

FINANCIAL STATEMENTS

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The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries and associated companies are set out in Notes 17 and 18 on the financial statements.

There have been no significant changes in the nature of these activities during the financial year except as disclosed in the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit after taxation	45,876	3,897
Minority interests	(16,641)	-
Net profit attributable to shareholders	<u>29,235</u>	<u>3,897</u>

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIVIDENDS

No dividend was paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the financial year ended 31 December 2002.

SHARE CAPITAL

The Company did not issue any new shares during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme II ("ESOS II") of the Company came into effect on 2 July 1999 and will be in force for a period of five years from this date.

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

The main features of the ESOS II are as follows:

- (a) Eligible employees are full time staff of any company in the Group whose appointment have been confirmed in writing and who have served for at least one (1) year including full time Executive Directors. Eligibility for participation in the ESOS II shall be at the absolute discretion of the Option Committee.

Executive directors/employees who have been granted options under the previous ESOS may be allowed to participate in the current ESOS II, subject to them having completed at least five (5) years of continuous service in the Company and its subsidiary companies.

- (b) The options granted may be exercised at any time within the period of five (5) years up to 1 July 2004.
- (c) The options may be exercised in respect of all the option shares or in respect of any part of the option shares provided that such part is not less than one thousand (1,000) ordinary shares or multiples of 1,000 ordinary shares. Partial exercise of an option shall not preclude the grantee from exercising the option as to the balance of option shares. The basis on which the options granted may be exercised by virtue of clause 7(ii) of the by-laws are as follows:

Number of Options Granted	Percentage of Options Exercisable				
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Below 20,000	100%	Nil	Nil	Nil	Nil
20,000 to less than 100,000	* 40%	30%	** 30%	Nil	Nil
100,000 and above	20%	20%	20%	20%	20%

Notes:

- * 40% or 20,000 options, whichever is the higher
 ** 30% or the remaining number of options unexercised

A grantee who is a foreigner can exercise his/her option subject to a restriction whereby not more than 20% of the total options allocated to him/her can be exercised on an annual basis.

- (d) The option price for the ordinary shares under the ESOS II shall not be less than the market price at the time the option is granted, and based on the average of the mean market quotation (calculated as the average of the highest and lowest price transacted) of the ordinary shares of the Company as quoted and shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five (5) market days immediately preceding the date of offer or the par value of each ordinary share of the Company, whichever is the higher amount.

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

(e) In the event of any adjustment in the capital structure of the Company during the option period whether by way of capitalisation of profits or reserves, rights issues, reduction of capital (excluding the purchase by the Company of its own shares), subdivision, consolidation or otherwise howsoever taking place, such corresponding adjustments (if any) shall be made in (i) the number of shares comprised in the option so far as unexercised and (ii) the option price as the Option Committee on the advice of the Company's Auditors (acting as experts and not as arbitrators) shall at the request of the grantee or the Company in writing certify either generally or as regards to any particular grantee to be in their opinion fair and reasonable and such certificate shall be final and binding in all respects.

During the financial year, there was no new option granted to take up unissued shares of the Company. There was no options exercised during the financial year.

As at the financial year end, the unissued shares under options were as follows:

<u>Number of ordinary share options of RM1.00 each</u>	<u>Option price</u>
7,653,000 (Offer 1)	RM1.66
8,096,000 (Offer 2)	RM1.22

DIRECTORS

The names of the directors of the Company in office since the date of the last report are:

Tan Sri Razali Ismail	
Dato' Seri H'ng Bok San	
Dato' H'ng Bak Seah	(resigned on 10 April 2003)
Dato' N. Sadasivan	
Dato' H'ng Bak Tee	
Kon Ted Liuk	(resigned on 10 April 2003)
Lai Chang Hun	
Wan Ismail Wan Nik	
Dato' Ismail Abdullah	
H'ng Chun Hsiang	(resigned on 10 April 2003)
Taza Tan Sri Razali Ismail	(resigned on 10 April 2003)
Abdul Rahim Dato' Ismail	(resigned on 10 April 2003)
Chin Yoke Chung Patrick	
Chew Hock Lin	(resigned on 1 March 2003)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for the share options granted to Executive Directors of the Company pursuant to the Employees' Share Option Scheme II ("ESOS II").

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than directors' remuneration and benefits disclosed in Note 27 on the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' INTEREST IN SHARES

The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act, 1965, interest in shares in the Company, as stated below:

<u>Name of directors</u>	<u>Ordinary shares of RM1.00 each</u>			
	<u>As at 1.1.2002</u>	<u>Acquired During the year</u>	<u>Sold</u>	<u>As at 31.12.2002</u>
Tan Sri Razali Bin Ismail	–	1,106,000	–	1,106,000@
Dato' Seri H'ng Bok San	3,876	–	–	3,876#
Dato' N. Sadasivan	50,310	–	–	50,310
Dato' H'ng Bak Tee	22,106	–	–	22,106
Kon Ted Liuk	100,970	–	–	100,970
Lai Chang Hun	592,550	–	–	592,550
Wan Ismail Wan Nik	1,129,020	–	–	1,129,020
Dato' Ismail Abdullah	5,000	25,000	–	30,000
H'ng Chun Hsiang	424,000	–	–	424,000
Chew Hock Lin	7,000	–	–	7,000

Shareholdings in which directors are deemed to have interest

Dato' Seri H'ng Bok San	51,080,606	–	–	51,080,606*
Dato' H'ng Bak Tee	296,667	–	–	296,667^
H'ng Chun Hsiang	51,080,606	–	–	51,080,606*

@ Shares registered in the name of Kuala Lumpur City Nominees (Tempatan) Sdn. Bhd.

Held in trust for shareholders of the Company.

* Deemed interest via Zun Holdings Sdn. Bhd. under Section 6A of the Companies Act, 1965 for shares registered in the name of HSBC Nominees (Tempatan) Sdn. Bhd.

^ Deemed interest via Lizheng Holdings Sdn. Bhd. under Section 6A of the Companies Act, 1965 for shares registered in the name of HSBC Nominees (Tempatan) Sdn. Bhd.

<u>Share options</u>	<u>Option over shares of RM1.00 each</u>			
	<u>As at 1.1.2002</u>	<u>Granted During the year</u>	<u>Exercised</u>	<u>As at 31.12.2002</u>
Dato' Seri H'ng Bok San	500,000	–	–	500,000
Dato' H'ng Bak Seah	500,000	–	–	500,000
Dato' H'ng Bak Tee	500,000	–	–	500,000
Kon Ted Liuk	500,000	–	–	500,000
H'ng Chun Hsiang	200,000	–	–	200,000

According to the abovementioned register, none of the other directors who held office at the end of the financial year held any interest in shares in the Company during the financial year, and the directors did not hold any interests in shares or in debentures of related corporations.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts;
 - (ii) to ensure that any current assets, other than debts, which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group or of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) the results of the Group's and of the Company's operations during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the financial statements;
 - (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 substantially affect the ability of the Group and of the Company to meet their obligations when they fall due;
 - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Collaboration Agreement for Development of a 29-Storey Luxurious Super-Condominium

On 15 November 2002, the Company, Dolphin Square Sdn Bhd ("DSSB") and Applied Construction & Engineering (M) Sdn Bhd ("ACE") entered into a Collaboration Agreement to appoint ACE as the main contractor to convert DSSB's hotel project situated on DSSB's freehold land known as Lot No.1238, Section 13, Town of Georgetown, North East District of Penang ("the said land") into a 29-storey building comprising 49 units of luxurious super-condominiums with 5 levels of basement car parks on the said land.

AUDIT COMMITTEE

The Audit Committee members are:

Wan Ismail Wan Nik - Chairman
(Independent Non-Executive Director)

Lai Chang Hun
(Independent Non-Executive Director)

Kon Ted Liuk (resigned on 10 April 2003)
(Deputy Managing Director)

Chew Hock Lin (resigned on 1 March 2003)
(Independent Non-Executive Director)

Dato' H'ng Bak Tee (appointed on 10 April 2003)
(Managing Director)

Patrick Chin Yoke Chung (appointed on 10 April 2003)
(Independent Non-Executive Director)

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 April 2003.

DATO' H'NG BAK TEE
MANAGING DIRECTOR

DATO' N. SADASIVAN
DIRECTOR

Penang

Statement By Directors

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

We, Dato' H'ng Bak Tee and Dato' N. Sadasivan, being two of the directors of Leader Universal Holdings Berhad, do hereby state that, in the opinion of the directors, the financial statements set out on pages 38 to 86 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2002 and of the results of the business of the Group and of the Company for the financial year ended on that date and the cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 10 April 2003.

DATO' H'NG BAK TEE
MANAGING DIRECTOR

DATO' N. SADASIVAN
DIRECTOR

Penang

Statutory Declaration

Pursuant To Section 169(16) of The Companies Act, 1965

I, Jessica H'ng Hsieh Ling (IC No. 660325-71-5068), the officer primarily responsible for the financial management of Leader Universal Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 38 to 86 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 Jessica H'ng Hsieh Ling at)
Georgetown in Penang)
on 10 April 2003) **Jessica H'ng Hsieh Ling**

Before me:

CH'NG CHIN KUAN (P 063)
DJN, AMN, PJK, PJM, JP
Commissioner for Oaths
(Pesuruhjaya Sumpah)
Penang

1. We have audited the financial statements set out on pages 38 to 86. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2002 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.
4. In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
5. The names of the subsidiaries of which we have not acted as auditors are indicated in Note 17 on the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.
6. We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
7. The auditors' reports on the financial statements of the subsidiaries that have been consolidated were not subject to any qualification that is material in relation to the consolidated financial statements and did not include any comment made under subsection (3) of Section 174 of the Act.

