed terms of repayment

During the year the significant related party transactions are as follows:

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Subsidiary companies:				
Waiver of amount owing	**-**	-	**-**	1,358,722
Interest income - net	**-**	-	**2,068,502**	2,174,090
Dividend income	**-**	-	**27,718,140**	28,751,343
Libra Capital Markets Limited, a company in which Lim Kian Onn, a director of the Company, is deemed interested:				
Rental of premises	**88,235**	-	**-**	-
Plato Solutions Sdn Bhd, a company in which Lim Kian Onn, a director of the Company, is deemed interested:				
IT project management	**400,000**	-	**-**	-

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and were carried out on commercial terms and at market rates.

23. CASH AND SHORT TERM FUNDS

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Fixed deposits with:				
Licensed banks	**67,465,827**	162,777,064	**19,929,371**	118,188,482
Licensed financial institutions	**67,837,370**	52,291,000	**-**	-
	135,303,197	215,068,064	**19,929,371**	118,188,482
Trust accounts with:				
Licensed banks	**7,776,338**	18,717,445	**-**	-
Deposits held in trust with:				
Licensed banks	**1,324,626**	2,432,969	**-**	-
Licensed financial institutions	**9,158,887**	1,227,616	**-**	-
Cash and bank balances	**4,641,330**	11,667,730	**111,997**	1,626,708
	158,204,378	249,113,824	**20,041,368**	119,815,190

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

	Group		Company	
	2005	2004	2005	2004
	%	%	%	%
Fixed deposits with:				
Licensed banks	2.68	2.43	2.66	2.59
Licensed financial institutions	2.79	2.93	-	-
Deposits held in trust with:				
Licensed banks	3.07	-	-	-
Licensed financial institutions	2.64	2.80	-	-

23. CASH AND SHORT TERM FUNDS (Continued)

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

	Group		Company	
	2005 Days	2004 Days	2005 Days	2004 Days
Fixed deposits with:				
Licensed banks	**9**	58	**7**	14
Licensed financial institutions	**16**	147	**-**	-
Deposits held in trust with:				
Licensed banks	**17**	-	**-**	-
Licensed financial institutions	**2**	31	**-**	-

24. BORROWINGS - CURRENT LIABILITIES

The current borrowings of the Group relates to a revolving credit facility of a subsidiary company. This revolving credit facility, with a facility amount of RM20 million, bears interest rate of 5% per annum, has no fixed terms of repayment and is secured by a corporate guarantee of the Company.

25. TRADE PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Amounts owing to clients	**67,861,225**	175,818,338	**-**	-
Amounts owing to brokers	**31,361,732**	16,878,469	**-**	-
Amount owing to suppliers	**-**	672,298	**-**	-
Dealers/remisiers trust accounts	**2,746,335**	3,064,898	**-**	-
	101,969,292	196,434,003	**-**	-

25. TRADE PAYABLES (Continued)

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

The trade credit term for non-margin clients and brokers is 3 market days according to the FDSS trading rules of Bursa Securities. The average credit period granted to the Group and the Company for other trade payables is 30 to 120 days (2004 : 30 to 120 days).

Included in the prior year's amounts owing to client are outstanding contracts of RM104,841,300 entered into on behalf of the directors of the Company.

26. OTHER PAYABLES

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM	**RM**	**RM**	**RM**
Amount owing to Khazanah Nasional Berhad	**12,741,030**	28,464,346	**12,741,030**	28,464,346
Amount owing to directors	**-**	13,375,002	**-**	-
Other payables	**10,696,918**	14,975,808	**121,567**	8,579,479
Interest payable	**1,101,813**	26,975	**1,101,813**	-
Provision for bonus	**2,635,385**	3,557,670	**-**	-
Accrued expenses	**3,337,116**	5,307,788	**356,377**	3,014,238
	30,512,262	65,707,589	**14,320,787**	40,058,063

The amount owing to Khazanah Nasional Berhad ("Khazanah") arose from a share sale agreement dated 14 November 2003 between the Company and Khazanah for the acquisition of ECM Libra Securities Sdn. Bhd. ("ECMLS"). This amount represents certain receivables of ECMLS and is unsecured, interest free and will be settled upon collection of the receivables by ECMLS.

The amount owing to directors at the end of the previous financial year 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.

Included in other payables at the end of the previous financial year was an amount of RM2,450,000 representing deposit received for the disposal of a subsidiary company, Metal Perforators (Malaysia) Sdn. Bhd. This disposal was completed in the current financial year.

27. BORROWINGS- NON CURRENT LIABILITIES

The non-current borrowings of the Group and the Company relate to an unsecured term loan which is repayable in one lump sum upon maturity of term loan in the financial year ending 31 March 2008. This term loan bears a fixed interest rate of 8% (2004 : 8%) per annum and was obtained by the Company in connection with the Company's investment in unquoted bonds.

28. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Balance at beginning of the year	**2,591,156**	3,290,000	**1,860,156**	-
Arising from acquisition of subsidiaries	**-**	42,000	**-**	-
Arising from disposal of subsidiaries	**(689,000)**	(2,069,862)	**-**	-
Recognised in equity	**-**	1,860,156	**-**	1,860,156
Recognised in the income statement	**(1,706,421)**	(531,138)	**(332,632)**	-
	195,735	2,591,156	**1,527,524**	1,860,156
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(1,331,789)**	-	**-**	-
Deferred tax liabilities	**1,527,524**	2,591,156	**1,527,524**	1,860,156
	195,735	2,591,156	**1,527,524**	1,860,156

Deferred tax liabilities of the Company relate to the Company's RCULS as disclosed in Note 30 and are recognised in the income statement.

28. DEFERRED TAX LIABILITIES/(ASSETS) (Continued)

The components and movements of deferred tax liabilities and assets of the Group during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group

	RCULS RM	Accelerated Capital Allowances RM	Revaluation Reserve RM	Total RM
At 1.4.2003	-	3,203,000	398,000	3,601,000
Recognised in the income statement	-	(531,138)	-	(531,138)
Arising from acquisition of subsidiary companies	-	42,000	-	42,000
Arising from disposal of subsidiary companies	-	(2,248,862)	-	(2,248,862)
Recognised in equity	1,860,156	-	-	1,860,156
At 31.3.2004	1,860,156	465,000	398,000	2,723,156
Recognised in the income statement	(332,632)	967,071	-	634,439
Arising from disposal of subsidiary companies	-	(423,000)	(398,000)	(821,000)
At 31.3.2005	1,527,524	1,009,071	-	2,536,595

Deferred Tax Assets of the Group

	Unutilised tax losses RM	Provisions and payables RM	Others RM	Total RM
At 1.4.2003	-	-	311,000	311,000
Arising from acquisition of subsidiary companies	103,000	-	-	103,000
Arising from disposal of subsidiary companies	-	-	(282,000)	(282,000)
At 31.3.2004	103,000	-	29,000	132,000
Recognised in the income statement	-	2,340,860	-	2,340,860
Arising from disposal of subsidiary companies	(103,000)	-	(29,000)	(132,000)
At 31.3.2005	-	2,340,860	-	2,340,860

28. DEFERRED TAX LIABILITIES/(ASSETS) (Continued)

Deferred tax assets have not been recognised in respect of the following:

	Group	
	2005	**2004**
	RM	**RM**
Unused tax losses	**198,980**	191,366
Unabsorbed capital allowances	**2,328**	2,328

29. PROVISION FOR RETIREMENT BENEFITS

	Group	
	2005	**2004**
	RM	**RM**
Balance at beginning of the year	**377,440**	22,187
(Reversal of provision)/provision for the year	**(138,100)**	4,800
Arising from (disposal)/acquisition of subsidiary company	**(27,787)**	350,453
Payments	**(35,666)**	-
Balance at end of the year	**175,887**	377,440

30. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("RCULS")