PRICEWATERHOUSECOOPERS

(No. AF-1146)

Chartered Accountants

CHO CHOO MENG

(2082/09/04 (J))

Partner of the firm

Penang

10 April 2003

Balance Sheets

As At 31 December 2002

	Note	Group		Company	
		<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
CURRENT ASSETS					
Properties under development	5	39,354	5,387	-	-
Joint-venture development	6	-	-	-	-
Inventories	7	185,365	209,430	-	-
Amount due from subsidiary companies	8	-	-	87,075	75,690
Amount due from associated companies	9	3,415	4,403	2	-
Trade and other receivables	10	311,767	341,473	317	118
Cash, bank balances and deposits	11	153,115	116,156	8,808	4,584
		693,016	676,849	96,202	80,392
LESS: CURRENT LIABILITIES					
Trade and other payables	12	162,562	168,970	7,523	12,191
Progress payments received and receivable		13,992	1,877	-	-
Short term borrowings	13	258,747	285,215	22,800	14,250
Bank overdrafts	14	6,475	1,930	-	-
Taxation		248	680	172	119
		442,024	458,672	30,495	26,560
NET CURRENT ASSETS		250,992	218,177	65,707	53,832
NON-CURRENT ASSETS					
Property, plant and equipment	15	601,861	659,586	196	184
Properties held for future development	16	39,426	48,004	-	-
Subsidiary companies	17	-	-	418,324	418,324
Associated companies	18	33,921	35,488	6,762	6,762
Other investments	19	21,172	26,557	3,907	4,322
Goodwill on consolidation	20	4,734	6,032	-	-
Amount due from subsidiary companies	8	-	-	184,162	301,775
Amount due from associated companies	9	10,693	13,176	-	-
		711,807	788,843	613,351	731,367
		962,799	1,007,020	679,058	785,199

The notes on pages 46 to 86 form an integral part of these financial statements.

As At 31 December 2002

	Note	Group		Company	
		<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
SHARE CAPITAL	21	436,459	436,459	436,459	436,459
RESERVES	22	29,890	(6,352)	(95,309)	(99,206)
SHAREHOLDERS' FUNDS		466,349	430,107	341,150	337,253
NON-CURRENT LIABILITIES					
Minority interests		123,054	108,441	-	-
Euroconvertible bonds	23	337,908	447,946	337,908	447,946
Term loans	24	27,913	18,267	-	-
Deferred taxation	25	7,575	2,259	-	-
		496,450	576,913	337,908	447,946
		962,799	1,007,020	679,058	785,199

The notes on pages 46 to 86 form an integral part of these financial statements.

Income Statement

For The Financial Year Ended 31 December 2002

	Note	Group		Company	
		<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Revenue	26	1,055,603	1,137,196	24,234	17,992
Cost of sales		(921,420)	(991,544)	-	-
Gross profit		134,183	145,652	24,234	17,992
Other operating income		50,425	9,267	31,085	4,102
Distribution costs		(38,817)	(33,205)	-	-
Administrative expenses		(50,410)	(48,146)	(7,366)	(1,972)
Other operating expenses		(21,891)	(10,004)	(27,909)	(25,742)
Profit/(loss) from operations	27	73,490	63,564	20,044	(5,620)
Finance costs	28	(26,953)	(46,207)	(15,506)	(33,754)
Share of profits of associated companies		1,917	1,570	-	-
Profit/(loss) from ordinary activities before taxation		48,454	18,927	4,538	(39,374)
Taxation - Company and subsidiaries	29	(2,031)	7,146	(641)	(1,749)
Share of tax of associated companies		(547)	(401)	-	-
Profit/(loss) from ordinary activities after taxation		45,876	25,672	3,897	(41,123)
Minority interests		(16,641)	(15,860)	-	-
Net profit/(loss) attributable to shareholders		29,235	9,812	3,897	(41,123)
Earnings per share	30	6.70 sen	2.25 sen		

The notes on pages 46 to 86 form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

For The Financial Year Ended 31 December 2002

	Issued and fully paid ordinary shares of RM1 each		<u>Reserves</u>		<u>Total</u>
			<u>Other reserves</u>	<u>Accumulated losses</u>	
	<u>Number of shares</u> '000	<u>Nominal value</u> RM'000	RM'000	RM'000	RM'000
At 1 January 2002	436,459	436,459	158,960	(165,312)	430,107
Amortisation of reserve on consolidation	-	-	(843)	-	(843)
Translation of net equity of foreign subsidiaries	-	-	(3,865)	-	(3,865)
Transfer (from)/to reserves upon disposal of property, plant and equipment	-	-	(1,520)	1,520	-
Transfer (from)/to capital reserves	-	-	(4,753)	4,753	-
Write back on revaluation	-	-	1,785	-	1,785
Surplus on revaluation	-	-	9,930	-	9,930
Net gain not recognised in income statement	-	-	734	6,273	7,007
Net profit for the financial year	-	-	-	29,235	29,235
At 31 December 2002	436,459	436,459	159,694	(129,804)	466,349
At 1 January 2001	436,459	436,459	165,839	(177,355)	424,943
Amortisation of reserve on consolidation	-	-	(841)	-	(841)
Translation of net equity of foreign subsidiaries	-	-	(3,118)	-	(3,118)
Transfer (from)/to reserves upon disposal of property, plant and equipment	-	-	(2,231)	2,231	-
Deficit on revaluation	-	-	(689)	-	(689)
Net (loss)/gain not recognised in income statement	-	-	(6,879)	2,231	(4,648)
Net profit for the financial year	-	-	-	9,812	9,812
At 31 December 2001	436,459	436,459	158,960	(165,312)	430,107

Movements in other reserves are shown in note 22.

The notes on pages 46 to 86 form an integral part of these financial statements.

Company Statement of Changes In Equity

For The Financial Year Ended 31 December 2002

	Issued and fully paid ordinary shares of RM1 each		Reserves		Total
			Other reserves	Accumulated losses	
	Number of shares '000	Nominal value RM'000	RM'000	RM'000	RM'000
At 1 January 2001	436,459	436,459	249,211	(307,294)	378,376
Net loss for the financial year	-	-	-	(41,123)	(41,123)
At 31 December 2001	436,459	436,459	249,211	(348,417)	337,253
At 1 January 2002	436,459	436,459	249,211	(348,417)	337,253
Net profit for the financial year	-	-	-	3,897	3,897
At 31 December 2002	436,459	436,459	249,211	(344,520)	341,150

Movements in other reserves are shown in note 22.

The notes on pages 46 to 86 form an integral part of these financial statements.

Cash Flow Statements

For The Financial Year Ended 31 December 2002

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/(loss) attributable to shareholders	29,235	9,812	3,897	(41,123)
Adjustments for:				
Amortisation of reserve on consolidation	(843)	(841)	-	-
Amortisation of goodwill	1,298	1,396	-	-
Depreciation of property, plant and equipment	43,493	44,334	72	40
Exchange differences	(2,529)	957	-	-
Share of profits in associated companies	(1,917)	(1,570)	-	-
Gain on disposal of property, plant and equipment	(1,586)	(551)	-	-
Gain on liquidation of an associated company	-	(9)	-	-
Interest expense	25,260	25,907	13,813	13,454
Interest income	(1,890)	(2,517)	(12,511)	(12,169)
Dividend income	(203)	(205)	(11,723)	(5,823)
Taxation	2,578	(6,745)	641	1,749
Allowance for redemption premium payable on Euroconvertible Bonds	1,693	20,300	1,693	20,300
Allowance for diminution in value of associated company	2,675	-	-	-
Allowance for diminution in value of other investment	2,437	50	415	-
Property, plant and equipment written off	4,095	463	-	-
Allowance for diminution in value of quoted shares	2,948	1,217	-	-
Minority interests	16,641	15,860	-	-
Gain on ECB buyback	(12,046)	-	(12,046)	-
Redemption premium written back arising from cancellation of ECB	(19,038)	-	(19,038)	-
Write back of impairment of property, plant and equipment	(4,460)	-	-	-
Operating cash flow before working capital changes carried forward	87,841	107,858	(34,787)	(23,572)

The notes on pages 46 to 86 form an integral part of these financial statements.

Cash Flow Statements cont'd

For The Financial Year Ended 31 December 2002

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Operating cash flow before working capital changes brought forward	87,841	107,858	(34,787)	(23,572)
Decrease/(increase) in working capital:				
Inventories	24,065	23,752	-	-
Receivables	30,407	(92)	(167)	(81)
Property development	(2,689)	56,152	-	-
Intercompany balances	-	-	115,603	90,827
Associated company balances	3,471	(1,945)	(2)	10
Payables	4,492	(28,589)	(6,738)	(1,216)
	147,587	157,136	73,909	65,968
Interest paid	(23,087)	(25,907)	(11,743)	(13,454)
Tax paid	(1,480)	(2,137)	(620)	(573)
Tax refund	3,640	-	-	-
Payment for corporate guarantees	-	-	-	(6,891)
Net operating cash flow	126,660	129,092	61,546	45,050
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(7,192)	(18,249)	(84)	(224)
Proceeds from liquidation of an associated company	-	175	-	-
Proceeds from realisation of other investment	-	1,779	-	-
Proceeds from disposal of property, plant and equipment	9,064	2,527	-	-
Interest received	1,886	2,517	12,511	9,865
Dividend received	458	461	2,348	4,267
Net investing cash flow	4,216	(10,790)	14,775	13,908

The notes on pages 46 to 86 form an integral part of these financial statements.

Cash Flow Statements cont'd

For The Financial Year Ended 31 December 2002

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short term bank borrowings	205,023	181,422	-	-
Repayment of short term bank borrowings	(248,205)	(262,139)	-	-
Proceeds from issue of shares under ESOS II	-	-	-	-
Payment of dividends to minority shareholders of subsidiaries	-	(496)	-	-
Proceeds from term loans	36,000	1,573	-	-
Repayment of term loans	(32,440)	(1,900)	(14,250)	(56,874)
ECB buyback	(57,847)	-	(57,847)	-
(Payment)/advances (to)/from a corporate shareholder of a subsidiary company	(1,900)	1,900	-	-
Net financing cash flow	(99,369)	(79,640)	(72,097)	(56,874)
NET CHANGES IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	31,507	38,662	4,224	2,084
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCE	114,226	76,486	4,584	2,500
	907	(922)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	146,640	114,226	8,808	4,584
CASH AND CASH EQUIVALENTS				
Cash, bank balances and deposits (Note 11)	153,115	116,156	8,808	4,584
Bank overdrafts	(6,475)	(1,930)	-	-
	146,640	114,226	8,808	4,584

Significant non-cash transactions

During the financial year the Group purchased property, plant and equipment with an aggregate cost of RM4,847,000 (2001: RM19,787,000) of which deposits of RM Nil (2001: RM79,000) had been paid in the previous financial year and cash payments of RM4,746,000 (2001: RM18,249,000) were made during the financial year. The outstanding amount of RM101,000 (2001: RM2,446,000) was included in payables.

The cash payments made during the financial year include an amount of RM2,446,000, being additions for 2001.

The notes on pages 46 to 86 form an integral part of these financial statements.

1 GENERAL INFORMATION

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries and associated companies are set out in Notes 17 and 18 on the financial statements.