	Group and Company	
	2005	2004
	RM	RM
Nominal value of RCULS:		
Balance at beginning of the year	**60,000,000**	-
Issued during the year:		
Liability component	**-**	53,356,584
Equity component	**-**	4,783,260
Deferred tax liability (Note 28)	**-**	1,860,156
	-	60,000,000
Balance at end of the year	**60,000,000**	60,000,000

The movement of the liability component of the RCULS during the year was as follows:

	2005 RM	2004 RM
Balance at beginning of the year	**53,356,584**	-
Issued during the year	**-**	53,356,584
Interest accrued	**2,987,969**	-
Interest paid	**(1,765,574)**	-
Balance at end of the year	**54,578,979**	53,356,584

30. REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("RCULS") (Continued)

The movement of the equity component of the RCULS during the year was as follows:

	Group and Company	
	2005	**2004**
	RM	**RM**
Balance at beginning of the year	**4,783,260**	-
Issued during the year	**-**	4,783,260
Balance at end of the year	**4,783,260**	4,783,260

The RM60,000,000 5-year RCULS at 100% of the nominal value with a coupon rate of 3% per annum was issued by the Company on 25 March 2004 as part consideration for the acquisition of certain subsidiary companies. The salient features of the RCULS are as follows:

(i) The registered holders of the RCULS shall be entitled from the date of issue of 25 March 2004 until 25 March 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.

31. SHARE CAPITAL

	Group and Company	
	2005	**2004**
	RM	**RM**
Authorised:		
Ordinary shares of RM1 each		
At beginning of the year	**1,000,000,000**	50,000,000
Created during the year	**-**	950,000,000
At end of the year	**1,000,000,000**	1,000,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At beginning of the year	**433,000,000**	42,000,000
Issued during the year:		
Acquisition of subsidiary companies	**-**	270,000,000
Private placement	**-**	100,000,000
Bonus issue	**-**	21,000,000
At end of the year	**433,000,000**	433,000,000

32. RESERVES

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Distributable reserve:				
(Accumulated loss) / Unappropriated profit	**35,087,023**	(5,252,287)	**16,425,110**	(1,341,649)
Non-distributable reserves:				
Share premium	**105,490,894**	105,490,894	**105,490,894**	105,490,894
Foreign exchange reserve	**(80,621)**	-	**-**	-
Reserve on consolidation	**-**	3,899,315	**-**	-
	140,497,296	104,137,922	**121,916,004**	104,149,245

Revaluation Reserve

The revaluation reserve is used to record the increase or decrease in revaluation of investment 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 9 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 31 March 2005 without additional tax liabilities being incurred.

Share premiun

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

33. DIVIDENDS

	Group and Company	
	2005	2004
	RM	RM
Final dividend paid:		
2% tax exempt dividend in respect of the financial year ended 31 March 2003	**-**	840,000

The directors recommended a final gross dividend of 5 sen (2004: 2 sen tax exempt). Total gross dividend for the financial year of 5 sen per share (2004: 2 sen tax exempt) is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

34. 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 Board.

The operational risk management processes include comprehensive documentation of processes and procedures and built-in system 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 Bursa Securities.

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 mainly denominated in Ringgit Malaysia (RM) and 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.

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-to-market valuations are regularly reported to management.

34. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk (Continued)

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 23, 24 and 27.

It is the Group's policy to place cash deposits on a short-term basis and therefore allows the Group to respond to significant changes of interest rates promptly. 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 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 Securities 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 significant financial assets are its investment in unquoted bonds, cash and bank balances, and trade, loans and other receivables. The accounting policies applicable to the significant financial assets are as disclosed in Note 2.

Financial Liabilities

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

34. FINANCIAL INSTRUMENTS (Continued)

Fair Values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	2005		2004	
Group	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Investment in unquoted bonds	**4,000,000**	**3,894,839**	4,000,000	3,325,428
Financial Liabilities				
Borrowings - non current	**40,000,00**	**38,095,238**	40,000,000	33,254,277

	2005		2004	
Company	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Investment in unquoted bonds	**4,000,000**	**3,894,839**	4,000,000	3,325,428
Amount owing by related companies	**126,078,348**	*****	742,206	*
Financial Liabilities				
Borrowings - term loan	**40,000,000**	**38,095,238**	40,000,000	33,254,277
Amount owing to subsidiary company	**946**	*****	-	*

* It is not practicable within the constraints of timeliness and cost to estimate the fair value of the amounts owing from/to subsidiary companies principally due to the lack of fixed repayment terms. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

34. FINANCIAL INSTRUMENTS (Continued)

Fair Values (Continued)

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

Cash and cash equivalents, trade, loan and other receivables, trade and other payables, and current borrowings

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 business on the balance sheet date.

Non-current borrowings and RCULS

The fair value of non-current borrowings and RCULS are estimated using discounted cash flow analysis based on current interest rates for similar types of instruments.

Unquoted other investments

The fair value of unquoted bonds is estimated using discounted cash flow analysis based on the current interest rates.

In respect of unquoted shares at the end of the previous financial year, in the absence of other clear indicators, the directors considered that the underlying net tangible asset value as reflected in the then latest audited financial statements of Bursa Malaysia Berhad to 31 December 2003 as a reasonal indication of fair value of the carrying amount of investment.

35. CONTINGENT LIABILITIES

On 21 March 2003, an ex-client of a subsidiary company 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 a fraud committed by an ex-dealer of the subsidiary company who had performed illegal trading operations in the name of the subsidiary company. There is now no further contingent liability after the recovery of claims from various financial institutions and a settlement amount agreed upon with the claimant.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year, the Company and the Group undertook the following:

(i) The Company disposed of its 100% equity interest in Metal Perforators (Malaysia) Sdn. Bhd. to Temasek Berkat Sdn Bhd for a cash consideration of RM4.5 million on 28 May 2004 with a gain of RM2.7 million.

(ii) The completion of the acquisition of ECM Libra Capital Markets Sdn. Bhd. (formerly known as Libra Capital Markets Sendirian Berhad) by the Company on 18 October 2004 has expanded the Group's activities to fund management services.

(iii) ECM Libra Investments Limited ("ECMLI") (formerly known as Bigfield Investments Limited), became a wholly-owned subsidiary of ECM Libra Investment Bank Limited ("ECMLIB"), a wholly-owned subsidiary of the Company, on 3 August 2004.

(iv) The acquisition by ECMLI of 29.2% equity interest in Westcomb Financial Group Limited (formerly known as SBI E2-Capital Holdings Limited), a company incorporated in Singapore and listed on the SGX-ST Dealing and Automated Quotation System, was completed on 1 February 2005.

37. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to an allowance for amount due from a subsidiary company which was acquired in the previous financial year whereby the allowance was deducted in the determination of the purchase consideration of the subsidiary company as part of the Company's restructuring scheme. The restructuring scheme was completed on 30 March 2004.

The following accounts of the Company have been restated to reflect the effects of the prior year adjustment:

Company	As previously stated RM	Adjustment RM	As restated RM
Amount due from a subsidiary company	2,380,617	(1,638,411)	742,206
Net loss for the year	(11,516,388)	(1,638,411)	(13,154,799)
Accumulated losses as at 31.3.2004	296,762	(1,638,411)	(1,341,649)

The prior year adjustment did not give rise to any impact to the financial statements of the Group.

38. COMPARATIVES

The comparative figures have been audited by a firm of chartered accountants other than Ernst & Young.

other information

1. 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 2005 pursuant to the mandate approved by the shareholders at the Extraordinary General Meeting held on 22 September 2004, the aggregate values of which are as follows: -

Related Party	Type of Transaction	Interested director, major shareholder or person connected	Aggregate value for financial year ended 31 March 2005 (RM)
Libra Capital Markets Limited	Rental of premises	Mr Lim Kian Onn	88,235.29
Plato Solutions Sdn Bhd	Provision of information technology project management services	Mr Lim Kian Onn	350,000.00