The number of employees in the Group and in the Company as at 31 December 2002 amounted to 2,162 (2001: 2,259) and 75 (2001: 89) respectively.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office and the principal place of business of the Company is:

10th Floor, Wisma LEADER
8 Jalan Larut
10050 Penang

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to manage and control financial exposures to protect the Group against adverse changes in the financial markets, to manage the Group's financial assets and liabilities and to ensure that the Group has sufficient financing in place through loans and credit arrangements.

(a) Foreign currency exchange risk

The foreign currency exchange risk is divided into transaction risk, which arises from income and expenses denominated in foreign currencies, and translation risk, which arises from equity investments, income and borrowings denominated in foreign currencies. Transaction exposures are hedged where appropriate, mainly using currency forward contracts to safeguard business margins.

(b) Interest rate risk

Exposure to interest rate risk is defined as an adverse change to the value of the Group caused by interest rate fluctuations. The Group actively reviews its debt profile to match the funding structures with the risk profile of the underlying assets. This allows the Group to capitalize on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

(c) Market risk

For key product purchases, namely cable and related products, the Group's management actively monitors purchase prices through price comparisons and if required establishes contracts with its suppliers to manage the Group's exposure.

(d) Credit risk

The credit risk of the Group is divided into financial credit risk and customer financing risk.

Financial credit and instruments carry an element of risk that counterparties may be unable to fulfill their obligations. The Group minimize this financial credit risk by limiting the counterparties to reputable and creditworthy financial institutions and does not have significant exposure to any single counterparty.

Customer financing risk relates to credit extended to the customers of the Group. The risk of counterparties defaulting is controlled by adherence to a strict credit approval process that requires all commitments to extend financing support to customers be approved by the Group's Credit Control Committee and trade receivables are monitored on an ongoing basis via the Group's Credit Control Committee.

The Group's account receivables are generated by a large number of customers in different business segments and geographical locations and does not have significant exposure to any individual customer.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**(e) Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cashflows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash, cash convertible investments and committed credit lines available to meet its working capital requirements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless stated otherwise in the summary of significant accounting policies (Note 4). The financial statements comply with the applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965.

The new applicable approved accounting standards adopted are as follows:

(a) Retrospective application

- MASB 19 "Events After Balance Sheet Date"
- MASB 20 "Provisions, Contingent Liabilities and Contingent Assets"
- MASB 22 "Segment Reporting"

The adoption of the above standards did not result in any change to accounting policy that affect the net profit for the financial year.

Where applicable, comparatives have been adjusted or extended to conform with changes due to the adoption of the above standards.

(b) Prospective application

- MASB 21 "Business Combinations"
The Group has taken advantage of the exemption provided in MASB Standard 21 "Business Combinations" to apply the Standard prospectively.
- MASB 23 "Impairment of Assets"
There is no significant impact to the net profit for the financial year as a result of applying this standard as the Group was already applying the measurement principles of this standard.
- MASB 24 "Financial Instruments: Disclosure and Presentation"
The Group has taken advantage of all the exemptions provided in MASB Standard 24 "Financial Instruments: Disclosure and Presentation" to apply this Standard prospectively.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year.

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies 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 subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill on consolidation or reserve on consolidation.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiary companies to ensure consistency of accounting policies with those of the Group.

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 on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Minority interest is disclosed separately.

(b) Goodwill / Reserve on Consolidation

Goodwill or reserve on consolidation is amortised on the straight-line basis over its estimated useful life, for which the Group has set a maximum period of 10 years.

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

(c) Associated Companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associated companies but not control over those policies.

The Group's share of results of associated companies acquired or disposed of is taken up in the consolidated income statement from the date of acquisition or to the date of disposal. The Group's share of post acquisition reserves of associated companies is added to the value of the investment in these companies in the consolidated balance sheet.

The difference between the acquisition cost and the Group's share of the fair value of the net identifiable assets of the associated company is amortised over its estimated useful life.

In the Company's financial statements, investments in associated companies are stated at cost. Allowance for diminution in value is made where, in the opinion of the directors, there is a decline other than temporary in the value of the investments.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(d) Investments**

Quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value.

Investments in subsidiaries are stated at valuation based on the net tangible assets of the subsidiaries at the valuation date. Acquisitions subsequent to valuation date are stated at cost. A valuation will be conducted in an interval of at least once in every five years. Surplus arising on revaluation is credited to revaluation reserve. Decreases that offset previous increases of the same investment are charged against the revaluation reserve, all other decreases are charged to the income statement. Surplus on revaluation directly related to previous decrease in carrying amount for the same investment that was charged to income statement is credited to income statement to the extent of the previous decrease.

Other investments including investments in associated companies are shown at cost and an allowance for diminution in value is made where, in the opinion of the directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

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

(e) Foreign Currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income statements of foreign entities are translated into Ringgit Malaysia at average exchange rates for the period and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in foreign entities are taken direct to the exchange fluctuation reserve. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

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 closing rates used in translation of foreign currency amounts are as follows:

<u>Foreign currency</u>	<u>2002</u> RM	<u>2001</u> RM
1 US Dollar	3.8000	3.8000
1 Singapore Dollar	2.1894	2.0498
1 Euro	3.8937	NA
1 Philippine Peso	0.0713	0.0736
1 Renminbi	0.4595	0.4595

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(f) Property, Plant and Equipment**

Property, plant and equipment are stated at cost, modified by revaluation of land and buildings, less accumulated depreciation.

Surplus arising on revaluation is credited to revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve, all other decreases are charged to the income statement. Surplus on revaluation directly related to previous decrease in carrying amount for the same asset that was charged to income statement is credited to income statement to the extent of the previous decrease.

Freehold land is not amortised. Leasehold land and buildings are amortised on the straight-line basis over the leasehold periods ranging from 20 to 99 years.

Construction-in-progress is not depreciated. Depreciation of all other property, plant and equipment is calculated to write off the cost or subsequent valuation of the property, plant and equipment on the straight-line basis over their estimated useful lives. The principal annual rates used for this purpose are:

	%
Buildings	2 - 20
Plant and machinery	5 - 20
Furniture, fixtures, fittings and equipment	5 - 50
Motor vehicles	16 - 20

Revaluation of freehold and leasehold properties will be conducted in an interval of at least once in every five years.

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

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables is determined on the weighted average basis. Cost of work in progress and finished products includes materials, direct labour and an appropriate proportion of factory overheads. In arriving at net realisable value, due allowance is made for obsolete and slow-moving items.

Completed property units for sale are valued at the lower of cost and net realisable value. Cost is determined principally on a specific identification basis representing cost of land and development expenditure. Allowance is made for foreseeable losses, if any.

(h) Receivables

Allowance for bad and doubtful debts is based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

(i) Properties Under Development

Properties under development are stated at the lower of cost and net realisable value plus attributable profit. All development costs incurred are accumulated in the development properties account until completion of the project to be matched against future revenue. Cost includes costs of land, interest on borrowings and other related development expenditure. Allowance is made for foreseeable losses, if any.

Property development expenditure including land cost are disclosed as current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Progress payments received and receivable are disclosed separately under current liabilities.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(j) Properties Held for Future Development**

Properties held for future development are those which are not expected to be developed for sale within the next 12 months. These are stated at cost. Cost includes cost of land, interest on borrowings and other related development expenditure incurred.

(k) Revenue Recognition

Sales are recognised upon delivery of products, if any, or performance of services, net of sales tax, discounts and returns and after eliminating sales within the Group.

Other revenues of the Group are recognised as follows:

(i) Income from property development

Income from property development is recognised on the percentage of completion method based on the number of units sold and by reference to the stage of completion of the development work at the balance sheet date.

(ii) Income from power generation

Income from power generation is recognised upon completion of the service provided.

(iii) Income from rendering of services

Income from rendering of services relates to insurance agency commission. Recognition of agency commission as revenue is based on the effective commencement or renewal dates of the related policies.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(v) Interest income

Interest income from deposits is recognised on the accrual basis determined by the principal outstanding and rate applicable.

(l) Deferred Taxation

Deferred taxation is provided under the liability method in respect of material timing differences except to the extent that it can be demonstrated with reasonable probability that the timing differences will continue in the foreseeable future. Deferred tax assets are not recognised unless their realisation is beyond reasonable doubt.

(m) Borrowing Cost

Interest charges relevant to properties under development/construction-in-progress which are still under construction are added to the cost of such properties in accordance with International Accounting Standard No.23 - Borrowing Costs. However, capitalisation of interest on borrowing costs will cease when properties under development/construction-in-progress has been suspended or are ready for sale/ready for its intended use.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Euroconvertible Bonds

The Euroconvertible Bonds issued by the Company are stated at the issue price denominated in US\$ translated at the exchange rate prevailing at balance sheet date. Exchange gains or losses arising from the re-translation of Euroconvertible Bonds at balance sheet date are dealt with in the income statement.

The amount to be recognised in shareholders' funds in respect of shares to be issued upon conversion of the Euroconvertible Bonds will be the amount at which the liability for the Bonds is stated as at the date of conversion. No gain or loss will be recognised in the income statement upon conversion. Gains or losses arising from the cancellation of the Euroconvertible Bonds purchased by the Company in the open market are recognised in the income statement.

Additional redemption premium on the Euroconvertible Bond is payable on 5 May 2006 and 5 May 2007 respectively, at an amount equal to 1 percent and 2 percent respectively, of 129.2976 percent on the aggregate principal amount of the ECB which remain outstanding as at 6 May 2005 and 6 May 2006 respectively, is provided on the straight-line basis over the period from the effective date of the Amendments to the respective payment date of the additional redemption premium.

(o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Short Term Borrowings and Term Loans

Short term borrowings and term loans are initially recognised based on the proceeds, net of transaction costs incurred if applicable.

(q) Financial Instruments Not Recognised on the Balance Sheet

Foreign currency forward contracts

The Group enters into forward foreign exchange contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be settled. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions. All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences underlying hedged items. Gains and losses on contracts which are no longer designated as hedges are included in the income statement.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(r) Fair Value Estimation for Disclosure Purposes**

The fair value of quoted investments is based on quoted market prices at balance sheet date.

For other investments for which there are no quoted market prices, they are valued at cost subject to review for impairment.

Outstanding foreign exchange related contracts at the balance sheet date are valued based on the applicable spot rates ruling at the date adjusted for the applicable premium or discount to maturity. Gains or losses are recognised in the year they arise.

In assessing the fair values of other financial assets and liabilities, the Group uses discounting cash flow method and makes assumptions based on market conditions existing at balance sheet date. Future cash flows are discounted using current market interest rates available to the Group for similar financial instruments.

The book values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. Financial assets and liabilities with exposure to floating interest rates are also assumed to approximate their fair values.