2. There were no proceeds raised from any corporate proposal for the financial year ended 31 March 2005.
3. There were no share buybacks for the financial year ended 31 March 2005.
4. There were no options, warrants or convertible securities exercised for the financial year ended 31 March 2005.
5. The Company has not sponsored any American Depository Receipt or Global Depository Receipt programme.
6. The stockbroking subsidiary was fined a total of RM34,000 on two occasions for non-compliance with the rules and regulations of the Kuala Lumpur Stock Exchange for the period December 2001 - March 2002 and February 2003 - January 2004.
7. There was no payment of non-audit fees to the external auditors for the financial year ended 31 March 2005.
8. There were no profit estimate, forecast or projection made or released by the Company for the financial year ended 31 March 2005.
9. The Company has not issued any profit guarantee for the financial year ended 31 March 2005.
10. There were no material contracts (not being contracts entered into in the ordinary course of business) or loans which have been entered into by the Company or its subsidiaries involving the interest of the Directors or major shareholders, either still subsisting for the financial year ended 31 March 2005 or entered into since 31 March 2005.
11. Analysis of shareholders as at 30 June 2005

Authorised share capital	:	RM1,000,000,000.00
Issued & paid-up capital	:	RM433,000,000.00
Class of shares	:	Ordinary Shares of RM1.00
Voting rights		
- on show of hands	:	1 vote
- on a poll	:	1 vote for each share held

other information continued

11. Analysis of shareholders as at 30 June 2005 (Continued)

Distribution schedule of shareholdings:

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	29	0.50	1,252	0.00
100 - 1,000	845	14.58	783,074	0.18
1,001 - 10,000	3,612	62.33	16,072,310	3.71
10,001 - 100,000	1,092	18.84	34,755,750	8.03
100,001 - less than 5% of issued shares	213	3.68	157,295,622	36.33
5% and above of issued shares	4	0.07	224,091,992	51.75
	5,795	100.00	433,000,000	100.00

Thirty Largest Shareholders:

Name of Shareholders	No. of Shares	%
1. Lim Kian Onn	80,786,000	18.66
2. Chua Ming Huat	60,589,500	13.99
3. Kalimullah Bin Masheerul Hassan	60,589,500	13.99
4. Hikkaya Jaya Sdn Bhd	22,126,992	5.11
5. Kumpulan Wang Amanah Pencen	12,000,000	2.77
6. Employees Provident Fund Board	7,316,000	1.69
7. Mezzanine Capital (Malaysia) Sdn Bhd	6,880,972	1.59
8. A.A. Assets Nominees (Tempatan) Sdn. Bhd. - Corporateview Sdn Bhd	6,059,100	1.40
9. A.A. Assets Nominees (Tempatan) Sdn. Bhd. - Gabungan Harmoni Sdn Bhd	6,000,000	1.39
10. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (PRULINK Eqty Fd)	5,722,000	1.32
11. ECM Libra Securities Nominees (Tempatan) Sdn Bhd - ECM Libra Foundation	4,253,000	0.98
12. Citicorp Nominess (Asing) Sdn Bhd - American International Assurance Co. Ltd (AIA Reg Eqty Fd)	4,225,000	0.98
13. Lim Kian Fah	4,000,000	0.92

11. Analysis of shareholders as at 30 June 2005 (Continued)

Thirty Largest Shareholders (Continued):