5 PROPERTIES UNDER DEVELOPMENT

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Freehold land transferred from property, plant and equipment	17,810	-	-	-
Development expenditure				
- at cost	16,212	5,387	-	-
- transferred from property, plant and equipment	4,890	-	-	-
	38,912	5,387	-	-
Attributable profit	442	-	-	-
	39,354	5,387	-	-

Included in development expenditure at cost is interest on temporary loan capitalised to date of RM63,690 (2001: RM63,690).

Development expenditure transferred from property, plant and equipment represents expenditure incurred in respect of a collaboration agreement with a main contractor to develop a 29 storey luxurious super condominiums with one sub-basement and 4 levels of basement car parks on land belonging to the Group for a contract sum of RM44,750,000 as agreed by both parties and stated in project budget. For initial working capital purpose, the Group and the main contractor are to contribute RM650,000 and RM350,000 respectively.

The agreement provides that all development expenditure will be financed by the funds from the Housing Development Account. The agreement allows, after the completion of the project and settling all the liabilities, the remaining balance sum in the HDA accounts to be distributed between the Group and the main contractor in a ratio which follows the contribution of initial working capital. The agreement also requires the Group and the main contractor to sell 5 units of the super condominiums within 3 months from the Group obtaining the Housing Development Licence and Advertising Permit and sell a further 5 units by 31 March 2004. In the event that any party breaches the terms of the Sale and Purchase Agreement for their respective units, then it is deemed as a breach on an event of default under this Agreement.

6 JOINT-VENTURE DEVELOPMENT

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Development expenditure	-	34,803	-	-
Allowance for write down of development expenditure	-	(12,014)	-	-
Transfer to inventory of completed units and properties under development on completion of projects	-	(22,789)	-	-
	-	-	-	-

7 INVENTORIES

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
<u>At cost:</u>				
Raw materials	49,931	72,353	-	-
Work-in-progress	23,568	24,410	-	-
Finished goods	70,936	65,947	-	-
Consumables	24,054	24,310	-	-
	168,489	187,020	-	-
<u>At net realisable value:</u>				
Raw materials	32	-	-	-
Work-in-progress	210	-	-	-
Finished goods	127	756	-	-
Consumables	13	-	-	-
	382	756	-	-
Completed property units for sale	17,764	23,593	-	-
Less: Allowance for write down	(1,270)	(1,939)	-	-
	16,494	21,654	-	-
	185,365	209,430	-	-

8 AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
<u>Current</u>		
Amount due from subsidiary companies	119,965	114,333
Less: Allowance for doubtful debts	(32,890)	(38,643)
	87,075	75,690
<u>Non-current</u>		
Amount due from subsidiary companies	475,848	560,386
Less: Allowance for doubtful debts	(291,686)	(258,611)
	184,162	301,775
Total	271,237	377,465

The currency exposure profile of the amount due from and owing to subsidiary companies is as follows:

	Company
	<u>2002</u>
	RM'000
Ringgit Malaysia	187,599
US Dollar	83,638
	271,237

The fair value of amount due from subsidiary companies approximates the book value.

Amount due from subsidiaries are primarily interest free advances with no fixed repayment terms except for certain amounts due from subsidiaries where interest was charged at rates ranging from 2.42% to 7.40% (2001: 2.68% to 7.80%) per annum as follows:

	Company	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Current	17,466	27,956
Non-current	38,276	22,540
	55,742	50,496

9 AMOUNT DUE FROM ASSOCIATED COMPANIES

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Current				
Amount due from associated companies	3,415	4,403	2	-
Non-current				
Amount due from associated companies	17,374	17,473	-	11
Less: Allowance for doubtful debts	(6,681)	(4,297)	-	(11)
	10,693	13,176	-	-
	14,108	17,579	2	-

The currency exposure profile of the amount due from associated companies is as follows:

	Group	Company
	<u>2002</u>	<u>2002</u>
	RM'000	RM'000
Amount due from associated companies		
Ringgit Malaysia	4,663	2
US Dollar	9,445	-
	14,108	2

The fair values of amount due from associated companies to the Group and Company approximates their book values.

Included in amount due from associated companies denominated in Ringgit Malaysia is an amount of RM1,271,000 being interest free and unsecured advances with no fixed repayment terms. The balance of amount due from associated companies denominated in Ringgit Malaysia arises out of normal trade. Amounts denominated in other foreign currencies are mainly interest free advances with no fixed repayment terms to associated companies incorporated overseas.

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Trade receivables	295,753	329,722	-	-
Less: Allowance for doubtful debts	(13,534)	(13,383)	-	-
	282,219	316,339	-	-
Other receivables	23,057	18,112	264	74
Deposits	2,815	2,742	41	44
Prepayments	3,676	4,280	12	-
	311,767	341,473	317	118

10 TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade receivables is as follows:

	Group <u>2002</u> RM'000	Company <u>2002</u> RM'000
- Ringgit Malaysia	152,982	-
- US Dollar	87,494	-
- Euro	20,702	-
- Singapore Dollar	12,883	-
- Philippine Peso	8,158	-
	282,219	-

Normal credit terms of trade receivables range from 14 to 150 days.

The Group's trade receivables are generated by a large number of customers in different business segments and geographical locations and does not have significant exposure to any individual customer.

The risk of counterparties defaulting is controlled by adherence to a strict credit approval process that requires all commitments to extend financing support to customers be approved by the Group's Credit Control Committee and trade receivables are monitored on an ongoing basis via the Group's Credit Control Committee.

11 CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Cash and bank balances	35,288	29,094	4,491	2,527
Cash at bank in Housing Development Accounts	3,306	2,395	-	-
Fixed deposits with licensed banks	114,204	77,641	4,000	2,000
Fixed deposits in foreign accounts with licensed banks	317	57	317	57
Fixed deposits with finance companies	-	6,969	-	-
	153,115	116,156	8,808	4,584

Withdrawals from the Housing Development Accounts are restricted under Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

11 CASH, BANK BALANCES AND DEPOSITS (cont'd)

The currency exposure profile of cash, bank balances and deposits is as follows:

	Group <u>2002</u> RM'000	Company <u>2002</u> RM'000
- Ringgit Malaysia	73,885	8,486
- US Dollar	55,627	322
- Singapore Dollar	15,009	-
- Euro	7,872	-
- Philippine Peso	722	-
	153,115	8,808

Fixed deposits and bank balances bear the following range of effective interest rates:

	Group		Company	
	Highest %	Lowest %	Highest %	Lowest %
Fixed deposits with licensed banks	3.20	0.20	2.70	2.50
Fixed deposits with finance companies	-	-	-	-
Fixed deposits in foreign accounts with licensed banks	1.22	1.22	1.22	1.22
Bank balances	-	-	-	-

Deposits of the Group and Company have maturity between 2 to 90 days. Bank balances are deposits held at call with banks.

12 TRADE AND OTHER PAYABLES

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Trade payables	58,963	63,621	-	-
Payroll liabilities	5,052	1,165	3,692	2,478
Duties and other taxes payable	52,048	44,085	-	-
Amount payable to contractors	-	5,951	-	-
Amount payable to suppliers of indirect materials and services	28,060	31,465	426	390
Accruals	18,439	22,683	3,405	9,323
	162,562	168,970	7,523	12,191

12 TRADE AND OTHER PAYABLES (cont'd)

The currency exposure profile of trade and other payables is as follows:

	Group <u>2002</u> RM'000	Company <u>2002</u> RM'000
- Ringgit Malaysia	83,338	5,453
- US Dollar	68,382	2,070
- Philippine Peso	7,987	-
- Singapore Dollar	1,617	-
- Euro	1,238	-
	162,562	7,523

Credit terms of trade payables granted to the Group vary from cash advance to 90 days.

13 SHORT TERM BORROWINGS

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
<u>Unsecured</u>				
Bankers acceptances	153,246	185,286	-	-
Trust receipts	6,797	6,374	-	-
Revolving credit	46,253	57,662	-	-
Term loans (Note 24)	13,578	31,260	-	14,250
Euroconvertible Bonds redeemable within 12 months (Note 23)	22,800	-	22,800	-
	242,674	280,582	22,800	14,250
<u>Secured</u>				
Trust receipts	1,019	1,154	-	-
Revolving credit	3,458	3,479	-	-
Term loans (Note 24)	11,596	-	-	-
	258,747	285,215	22,800	14,250

The secured trust receipts and revolving credit are secured over a subsidiary company's freehold land with a net book value of RM11,937,000(2001: RM9,299,000).

The short term borrowings bear the following range of effective interest rates:

	Highest %	Lowest %
Bankers acceptances	4.00	2.87
Trust receipts	5.32	2.25
Revolving credit	5.25	2.90

14 BANK OVERDRAFTS

The bank overdrafts are unsecured and bear interest rates averaging 7.15%.

15 PROPERTY, PLANT AND EQUIPMENTGroup

	<u>Opening net book value</u> RM'000	<u>Additions/ Written off/ Revaluation/ Exchange fluctuations</u> RM'000	<u>Reclassi- fications</u> RM'000	<u>Transfer to properties under development</u> RM'000	<u>Disposals</u> RM'000	<u>Depreciation charge</u> RM'000	<u>Closing net book value</u> RM'000
2002							
Freehold land	95,180	(5,019)	-	(17,810)	(7,350)	-	65,001
Short term leasehold land	23,506	3,607	(8,691)	-	-	(313)	18,109
Long term leasehold land	14,598	1,963	(4,077)	-	-	(347)	12,137
Buildings	138,744	11,782	22,959	-	(14)	(6,936)	166,535
Plant and machinery	342,174	(58)	(7,296)	-	(1)	(29,685)	305,134
Furniture, fixtures, fittings and equipment	22,258	801	5,960	-	(67)	(5,637)	23,315
Motor vehicles	1,342	550	-	-	(18)	(575)	1,299
Construction-in- progress	21,784	2,292	(8,855)	(4,890)	-	-	10,331
	659,586	15,918	-	(22,700)	(7,450)	(43,493)	601,861

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	<u>Additions</u>	<u>Written off</u>	<u>Revaluation</u>	<u>Exchange</u>	<u>Total</u>
	RM'000	RM'000	RM'000	fluctuations RM'000	RM'000
Freehold land	-	-	(4,510)	(509)	(5,019)
Short term leasehold land	-	-	3,607	-	3,607
Long term leasehold land	-	-	1,963	-	1,963
Buildings	970	-	10,350	462	11,782
Plant and machinery	1,566	(468)	-	(1,156)	(58)
Furniture, fixtures, fittings and equipment	791	(55)	-	65	801
Motor vehicles	539	-	-	11	550
Construction-in-progress	981	(3,572)	4,892	(9)	2,292
	4,847	(4,095)	16,302	(1,136)	15,918

Included in revaluation surplus is an amount of RM4,890,000 recognised in the income statement for the financial year ended 31 December 2002 being reversal of impairment losses recognised in prior years' income statement.

Group

	<u>At cost/ valuation</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
	RM'000	RM'000	RM'000
<u>2002</u>			
Freehold land			
- at valuation 2002	65,001	-	65,001
Short term leasehold land			
- at valuation 2002	18,125	(16)	18,109
Long term leasehold land			
- at valuation 2002	12,390	(253)	12,137
Buildings			
- at cost*	12,225	(1,978)	10,247
- at valuation 2002	157,209	(921)	156,288
Plant and machinery	585,631	(280,497)	305,134
Furniture, fixtures, fittings and equipment	71,508	(48,193)	23,315
Motor vehicles	17,675	(16,376)	1,299
Construction-in-progress	10,331	-	10,331
	950,095	(348,234)	601,861

* Buildings completed during the financial year were not revalued as the completion dates were close to the date of the Group's revaluation exercise.

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group

	<u>At cost/ valuation</u> RM'000	<u>Accumulated depreciation</u> RM'000	<u>Net book value</u> RM'000
2001			
Freehold land			
- at cost	10,770	-	10,770
- at valuation 1997	84,410	-	84,410
Short term leasehold land			
- at cost	18,217	(3,475)	14,742
- at valuation 1997	10,831	(2,067)	8,764
Long term leasehold land			
- at cost	16	(1)	15
- at valuation 1997	15,992	(1,409)	14,583
Buildings			
- at cost	18,028	(2,969)	15,059
- at valuation 1997	148,065	(24,380)	123,685
Plant and machinery	596,846	(254,672)	342,174
Furniture, fixtures, fittings and equipment	64,968	(42,710)	22,258
Motor vehicles	18,362	(17,020)	1,342
Construction-in-progress	21,784	-	21,784
	1,008,289	(348,703)	659,586

Company

	<u>Opening net book value</u> RM'000	<u>Additions</u> RM'000	<u>Depreciation charge</u> RM'000	<u>Closing net book value</u> RM'000
2002				
Furniture, fixtures, fittings and equipment	184	84	(72)	196

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company2002

	<u>Cost</u> RM'000	<u>Accumulated depreciation</u> RM'000	<u>Net book value</u> RM'000
Furniture, fixtures, fittings and equipment	308	(112)	196

2001

Furniture, fixtures, fittings and equipment	224	(40)	184
---	-----	------	-----

The Group's freehold and leasehold properties were revalued by the following registered valuers using the open market value method:

<u>Country</u>	<u>Date</u>	<u>Valuer</u>	<u>Qualification</u>	<u>Name of firm</u>
Cambodia	December 2002	Tay Lai Hee	MRICS, IRRV, FISM	Rahim & Co.
Malaysia	December 2002	Tay Lai Hee	MRICS, IRRV, FISM	Rahim & Co.
Malaysia	December 2002	Baharum Shah Munir	MISM	Rahim & Co.
Malaysia	December 2002	Choy Yue Kwong	MIS, IRRV, BSC, DLE (Scotland)	Rahim & Co.
Malaysia	January 2002	Abdul Khalid bin Abdul Rahman and Kuvendaraju Pachappen	FISM	Colliers Jordan Lee & Jaafar Sdn. Bhd.
Philippines	October 2002	Abelardos. Garcia, Jr.	IPA	Cuervo Appraisers, Inc.
Philippines	November 2002	Abelardos. Garcia, Jr	IPA	Cuervo Appraisers, Inc.
Singapore	December 2002	Thomas Lee Fook Sum	ISVS	Amalgamated Appraisal Consultant Pte. Ltd.

15 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Had the land and buildings been carried out at historical cost less depreciation, the net book value of land and buildings that would have been included in the financial statements as at the end of the financial year is as follows:

	Group	
	<u>2002</u> RM'000	<u>2001</u> RM'000
Freehold land	22,458	45,186
Short term leasehold land	4,330	16,013
Long term leasehold land	6,303	7,842
Buildings	112,654	95,656
	145,745	164,697

Included in long term leasehold land and short term leasehold land of the Group are two pieces of leasehold land costing RM435,000 and RM609,000 (2001: RM526,000 and RM1,075,000) respectively which are still in the process of being registered in the subsidiary company's name.

Included in buildings are apartments costing RM595,000 (2001: RM595,000) and a shop lot costing RM599,000 (2001: RM599,000) for which the strata titles are being applied for.

The tax effect relating to land and buildings that have been revalued in excess of historical cost is not disclosed as the Group has no intention of disposing these assets in the foreseeable future.

16 PROPERTIES HELD FOR FUTURE DEVELOPMENT

	Group	
	<u>2002</u> RM'000	<u>2001</u> RM'000
Land	21,136	29,372
Development expenditure	18,290	18,632
	39,426	48,004

17 SUBSIDIARY COMPANIES

	Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000
Unquoted shares - at 1998 valuation	472,813	472,813
- at cost	11,872	11,872
	484,685	484,685
Less: Allowance for diminution in value of investment in certain subsidiary companies		
- charged to income statement	(4,614)	(4,614)
- charged against revaluation surplus	(61,747)	(61,747)
	418,324	418,324

The investments in subsidiaries were revalued by the directors based on the net tangible asset value of the subsidiaries as at 31 December 1998.

17 SUBSIDIARY COMPANIES (cont'd)

Listed below are the subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2002</u>	<u>2001</u>	
<u>Incorporated in Malaysia</u>			
Leader Cable Industry Berhad *	100%	100%	Manufacture and sale of telecommunication and power cables
Leader Metal Enterprise Sdn. Bhd. *	100%	100%	Manufacture and sale of aluminium rods
Universal Cable (M) Berhad	100%	100%	Manufacture and sale of telecommunication and power cables and aluminium rods
Chong Shing Cables Sdn. Bhd.	100%	100%	Manufacture and sale of cables
Alpha Industries Berhad *	51%	51%	Manufacture and sale of copper rods
Leader Optic Fibre Cable Sdn. Bhd.	75%	75%	Manufacture and sale of optical fibre cables
Leader-GoldStar Magnet Wire Sdn. Bhd. *	51%	51%	Manufacture and sale of single and double coated copper enamelled wires
Leader-GoldStar Electronic Wire Sdn. Bhd. *	51%	51%	Manufacture and sale of switchboard cables, coaxial cables and various electronic wires
LCI Property Development Sdn. Bhd. *	100%	100%	Investment holding and property development
Leader Garden Sdn. Bhd. *	100%	100%	Investment holding and property development
Exogold Sdn. Bhd. *	80%	80%	Investment holding and property development
Leader Holdings Sdn. Bhd. *	100%	100%	Investment holding and letting and management of properties
Cogent Corporation Sdn. Bhd. *	100%	100%	Property development
Glamour Acres Sdn. Bhd. *	100%	100%	Property development
Million Crest (M) Sdn. Bhd. *	96.8%	96.8%	Property development

17 SUBSIDIARY COMPANIES (cont'd)

Listed below are the subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2002</u>	<u>2001</u>	
<u>Incorporated in Malaysia</u>			
Penang Pewter & Metal Arts Sdn. Bhd. *	100%	100%	Manufacture and sale of pewter ware and metal arts (Ceased manufacturing operations on 31 December 2002)
KPU-LEADER Consortium Sdn. Bhd.	100%	100%	Trading of cables
Dolphin Square Sdn. Bhd. *	100%	100%	Investment holding
Leader Pacific Holdings Sdn. Bhd.	100%	100%	Investment holding (Struck off from register on 16 January 2003)
Leader Asia-Pacific Sdn. Bhd.	100%	100%	Investment holding
Leader Pewter Sdn. Bhd. *	100%	100%	Investment holding
Leader Agency Sdn. Bhd.	100%	100%	Insurance agent
LCI Housing Development Sdn. Bhd. *	100%	100%	Property development
Universal Cable Engineering Sdn. Bhd.	100%	100%	Dormant
Leader Engineering Sdn. Bhd. *	100%	100%	Dormant
Leader Data Cable Sdn. Bhd.	100%	100%	Dormant
Leader Plantation Sdn. Bhd. *	100%	100%	Dormant
Leader Universal Marketing Sdn. Bhd. *	100%	100%	Dormant
Leader Diamond Dies Manufacturing Sdn. Bhd.	100%	100%	Dormant
Leader Brass Products Sdn. Bhd. *	87.3%	87.3%	Dormant
Leader Credit & Leasing Sdn. Bhd. *	100%	100%	Dormant
Leader Universal Technologies Sdn. Bhd.	100%	100%	Dormant
Leader Universal Properties Sdn. Bhd.	100%	100%	Dormant
Leader Copper Products Sdn. Bhd.	100%	100%	Dormant
Central Pahang Iron Mining Sdn. Bhd. *	51%	51%	Dormant
Leader International Sdn. Bhd. *	100%	100%	Dormant

17 SUBSIDIARY COMPANIES (cont'd)

Listed below are the subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2002</u>	<u>2001</u>	
<u>Incorporated in Malaysia</u>			
Leader Risk Management Services (M) Sdn. Bhd. *	100%	100%	Dormant
Northern Wire & Cable Sdn. Bhd. *	100%	100%	Dormant
Leader Global Holdings Sdn. Bhd.	Nil	100%	Struck off from register in financial year ended 31 December 2002
Hotel Irama (Malaysia) Sendirian Berhad	Nil	100%	Struck off from register in financial year ended 31 December 2002
Universal Aluminium Products Sdn. Bhd.	Nil	100%	Struck off from register in financial year ended 31 December 2002
Leader Universal dotCom Sdn. Bhd. *	Nil	100%	Struck off from register in financial year ended 31 December 2002
<u>Incorporated in Labuan (Federal Territory)</u>			
Leader Universal (Labuan) Limited *	100%	Nil	Investment holding (Subsidiary incorporated in 2002)
<u>Incorporated in Singapore</u>			
Unicable Pte. Ltd. #	100%	100%	Manufacture and sale of cables
<u>Incorporated in Hong Kong</u>			
Leader Universal (Hong Kong) Company Limited #	100%	100%	Investment holding
<u>Incorporated in China</u>			
Shantou Hi-Tech Indu. Deve. Dist. Sinda Cable Company Limited *	Nil @	Nil @	Under liquidation
<u>Incorporated in British Virgin Island</u>			
Leader Telecommunications International Ltd.	100%	100%	Investment holding
Sinolink Mobile Communications Ltd. *	Nil @	Nil @	Under liquidation

17 SUBSIDIARY COMPANIES (cont'd)

Listed below are the subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2002</u>	<u>2001</u>	
<u>Incorporated in Philippines</u>			
Leader Cable Philippines Corporation *	100%	100%	Manufacture and sale of telecommunication and power cables and aluminium rods
LR Philippines Realty Corporation *	70.6%	70.6%	Investment in real property
LC Holdings Corporation *	64%	64%	Investment holding
<u>Incorporated in Cambodia</u>			
Cambodia Utilities Pte. Ltd. #	60%	60%	Power generation
Leader Cable Corporation Ltd. #	100%	100%	Dormant
<u>Incorporated in the Republic of Mauritius</u>			
Leader Universal (Mauritius) Co. Ltd. *	63%	63%	Investment holding
<u>Incorporated in India</u>			
Incab Industries Limited	Nil @	Nil @	Manufacture and sale of cables (Under the jurisdiction of the Board of Industrial and Financial Reconstruction in India)

* Subsidiaries not audited by PricewaterhouseCoopers.

Subsidiaries audited by overseas firms associated with PricewaterhouseCoopers, Malaysia.

@ Nil because of loss of control in financial year ended 31 December 2000.

18 ASSOCIATED COMPANIES

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Unquoted shares at cost	25,380	25,380	6,762	6,762
Less: Allowance for diminution in value	(2,975)	(300)	-	-
	22,405	25,080	6,762	6,762
Group's share of post acquisition				
- Non-distributable reserve	145	145	-	-
- Retained profits	11,371	10,263	-	-
Total interest in associated companies	33,921	35,488	6,762	6,762
Total interest is represented by:				
Group's share of net tangible assets	33,921	35,488		

Listed below are the associated companies:

<u>Name of Associated Company</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2002</u>	<u>2001</u>	
<u>Incorporated in Malaysia</u>			
Universal Cable (Sarawak) Sdn. Bhd.	35%	35%	Manufacture and sale of cables
La-Bayan Development Sdn. Bhd.	30%	30%	Property development
Gift Visions Sdn. Bhd.	49%	49%	Distributing and marketing of gift and souvenir products
Infrakomas Sdn. Bhd.	30%	30%	Cable installation and engaging in related engineering services and trading of cables
Asian Formosa (M) Sdn. Bhd.	Nil	30%	Liquidated in financial year ended 31 December 2002
Technicast Concrete Products Sdn. Bhd.	Nil	20%	Liquidated in financial year ended 31 December 2002
<u>Incorporated in Philippines</u>			
SL Philippines Holdings Corporation	40%	40%	Investment holding
<u>Incorporated in Cambodia</u>			
Leader Realty Corporation Ltd.	49%	49%	Investment in real estate property
<u>Incorporated in China</u>			
Hebei Xinhua Leader Cable Co. Ltd.	25%	25%	Manufacture and sale of wires and cables

19 OTHER INVESTMENTS

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Shares in corporations quoted in Malaysia, at cost	37,353	37,353	-	-
Less: Allowance for diminution in value	(29,584)	(26,636)	-	-
	7,769	10,717	-	-
Unquoted shares, at cost	15,890	15,890	4,322	4,322
Less: Allowance for diminution in value	(2,487)	(50)	(415)	-
	13,403	15,840	3,907	4,322
	21,172	26,557	3,907	4,322
Market value of quoted shares at 31 December	7,769	10,717	-	-

The fair value of quoted investments is based on quoted market prices at balance sheet date. Subsequent to year-end, the market value of the shares in corporations quoted in Malaysia as at 3 April 2003 is RM7,664,000. No adjustment has been made in the financial statements as at 31 December 2002 for this subsequent change.

The fair values of unquoted investments have not been presented as it is not practicable within the constraints of timeliness and cost to estimate these fair values reliably.

20 GOODWILL ON CONSOLIDATION

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Arising from the acquisition of subsidiaries	18,935	18,935	-	-
Less: Accumulated amortisation	(14,201)	(12,903)	-	-
	4,734	6,032	-	-

21 SHARE CAPITAL

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Authorised: Ordinary shares of RM1.00 each				
As at 1 January and 31 December	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid: Ordinary shares of RM1.00 each				
As at 1 January and 31 December	436,459	436,459	436,459	436,459

The Employees' Share Option Scheme II ("ESOS II") of the Company came into effect on 2 July 1999 and will be in force for a period of five years from this date.

The main features of the ESOS II are as follows:

- (a) Eligible employees are full time staff of any company in the Group whose appointment have been confirmed in writing and who have served for at least one (1) year including full time Executive Directors. Eligibility for participation in the ESOS II shall be at the absolute discretion of the Option Committee.

Executive directors/employees who have been granted options under the previous ESOS may be allowed to participate in the current ESOS II, subject to them having completed at least five (5) years of continuous service in the Company and its subsidiary companies.

- (b) The options granted may be exercised at any time within the period of five (5) years up to 1 July 2004.
- (c) The options may be exercised in respect of all the option shares or in respect of any part of the option shares provided that such part is not less than one thousand (1,000) ordinary shares or multiples of 1,000 ordinary shares. Partial exercise of an option shall not preclude the grantee from exercising the option as to the balance of option shares. The basis on which the options granted may be exercised by virtue of clause 7(ii) of the by-laws are as follows:

Number of Options Granted	Percentage of Options Exercisable				
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Below 20,000	100%	Nil	Nil	Nil	Nil
20,000 to less than 100,000	*40%	30%	**30%	Nil	Nil
100,000 and above	20%	20%	20%	20%	20%

Notes:

* 40% or 20,000 options, which ever is the higher

** 30% or the remaining number of options unexercised

A grantee who is a foreigner can exercise his/her option subject to a restriction whereby not more than 20% of the total options allocated to him/her can be exercised on an annual basis.

21 SHARE CAPITAL (cont'd)

- (d) The option price for the ordinary shares under the ESOS II shall not be less than the market price at the time the option is granted, and based on the average of the mean market quotation (calculated as the average of the highest and the lowest price transacted) of the ordinary shares of the Company as quoted and shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five (5) market days immediately preceding the date of offer or the par value of each ordinary share of the Company, whichever is the higher amount.
- (e) In the event of any adjustment in the capital structure of the Company during the option period whether by way of capitalisation of profits or reserves, rights issues, reduction of capital (excluding the purchase by the Company of its own shares), subdivision, consolidation or otherwise howsoever taking place, such corresponding adjustments (if any) shall be made in (i) the number of shares comprised in the option so far as unexercised and (ii) the option price as the Option Committee on the advice of the Company's Auditors (acting as experts and not as arbitrators) shall at the request of the grantee or the Company in writing certify either generally or as regards to any particular grantee to be in their opinion fair and reasonable and such certificate shall be final and binding in all respects.

During the financial year, there was no new option granted to take up unissued shares of the Company. There was no options exercised during the financial year.

As at the financial year end, the unissued shares under options were as follows:

<u>Number of ordinary share options of RM1.00 each</u>	<u>Option price</u>
7,653,000 (Offer 1)	RM1.66
8,096,000 (Offer 2)	RM1.22

22 RESERVES

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Accumulated losses	(129,804)	(165,312)	(344,520)	(348,417)
<u>Other reserves</u>				
(a) <u>Distributable</u>				
Capital reserve	1,836	4,804	-	-
(b) <u>Non-distributable:</u>				
Share premium	54,829	54,829	54,829	54,829
Reserve on consolidation	3,872	4,715	-	-
Revaluation surplus	83,113	74,703	194,382	194,382
Exchange fluctuation reserve	16,044	19,909	-	-
	157,858	154,156	249,211	249,211
Total other reserves as at 31 December	159,694	158,960	249,211	249,211
Total reserves as at 31 December	29,890	(6,352)	(95,309)	(99,206)

22 RESERVES (cont'd)

Movements in other reserves of the Group and the Company are as follows:

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Capital reserve:				
As at 1 January	4,804	4,804	-	-
Transfer to accumulated losses	(4,753)	-	-	-
Write back on revaluation	1,785	-	-	-
As at 31 December	1,836	4,804	-	-

Capital reserve comprises mainly the gain arising from the disposal of certain subsidiaries in Malaysia.

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Share Premium:				
As at 1 January and 31 December	54,829	54,829	54,829	54,829
Reserve on consolidation:				
As at 1 January	4,715	5,556	-	-
Amortisation of reserve on consolidation	(843)	(841)	-	-
As at 31 December	3,872	4,715	-	-
Revaluation surplus:				
As at 1 January	74,703	77,623	194,382	194,382
Transfer to accumulated losses upon disposal of property, plant and equipment	(1,520)	(2,231)	-	-
Surplus/(deficit) on revaluation	9,930	(689)	-	-
As at 31 December	83,113	74,703	194,382	194,382

Revaluation surplus for the Group represents the surplus arising from the revaluation of the Group's land and buildings. Revaluation surplus for the Company represents the surplus arising from the revaluation of the investment in subsidiaries. The tax effects of revalued assets are not disclosed as the Group and Company have no intention to dispose these assets in the foreseeable future.

22 RESERVES (cont'd)

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Exchange fluctuation reserve:				
As at 1 January	19,909	23,027	-	-
Translation of net equity of foreign subsidiaries	(3,865)	(3,118)	-	-
As at 31 December	16,044	19,909	-	-

23 EUROCONVERTIBLE BONDS (UNSECURED)

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
<u>Euroconvertible Bonds of US\$1 each due in 2007</u>				
Principal amount				
- As at 1 January	346,446	346,446	346,446	346,446
- Cancellation during the financial year	(68,780)	-	(68,780)	-
- As at 31 December	277,666	346,446	277,666	346,446
Redemption premium				
- As at 1 January	101,500	81,200	101,500	81,200
- Accrual for the financial year	1,693	20,300	1,693	20,300
- Reversal on cancellation during the financial year	(20,151)	-	(20,151)	-
As at 31 December	83,042	101,500	83,042	101,500
	360,708	447,946	360,708	447,946
Euroconvertible Bonds redeemable within 12 months (Note 13)				
- Principal amount	(17,634)	-	(17,634)	-
- Redemption premium	(5,166)	-	(5,166)	-
	(22,800)	-	(22,800)	-
	337,908	447,946	337,908	447,946

On 5 May 1997, the Company issued US\$100 million 7-year unsecured Euroconvertible Bonds 1997/2004 ("ECB") which were listed on the Luxembourg Stock Exchange. The ECB are constituted by a Trust Deed between the Company and DB Trustees (Hong Kong) Limited being the Trustee for the Bondholders.

23 EUROCONVERTIBLE BONDS (UNSECURED) (cont'd)

On 7 February 2002, the Bondholders have approved the proposed amendments to the terms of the ECB (the "Amendments"). On 3 April 2002 and 18 April 2002 respectively, Bank Negara Malaysia and the Securities Commission approved the Amendments to the terms of the ECB. The effective date of the Amendments was on 5 May 2002.

The salient terms of the ECB may be applied as follows:

(i) Redemption at the option of the Company

- (a) The Company may redeem the ECB in whole, but not in part, on or after 5 May 2001 at the early redemption amount (based on the method of calculation as provided in the Trust Deed) if the closing price of the shares of the Company on the Kuala Lumpur Stock Exchange for each of 30 consecutive trading days ending not less than 5 nor more than 30 days prior to the date the notice of redemption by the Company is first published is at least 140 per cent of the conversion price of RM5.533 per share.
- (b) The Company has the right to redeem the ECB in whole, or in multiples of 1 percent of the principal amount, at a redemption price equal to 129.2976 percent of the principal amount of such ECB on any Interest Payment Date.

(ii) Redemption for tax reasons

The Company may redeem the ECB in whole, but not in part, at 129.2976 per cent of the principal amount in US\$ together with the accrued interest to the date of redemption if, as a result of certain changes in Malaysian tax laws or regulations, the Company becomes obliged to pay additional amounts. This is provided that the Company shall not be entitled to redeem the ECB if the relevant withholding tax or tax deduction giving rise to an obligation to pay additional amounts arises in respect of payments of interest unless the rate of such withholding tax or tax deduction exceeds 15 per cent.

(iii) Conversion option

The Bondholders may convert the ECB (in integral multiples of US\$5,000) from 20 May 1997 to 20 April 2004 into new fully paid ordinary shares of the Company. The number of shares to be issued on conversion of the ECB will be determined by dividing the principal amount of the ECB to be converted by the conversion price of RM5.533 per share at a fixed exchange rate of US\$1.00 = RM2.5047.

The conversion price is subject to adjustments provided in the Trust Deed for, inter alia, subdivision or consolidation of the Company's shares, bonus issues, rights issues and other dilutive events.

(iv) Interest on ECB

The ECB bears interest, payable semi-annually in arrear on each interest payment date, in the case of the first interest payment date after 5 May 2002, six months after such date ("Interest Payment Date"). The interest rates are:

- six-month London Interbank Offer Rate ("LIBOR") plus a margin of 1.35% per annum, calculated on 129.2976 percent of the principal amount of the ECB for the period from 5 May 2002 to 4 May 2003;
- thereafter, the margin will increase by 0.25% each year calculated on 129.2976 percent of the principal amount of the ECB.

23 EUROCONVERTIBLE BONDS (UNSECURED) (cont'd)

(v) Scheduled Redemption

The Company will redeem the ECB at each Interest Payment Date starting from the Interest Payment Date falling in November 2003 at 129.2976 percent of the Redemption Principal as follows:

Interest payment date falling in:	Total principal and redemption premium amount <u>US\$ million</u>	Total principal and redemption premium amount <u>RM million</u>
November 2003	6.00	22.80
May 2004	4.00	15.20
November 2004	12.00	45.60
May 2005	5.00	19.00
November 2005	10.00	38.00
May 2006	5.19	19.73
November 2006	10.00	38.00
May 2007	42.73	162.38
	94.92	360.71

(vi) The Company shall pay an additional premium on the ECB on 5 May 2006 and 5 May 2007 respectively, at an amount equal to 1 percent and 2 percent respectively, of 129.2976 percent on the aggregate principal amount of the ECB which remain outstanding as at 6 May 2005 and 6 May 2006 respectively. In respect of these additional premium, the Company made an accrual of RM1,693,000 during the financial year.

(vii) The ECB contains covenants which requires the Company and/or the Group to:

- (a) comply with a certain level of debt ratio, capital expenditure and contingent liabilities;
- (b) restrict its investment activities and dividend declaration; and
- (c) set aside the net proceeds from the disposal of certain property assets and property development projects for the repayment of ECB.

At 31 December 2002, the balance of exchange loss of RM94,647,000 (2001: RM118,020,000) previously recorded and charged against the 1997 income statement for the ECB remains unrealised.

On 31 March 2003, the Company bought back a total of USD5,000,000 principal value of the ECB and the USD5,000,000 ECB were cancelled on 3 April 2003. Accordingly, the principal amount of the ECB outstanding to date is USD68,070,000.

24 TERM LOANS

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Term loans (unsecured)	20,393	49,527	-	14,250
Term loans (secured)	32,694	-	-	-
	53,087	49,527	-	14,250
Portion of term loans payable within twelve months included in short-term borrowings				
- (unsecured) (Note 13)	(13,578)	(31,260)	-	(14,250)
- (secured) (Note 13)	(11,596)	-	-	-
	27,913	18,267	-	-

The term loans are repayable by instalments up to 2005 and bear floating interest rates ranging from 1.50% to 2.00% (2001: 1.50%) above the banks' base lending rate or cost of funds per annum, and fixed interest rates ranging from 4.50% to 5.90% (2001: 4.50% to 8.30%) per annum.

The Group's term loans are secured over fixed deposits and property, plant and equipment of certain subsidiaries.

Group term loans - maturity and exposure to interest rate risk :

	<u>Not later than one year</u> RM'000	<u>Later than 1 year and not later than 2 years</u> RM'000	<u>Later than 2 years and not later than 5 years</u> RM'000	<u>Later than 5 years</u> RM'000	<u>Total</u> RM'000
At 31 December 2002					
- fixed	1,853	-	-	-	1,853
- floating	23,321	18,410	9,503	-	51,234
	25,174	18,410	9,503	-	53,087
At 31 December 2001					
- fixed	14,250	1,853	-	-	16,103
- floating	17,010	16,414	-	-	33,424
	31,260	18,267	-	-	49,527

24 TERM LOANS (cont'd)

Company term loans - maturity and exposure to interest rate risk :

	<u>Not later than one year</u> RM'000	<u>Later than 1 year and not later than 2 years</u> RM'000	<u>Later than 2 years and not later than 5 years</u> RM'000	<u>Later than 5 years</u> RM'000	<u>Total</u> RM'000
At 31 December 2002					
- fixed	-	-	-	-	-
- floating	-	-	-	-	-
	-	-	-	-	-
At 31 December 2001					
- fixed	14,250	-	-	-	14,250
- floating	-	-	-	-	-
	14,250	-	-	-	14,250

25 DEFERRED TAXATION

Deferred taxation comprises principally the tax effects of the excess of capital allowances over depreciation.

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Timing differences of which the deferred tax benefits have not been accounted for:				
As at 1 January	56,047	63,459	-	-
Arising/(reversal) during the financial year	6,641	(7,412)	-	-
As at 31 December	62,688	56,047	-	-

26 REVENUE

	<u>Group</u>		<u>Company</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Sale of goods, principally cables and related products	921,848	992,181	-	-
Income from property development	29,316	42,145	-	-
Income from power generation	103,171	101,931	-	-
Rendering of services	693	551	-	-
Dividends	203	205	11,723	5,823
Interest income	372	183	12,511	12,169
	1,055,603	1,137,196	24,234	17,992

27 PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Profit/(loss) from operations is stated:				
After charging:				
Amortisation of goodwill	1,298	1,396	-	-
Auditors' remuneration	397	389	75	75
Depreciation	43,493	44,334	72	40
Directors' remuneration *				
- fees	321	216	210	132
- retirement gratuity	-	3,000	-	-
- other emoluments	8,784	8,281	-	-
Rental of land and buildings	1,254	1,595	329	291
Allowance for doubtful debts - trade debtors	4,706	914	-	-
- associated company	2,384	26	-	11
Completed property units for sale written down	2,525	-	-	-
Property, plant and equipment written off	4,095	463	-	-
Loss on disposal of property, plant and equipment	-	26	-	-
Allowance for write down of joint-venture development	-	347	-	-
Allowance for diminution in value of investments:				
- associated companies	2,675	-	-	-
- quoted investments	2,948	1,217	-	-
- unquoted investments	2,437	-	415	-
Allowance for doubtful debts - amount owing by subsidiary companies	-	-	27,322	25,967
Retrenchment benefits	1,206	-	-	-
Staff costs (excluding directors' remuneration)	66,754	64,779	-	-
Net foreign exchange losses - unrealised	-	2,430	-	-
- realised	-	-	4	-
Royalties	663	1,044	-	-
after crediting:				
Gross dividend income from quoted investments	203	205	-	-
Gross dividend income from an associated company	-	-	263	263
Gross dividend income from subsidiary companies	-	-	11,460	5,560
Interest income	1,890	2,517	12,511	12,169
Gain on disposal of property, plant and equipment	1,586	579	-	-
Rental income	483	974	-	-
Amortisation of reserve on consolidation	843	841	-	-
Net foreign exchange gains - unrealised	1,089	-	6	9
- realised	5,895	318	-	247
Write back of accruals for corporate guarantee	-	3,163	-	3,163
Bad debts recovered	327	128	-	-
Gain on ECB buyback **	12,046	-	12,046	-
Redemption premium written back arising from cancellation of ECB **	19,038	-	19,038	-

* Directors' remuneration of the Company, other than fees, as shown under the Group, are reimbursed by its subsidiary companies.

** The gain on ECB buyback and redemption premium written back arising from cancellation of ECB are included in other operating income.

27 PROFIT/(LOSS) FROM OPERATIONS (cont'd)

The estimated monetary value of benefits receivable during the financial year by directors of the Company otherwise than in cash from the Group and Company amounted to RM102,875 (2001: RM102,339).

The options over ordinary shares of the Company granted to Executive Directors of the Company during the financial year are as follows:

	<u>Granted during the year</u>		<u>Unexercised options</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Dato' Seri H'ng Bok San	-	-	500,000	500,000
Dato' H'ng Bak Seah	-	-	500,000	500,000
Dato' H'ng Bak Tee	-	-	500,000	500,000
Kon Ted Liuk	-	-	500,000	500,000
H'ng Chun Hsiang	-	-	200,000	200,000

The share options were given to these Directors on the same terms and conditions as those offered to other employees of the Company in accordance with the By-Laws of the ESOS.

28 FINANCE COSTS

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Euroconvertible Bonds interest	(13,620)	(11,209)	(13,620)	(11,209)
Term loans interest	(3,026)	(6,030)	(193)	(2,245)
Other interest expense	(8,614)	(8,668)	-	-
Redemption premium payable	(1,693)	(20,300)	(1,693)	(20,300)
	(26,953)	(46,207)	(15,506)	(33,754)

29 TAXATION - Company and subsidiaries

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
The taxation (charge)/credit comprises:				
Malaysian:				
Current taxation	(832)	(1,216)	(521)	(1,749)
Deferred taxation	(5,316)	5,396	-	-
Over/(under) provision in previous financial years	4,119	2,520	(120)	-
	(2,029)	6,700	(641)	(1,749)
Overseas:				
Current taxation	-	(4)	-	-
Deferred taxation	-	512	-	-
Under provision in previous financial years	(2)	(62)	-	-
	(2,031)	7,146	(641)	(1,749)

29 TAXATION - Company and subsidiaries (cont'd)

The taxation charge for the Company is in respect of interest income earned during the financial year. The Group incurred a taxation charge for the year arising from taxation charges incurred by certain profitable subsidiaries which cannot be offset by losses in other subsidiaries due to the absence of group relief in Malaysia.

As at 31 December 2002, the Group has accumulated carry forward tax losses and capital allowances amounting to approximately RM70,730,000 (2001: RM67,044,000) and RM63,045,000 (2001: RM55,533,000) respectively which are subject to confirmation by the Inland Revenue Board.

30 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit attributable to shareholders of RM29,235,000 (2001: RM9,812,000) by the weighted average number of ordinary shares in issue during the financial year of 436,458,652 (2001: 436,458,652) shares.

(b) Diluted earnings per share

The diluted earnings per share is not presented in the financial statements as the effect of the assumed conversion of the ESOS II and Euroconvertible Bonds during the financial year is anti-dilutive.

31 COMMITMENTS

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Capital expenditure on property, plant and equipment:				
- contracted but not provided for	1,347	686	-	-
	1,347	686	-	-

32 CONTINGENT LIABILITIES - UNSECURED

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Guarantees given to bankers and financial institutions in respect of facilities granted to subsidiaries				
- not provided for in the financial statements	-	-	396,900	359,185
Liability on taxes, interest and penalties *	5,317	5,317	-	-

* On 31 December 2001, the tax authorities in Cambodia raised US\$1.4 million (equivalent to RM5.3 million) in taxes including interest and penalties on one of the subsidiary companies, Cambodia Utilities Pte Ltd ("CUPL"). As at 15 February 2003, the potential additional taxes amounted to US\$0.5 million (equivalent to RM1.9 million). CUPL is currently contesting the assessment raised. In addition, CUPL has recourse to recover the amount from a third party.

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, other significant related party information is set out below:

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Sales of goods to an associated company:				
- Universal Cable (Sarawak) Sdn. Bhd.	12,385	8,631	-	-
Gross dividend from an associated company:				
- Universal Cable (Sarawak) Sdn. Bhd.	-	-	263	263
Waiver of advances received from a subsidiary company				
- Leader Brass Products Sdn. Bhd.	-	-	-	938
Remuneration paid to persons (other than directors of the Company) connected to directors	2,151	1,808	-	-
Professional fees payable to East Design Architect Sdn. Bhd., a company in which a person connected to a director has a financial interest	68	1,219	-	-
Sales of properties to a person connected to a director				
- Jong East Full	-	458	-	-
- H'ng Chun Ching	-	413	-	-
- H'ng Gaik Choon*	-	333	-	-
- H'ng Hsieh Fern	-	350	-	-
Sales of properties to companies in which a director or a person connected to a director has a financial interest				
- HBS Holdings Sdn. Bhd.*	-	1,545	-	-
- Lizheng Holdings Sdn. Bhd.*	-	333	-	-
- Chlomarc Sdn. Bhd.	-	350	-	-

* The sale consideration is based on a staff discount of 5% of the selling price available to the public.

34 GROUP SEGMENTAL INFORMATION

(a) Analysis by primary

The Group is organised on a worldwide basis into four main business segments.

Other operations of the Group comprise companies in various services sector of which are not of a sufficient size to be reported separately.

Intersegment sales comprise mainly of interest income from advances to subsidiaries.

<u>2002</u>	<u>Cable and related products</u> RM'000	<u>Power generation</u> RM'000	<u>Property development and housing</u> RM'000	<u>Investment holding</u> RM'000	<u>Others</u> RM'000	<u>Group</u> RM'000
Sales						
Total Sales	919,369	103,171	28,781	5,554	3,219	1,060,094
Intersegment sales	-	-	-	(4,444)	(47)	(4,491)
External sales	919,369	103,171	28,781	1,110	3,172	1,055,603
Results						
Segment result	58,243	40,336	3,014	(9,735)	(932)	90,926
Unallocated income						32,974
Unallocated expenses						(50,410)
Profit from operations						73,490
Finance costs						(26,953)
Share of associates	1,912	-	-	-	5	1,917
Profit from ordinary activities before tax						48,454
Tax						(2,578)
Profit from ordinary activities after tax						45,876
Minority interest						(16,641)
Net profit attributable to shareholders						29,235

34 GROUP SEGMENTAL INFORMATION (cont'd)

(a) Analysis by primary (cont'd)

	<u>Cable and related products</u> RM'000	<u>Power generation</u> RM'000	<u>Property development and housing</u> RM'000	<u>Investment holding</u> RM'000	<u>Others</u> RM'000	<u>Group</u> RM'000
2002						
Other information						
Segment assets	855,761	181,679	115,766	60,720	3,861	1,217,787
Associates	33,921	-	-	-	-	33,921
Unallocated assets						153,115
Total assets						<u>1,404,823</u>
Segment Liabilities	79,060	65,773	26,028	4,920	773	176,554
Unallocated liabilities						761,920
Total liabilities						<u>938,474</u>
Capital expenditure	4,024	675	4	137	7	<u>4,847</u>
Depreciation and amortisation	34,817	7,984	279	737	131	<u>43,948</u>
2001						
Sales						
Total Sales	989,351	101,931	41,671	5,605	3,432	1,141,990
Intersegment sales	-	-	-	(4,743)	(51)	(4,794)
External sales	<u>989,351</u>	<u>101,931</u>	<u>41,671</u>	<u>862</u>	<u>3,381</u>	<u>1,137,196</u>
Results						
Segment result	55,767	43,338	7,065	2,781	242	109,193
Unallocated income						2,517
Unallocated expenses						(48,146)
Profit from operations						63,564
Finance costs						(46,207)
Share of associates	1,570	-	-	-	-	1,570
Profit from ordinary activities before tax						18,927
Tax						6,745
Profit from ordinary activities after tax						25,672
Minority interest						(15,860)
Net profit attributable to shareholders						<u>9,812</u>

34 GROUP SEGMENTAL INFORMATION (cont'd)

(a) Analysis by primary (cont'd)

	<u>Cable and related products</u> RM'000	<u>Power generation</u> RM'000	<u>Property development and housing</u> RM'000	<u>Investment holding</u> RM'000	<u>Others</u> RM'000	<u>Group</u> RM'000
2001						
Other information						
Segment assets	943,511	188,225	108,348	67,610	6,354	1,314,048
Associates	35,488	-	-	-	-	35,488
Unallocated assets						116,156
Total assets						<u>1,465,692</u>
Segment Liabilities	86,262	55,385	15,591	12,387	1,222	170,847
Unallocated liabilities						864,738
Total liabilities						<u>1,035,585</u>
Capital expenditure	17,708	771	2	1,290	16	<u>19,787</u>
Depreciation and amortisation	35,677	7,961	276	824	151	<u>44,889</u>

(b) Analysis by secondary

Although the Group's business segments are managed on a worldwide basis, they operate in three main geographical areas:

- Malaysia (mainly cable and related products and property development and housing activities)
- Cambodia (power generation business)
- Singapore (mainly cable and related products business)

The Group's operations in other countries are located in various countries of which are not of sufficient size to be reported separately.

	<u>Sales</u>		<u>Total assets</u>		<u>Capital expenditure</u>	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Malaysia	638,599	738,705	995,123	1,048,092	3,296	16,802
Cambodia	103,171	101,931	204,507	193,059	675	771
Singapore	87,814	87,728	36,861	45,912	54	575
Other countries	226,019	208,832	134,411	143,141	822	1,639
	<u>1,055,603</u>	<u>1,137,196</u>	<u>1,370,902</u>	<u>1,430,204</u>	<u>4,847</u>	<u>19,787</u>
Associates			33,921	35,488		
Total assets			<u>1,404,823</u>	<u>1,465,692</u>		

35 FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Forward foreign exchange contracts are entered into by the Company other than their functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to enter into forward foreign exchange contracts for significant foreign currency receipts irrespective of whether it is at favourable and unfavourable position.

As at 31 December 2002, the settlement dates of outstanding forward contracts ranges up to six months. The foreign currency amounts to be received and contractual exchange rates of the Group's outstanding contracts are as follows:

Hedged item	<u>Currency</u> <u>to be received</u>	<u>Currency</u> <u>to be paid</u>	<u>RM'000</u> <u>equivalent</u>	<u>Contractual</u> <u>rate</u>
Trade receivables	Euro	RM	1,859	3.7186
	Euro	RM	2,638	3.7686
	Euro	RM	3,024	3.7803
	Euro	RM	1,130	3.7677
	Euro	RM	1,511	3.7789
	Euro	RM	4,119	3.7444
	Euro	RM	1,902	3.8039
	Euro	RM	3,818	3.8180
	Euro	RM	4,996	3.8433
	Euro	RM	769	3.8430
	Euro	RM	3,458	3.8427
	US Dollar	RM	760	3.8026
	Singapore Dollar	RM	1,076	2.1516

The fair value of outstanding forward contracts of the Group at the balance sheet date was an unfavourable net position of approximately RM1,485,000.

The net unrecognised loss at 31 December 2002 on open contracts which hedge anticipated future foreign currency sales amounted to approximately RM315,000. These net exchange losses are deferred until the related sales and purchases are transacted, at which time they are included in the measurement of such transactions.

36 SUBSEQUENT EVENT

Sale of factory land and building by Leader-Goldstar Electronic Wire Sdn Bhd ("LGEW").

On 5 March 2003, LGEW entered into a Sale and Purchase Agreement with Sony Electronics (Malaysia) Sdn Bhd ("Sony") for the sale of its land and building for a total consideration of RM5,000,000. A net loss on disposal of RM270,000 was recorded.

Following the sale the Directors of the Company are presently reviewing the future business operations of LGEW.