Name of Shareholders	No. of Shares	%
14. Mayban Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Simpanan Pekerja (N14011980810)	3,897,600	0.90
15. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (Par Fund)	3,889,000	0.90
16. HSBC Nominees (Tempatan) Sdn Bhd - Hwang-DBS Select Small Caps Fund (4579)	3,597,700	0.83
17. Cartaban Nominees (Asing) Sdn Bhd - AIG South East Asia Fund Plc	3,198,200	0.74
18. Lara Hassan Binti Kalimullah	3,000,000	0.69
19. Chua Lan Hiong	2,455,000	0.57
20. Kenanga Nominees (Tempatan) Sdn Bhd - Irama Hasrat Sdn Bhd	2,409,000	0.56
21. BHLB Trustee Berhad - PRUGROWTH Fund	2,399,100	0.55
22. Lim Su Tong @ Lim Chee Tong	2,341,000	0.54
23. Citicorp Nominees (Asing) Sdn Bhd - AIG International Funds-Acorns of Asia Balanced Fund	2,292,400	0.53
24. RHB Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Simpanan Pekerja	1,751,800	0.40
25. Mayban Nominees (Tempatan) Sdn Bhd - RHB Dynamic Fund (N14011200188)	1,480,000	0.34
26. RHB Nominees (Tempatan) Sdn Bhd - Pertubuhan Kebangsaan Melayu Bersatu Atau UMNO	1,400,000	0.32
27. Citicorp Nominees (Asing) Sdn Bhd - American International Assurance Company Limited (P CORE)	1,300,000	0.30
28. A.A. Assets Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Amanah Pencen	1,250,000	0.29
29. HSBC Nominees (Asing) Sdn Bhd - DBS Malaysia Equity Fund	1,200,000	0.28
30. ECM Libra Securities Nominees (Tempatan) Sdn Bhd - Mohd Haneef bin Mokhtar	1,100,000	0.25

11. Analysis of shareholders as at 30 June 2005 (Continued)

Substantial Shareholders:

Name of Shareholders	Direct Interest No. of shares	%	Deemed Interest No. of Shares	%
Lim Kian Onn	80,786,000	18.66	-	-
Dato' Kalimullah bin Masheerul Hassan	60,589,500	13.99	-	-
Chua Ming Huat	60,589,500	13.99	-	-
Hikkaya Jaya Sdn Bhd	22,126,992	5.11	-	-
Arab-Malaysian Corporation Berhad	-	-	35,067,064*	8.10
Tan Sri Dato' Azman Hashim	-	-	35,067,064*	8.10
Slan Sdn Bhd	-	-	35,067,064*	8.10
Ginagini Sdn Bhd	-	-	35,067,064*	8.10

* Deemed interest through Hikkaya Jaya Sdn Bhd and Mezzanine Capital (Malaysia) Sdn Bhd.

12. The directors' interests as at 30 June 2005 are as follows:

	Ordinary shares of RM1.00 each				Redeemable Convertible Unsecured Loan Stocks			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
In the Company	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Dato' Kalimullah bin Masheerul Hassan	60,589,500	13.99	-	-	18,000,000	30.00	-	-
Datuk Roger Tan Kim Hock	-	-	-	-	-	-	-	-
Lim Kian Onn	80,786,000	18.66	-	-	24,000,000	40.00	-	-
Chua Ming Huat	60,589,500	13.99	-	-	18,000,000	30.00	-	-
Dato' Mohd Ali bin Abd. Samad	-	-	-	-	-	-	-	-
Tan Sri Dato'Dr. Sak Cheng Lum	-	-	-	-	-	-	-	-

ecmlibra

ECM LIBRA BERHAD

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

FORM OF PROXY

I/We ____

of ____

being a member/members of ECM LIBRA BERHAD hereby appoint ______________________________

of ____

or failing him/her ____

of ____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held at Anggerik Room, 4th Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on Friday, 26 August 2005 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy/proxies is to vote either on show of hands or on a poll as indicated below with an "X" :

	RESOLUTIONS	FOR	AGAINST
1.	To receive the Audited Financial Statements and Reports		
2.	To declare a final dividend of 5% less tax		
3.	To approve the payment of Directors' fees		
4.	To re-elect the following as Directors:		
	4.1 Dato' Kalimullah bin Masheerul Hassan		
	4.2 Datuk Roger Tan Kim Hock		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration		
6.	As special business, to approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965		

Dated this _________ day of _________________ 2005

________________________________ Number of shares held

________________________________ Signature of Member(s)

Notes
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 provided that 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 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting.

AFFIX
STAMP

The Company Secretary
ECM Libra Berhad **(288682-P)**
8A Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur.