



Financial Statements

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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Company is 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
Loss after taxation	(89,367)	(15,163)
Minority interests	(8,807)	-
	<hr/>	<hr/>
Net (loss)/profit attributable to shareholders	(98,174)	(15,163)

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 2003.

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.

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 or its subsidiary companies.

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

- (b) The options granted may be exercised at any time within the period of five (5) years up to 1 July 2004 in accordance with the requirement set out in (c) below.
- (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 bases 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				
	Year 1	Year 2	Year 3	Year 4	Year 5
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 Malaysia Securities Exchange Berhad 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 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 option exercised during the financial year.

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

Number of ordinary share options of RM1.00 each	Option price
7,460,000 (Offer 1)	RM1.66
7,898,000 (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 Tee (Resigned on 1 February 2004)
 H'ng Chun Hsiang*
 Kon Ted Liuk (Appointed on 15 March 2004)
 Dato' N. Sadasivan
 Chin Yoke Chung Patrick
 Lai Chang Hun
 Wan Ismail Wan Nik
 Dato' Ismail Abdullah (Retired on 12 June 2003)
 H'ng Hsieh Ling (Appointed as alternate director to Dato' Seri H'ng Bok San on 1 February 2004)

* Appointed as alternate director to Dato' Seri H'ng Bok San on 16 June 2003. Appointed on 1 February 2004 and ceased as alternate director on even date.

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 29 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:

Name of directors	Ordinary shares of RM1.00 each			As at 31.12.2003
	As at 1.1.2003	Acquired During the year	Sold	
Tan Sri Razali 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
Lai Chang Hun	592,550	–	–	592,550
Wan Ismail Wan Nik	1,129,020	–	–	1,129,020
H'ng Chun Hsiang	424,000	–	–	424,000
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*

DIRECTORS' INTEREST IN SHARES (CONT'D)

@ 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.

Share options	Option over shares of RM1.00 each			As at 31.12.2003
	As at 1.1.2003	Granted During the year	Exercised	
Dato' Seri H'ng Bok San	500,000	–	–	500,000
Dato' H'ng Bak Tee	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.

OTHER STATUTORY INFORMATION (CONT'D)

(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.

SUBSEQUENT EVENT

INTERNAL CORPORATE RESTRUCTURING EXERCISE

The Group had on 1 April 2004 implemented an internal corporate restructuring exercise ("the restructuring") involving Leader Cable Industry Berhad ("LCIB") and several of its subsidiaries. The restructuring is to enable LCIB to focus on its core business of cable manufacturing. The following subsidiaries of LCIB which are involved in property development and investment holdings were transferred by LCIB to Leader Universal Properties Sdn Bhd ("LUP") at the consideration which was based on the cost of investment of the respective companies as follows:

<u>Name of subsidiaries</u>	<u>No. of shares</u>	<u>Consideration</u>	<u>Method of Payment</u>
1. LCI Properties Development Sdn Bhd	2,000,000	1,750,001	) Issuance of 3,491,507
2. Leader Holdings Sdn Bhd	2	1,078,392	) ordinary shares of
3. Cogent Corporation Sdn Bhd	440,002	424,100	) RM1.00 each to LCIB
4. Glamour Acres Sdn Bhd	2	2	) in the capital of LUP
5. Leader Garden Sdn Bhd	250,000	239,012	) credited as fully paid.
6. Dolphin Square Sdn Bhd	5,000,000	1	- Cash

Subsequent to the aforesaid issue, LCIB then transferred the entire 3,491,507 ordinary shares of RM1.00 each in LUP to LEADER for a total cash consideration of RM3,491,507.

AUDIT COMMITTEE

The Audit Committee members are:

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

Lai Chang Hun
(Independent Non-Executive Director)

Dato' H'ng Bak Tee (resigned on 1 February 2004)
(Executive Vice-Chairman)

Patrick Chin Yoke Chung
(Independent Non-Executive Director)

H'ng Chun Hsiang (appointed on 1 February 2004)
(Chief Executive Officer and Managing 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 26 April 2004.

H'NG CHUN HSIANG
CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

KON TED LIUK
DEPUTY MANAGING DIRECTOR

Penang



Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, H'ng Chun Hsiang and Kon Ted Liuk, 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 32 to 90 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 2003 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 of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 26 April 2004.

H'NG CHUN HSIANG

CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

KON TED LIUK

DEPUTY MANAGING DIRECTOR

Penang



Statutory Declaration

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

I, 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 32 to 90 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed H'ng Hsieh Ling at)
Georgetown in Penang)
on 26 April 2004) **H'NG HSIEH LING**

Before me:

CHAI CHOON KIAT, PJM

(P.073)

Commissioner for Oaths

(Pesuruhjaya Sumpah)

Penang

Auditors' Report To The Members

Of Leader Universal Holdings Berhad

1. We have audited the financial statements set out on pages 32 to 90. 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 2003 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

26 April 2004

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
CURRENT ASSETS					
Properties under development	5	55,131	39,354	-	-
Inventories	6	157,211	185,365	-	-
Amounts due from subsidiary companies	7	-	-	80,502	87,137
Amounts due from associated companies	8	2,572	3,415	-	2
Trade and other receivables	9	286,562	311,767	83	317
Cash, bank balances and deposits	10	98,149	153,115	4,469	8,808
		599,625	693,016	85,054	96,264
LESS: CURRENT LIABILITIES					
Trade and other payables	11	129,293	163,173	3,851	7,585
Amount due to a related party	12	6,080	-	-	-
Progress payments received and receivable		20,362	13,992	-	-
Short term borrowings	13	269,740	258,747	55,560	22,800
Bank overdrafts	14	-	6,475	-	-
Taxation		221	248	171	172
		425,696	442,635	59,582	30,557
NET CURRENT ASSETS		173,929	250,381	25,472	65,707
NON-CURRENT ASSETS					
Property, plant and equipment	15	500,089	601,861	171	196
Properties held for future development	16	20,173	39,426	-	-
Subsidiary companies	17	-	-	344,276	418,324
Associated companies	18	13,060	33,921	6,762	6,762
Other investments	19	19,279	21,172	3,852	3,907
Goodwill on consolidation	20	3,365	4,734	-	-
Amounts due from subsidiary companies	7	-	-	138,094	189,997
Amounts due from associated companies	8	9,925	10,693	-	-
Deferred taxation	21	17,614	17,585	-	-
		583,505	729,392	493,155	619,186
		757,434	979,773	518,627	684,893

The notes on pages 41 to 90 form an integral part of these financial statements.

Balance Sheets (cont'd)

As At 31 December 2003

	Note	Group		Company	
		<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
CAPITAL AND RESERVES					
Share capital	22	436,459	436,459	436,459	436,459
Accumulated losses		(244,093)	(146,560)	(359,683)	(344,520)
Reserves	23	139,020	146,057	179,097	249,211
SHAREHOLDERS' FUNDS		331,386	435,956	255,873	341,150
MINORITY INTERESTS		91,017	121,255	-	-
NON-CURRENT LIABILITIES					
Amount due to a related party	12	11,430	-	-	-
Euroconvertible bonds	24	257,015	337,908	257,015	337,908
Term loans	25	14,786	27,913	-	-
Deferred taxation	21	44,403	48,759	-	-
Retirement benefits	26	7,397	7,982	5,739	5,835
		335,031	422,562	262,754	343,743
		757,434	979,773	518,627	684,893

The notes on pages 41 to 90 form an integral part of these financial statements.

	Note	Group		Company	
		<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Revenue	27	1,009,161	1,055,603	12,928	24,234
Cost of sales		(915,117)	(921,511)	-	-
Gross profit		94,044	134,092	12,928	24,234
Other operating income		17,901	50,425	6,609	31,085
Distribution costs		(28,907)	(38,853)	-	-
Administrative expenses		(46,115)	(51,261)	(1,020)	(7,366)
Other operating expenses		(107,754)	(21,891)	(20,609)	(27,909)
(Loss)/profit from operations	28	(70,831)	72,512	(2,092)	20,044
Finance costs	31	(21,413)	(26,953)	(12,297)	(15,506)
Share of profits of associated companies		75	1,917	-	-
(Loss)/profit from ordinary activities before taxation		(92,169)	47,476	(14,389)	4,538
Taxation - Company and subsidiaries		3,260	(5,928)	(774)	(641)
Share of tax of associated companies		(458)	(547)	-	-
(Loss)/profit from ordinary activities after taxation	32	2,802	(6,475)	(774)	(641)
Minority interests		(8,807)	(16,303)	-	-
Net (loss)/profit attributable to shareholders		(98,174)	24,698	(15,163)	3,897
(Loss)/earnings per share	33	(22.49) sen	5.66 sen		

The notes on pages 41 to 90 form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2003

	<u>Note</u>	<u>Issued and fully paid ordinary shares of RM1 each</u>		<u>Reserves</u>	<u>Accumulated losses</u>	<u>Total</u>
		<u>Number of shares '000</u>	<u>Nominal value RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2003						
- As previously reported		436,459	436,459	159,694	(129,804)	466,349
- Changes in accounting policies	35	-	-	(13,637)	(16,756)	(30,393)
- As restated		436,459	436,459	146,057	(146,560)	435,956
Amortisation of reserve on consolidation		-	-	(842)	-	(842)
Translation of net equity of foreign subsidiaries		-	-	(2,281)	-	(2,281)
Transfer (from)/to reserves upon disposal of property, plant and equipment		-	-	(641)	641	-
Deferred taxation on revaluation surplus		-	-	(80)	-	(80)
Reversal of deferred taxation no longer required on disposal		-	-	244	-	244
Reversal of deferred taxation on impairment		-	-	100	-	100
Reversal of revaluation surplus		-	-	(3,537)	-	(3,537)
Net gain/(loss) not recognised in income statement		-	-	(7,037)	641	(6,396)
Net loss for the financial year		-	-	-	(98,174)	(98,174)
At 31 December 2003		436,459	436,459	139,020	(244,093)	331,386

Details of the movements in reserves are shown in Note 23.

The notes on pages 41 to 90 form an integral part of these financial statements.

	<u>Note</u>	<u>Issued and fully paid ordinary shares of RM1 each</u>		<u>Reserves</u>	<u>Accumulated losses</u>	<u>Total</u>
		<u>Number of shares '000</u>	<u>Nominal value RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2002						
- As previously reported		436,459	436,459	158,960	(165,312)	430,107
- Changes in accounting policies	35	-	-	(11,318)	(12,219)	(23,537)
- As restated		436,459	436,459	147,642	(177,531)	406,570
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	-
Deferred taxation on revaluation surplus		-	-	(2,319)	-	(2,319)
Write back on revaluation		-	-	1,785	-	1,785
Surplus on revaluation		-	-	9,930	-	9,930
Net (loss)/gain not recognised in income statement		-	-	(1,585)	6,273	4,688
Net profit for the financial year		-	-	-	24,698	24,698
At 31 December 2002		436,459	436,459	146,057	(146,560)	435,956

Details of the movements in reserves are shown in Note 23.

The notes on pages 41 to 90 form an integral part of these financial statements.

Company Statement Of Changes In Equity

For The Financial Year Ended 31 December 2003

	Issued and fully paid ordinary shares of RM1 each		Reserves	Accumulated losses	Total
	Number of shares '000	Nominal value RM'000	RM'000	RM'000	RM'000
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
At 1 January 2003	436,459	436,459	249,211	(344,520)	341,150
Deficit on valuation	-	-	(70,114)	-	(70,114)
Net loss not recognised in income statement	-	-	(70,114)	-	(70,114)
Net loss for the financial year	-	-	-	(15,163)	(15,163)
At 31 December 2003	436,459	436,459	179,097	(359,683)	255,873

Details of the movements in other reserves are shown in Note 23.

The notes on pages 41 to 90 form an integral part of these financial statements.

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)/profit attributable to shareholders	(98,174)	24,698	(15,163)	3,897
Adjustments for:				
Amortisation of reserve on consolidation	(842)	(843)	-	-
Amortisation of goodwill	1,369	1,298	-	-
Property, plant and equipment				
- depreciation	41,439	43,493	59	72
- written off	7,442	4,095	-	-
- write back	-	(4,460)	-	-
- impairment	44,683	-	-	-
Exchange differences	(729)	(2,529)	-	-
Share of profits in associated companies	(75)	(1,917)	-	-
(Gain)/loss on disposal of property, plant and equipment	2,259	(1,586)	-	-
Gain on disposal of quoted investment	(119)	-	-	-
Interest expense	20,665	25,260	11,549	13,813
Interest income	(2,808)	(1,890)	(11,529)	(12,511)
Dividend income	(1,608)	(203)	(1,399)	(11,723)
Taxation	(2,802)	6,475	774	641
Euroconvertible Bonds ("ECB")				
- accrual for redemption premium	748	1,693	748	1,693
- redemption premium written back arising from cancellation of ECB	(4,617)	(19,038)	(4,617)	(19,038)
Impairment loss on investment in subsidiary company	-	-	3,934	-
Impairment loss on investment in associated company	20,214	2,675	-	-
Allowance for diminution in value of unquoted investments	2,501	2,437	55	415
Allowance for diminution in value of quoted investments	-	2,948	-	-
Write back of allowance for diminution in value of quoted investments	(1,039)	-	-	-
Minority interests	8,807	16,303	-	-
Gain on ECB buyback	-	(12,046)	-	(12,046)
Retrenchment benefits	3,137	-	-	-
Retirement benefits	-	571	-	-
Write back of retirement benefits	(439)	-	-	-
Allowance for write down of properties under development	10,494	2,525	-	-
Operating cash flows carried forward	50,506	89,959	(15,589)	(34,787)

The notes on pages 41 to 90 form an integral part of these financial statements.

Cash Flow Statements (cont'd)

For The Financial Year Ended 31 December 2003

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)				
Adjustments for (continued):				
Operating cash flows brought forward	50,506	89,959	(15,589)	(34,787)
Inventories				
- written off	10,216	-	-	-
- allowance for write down	1,577	-	-	-
- write back of allowance for write down	(482)	-	-	-
Trade receivables				
- allowance for doubtful debts	11,681	4,706	-	-
- write back of allowance for doubtful debts	(2,338)	-	-	-
Allowance for doubtful debts of amounts due from associated companies	-	2,384	-	-
	71,160	97,049	(15,589)	(34,787)
Decrease/(increase) in working capital:				
Inventories	12,867	21,540	-	-
Receivables	16,778	25,701	202	(167)
Property development	(3,041)	(2,689)	-	-
Intercompany balances	-	-	49,067	115,603
Associated company balances	1,611	1,087	2	(2)
Related party balances	17,510	-	-	-
Payables	(62,088)	4,899	(3,404)	(6,738)
	54,797	147,587	30,278	73,909
Interest paid	(21,060)	(23,087)	(11,879)	(11,743)
Tax paid	(1,215)	(1,480)	(425)	(620)
Tax refund	32	3,640	-	-
Net operating cash flow	32,554	126,660	17,974	61,546
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(6,153)	(7,192)	(42)	(84)
Proceeds from disposal of quoted investment	548	-	-	-
Proceeds from disposal of property, plant and equipment	5,984	9,064	8	0
Interest received	2,810	1,886	11,529	12,511
Dividend received	1,867	458	10,456	2,348
Net investing cash flow	5,056	4,216	21,951	14,775

The notes on pages 41 to 90 form an integral part of these financial statements.

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short term bank borrowings	172,874	205,023	-	-
Repayment of short term bank borrowings	(187,827)	(248,205)	-	-
Payment of dividends to minority shareholders of a subsidiary	(7,188)	-	-	-
Proceeds from term loans	16,028	36,000	-	-
Repayment of term loans	(35,969)	(32,440)	-	(14,250)
ECB buyback	(19,950)	(57,847)	(19,950)	(57,847)
Repayment of ECB	(24,314)	-	(24,314)	-
Payment to a corporate shareholder of a subsidiary company	-	(1,900)	-	-
Net financing cash flow	(86,346)	(99,369)	(44,264)	(72,097)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(48,736)	31,507	(4,339)	4,224
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	146,640	114,226	8,808	4,584
FOREIGN EXCHANGE DIFFERENCES	245	907	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	98,149	146,640	4,469	8,808
CASH AND CASH EQUIVALENTS				
Cash, bank balances and deposits (Note 10)	98,149	153,115	4,469	8,808
Bank overdrafts	-	(6,475)	-	-
	98,149	146,640	4,469	8,808

The notes on pages 41 to 90 form an integral part of these financial statements.

Notes On The 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 respectively.

The number of employees in the Group and in the Company as at 31 December 2003 amounted to 2,002 (2002: 2,162) and 73 (2002: 75) respectively.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Malaysia Securities Exchange Berhad (“MSEB”) (formerly known as 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 capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

(c) 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 minimises 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 do not have significant exposure to any individual customer.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows 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 provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The new applicable approved accounting standards adopted in these financial statements are as follows:

(a) Retrospective application

The following new MASB Standards have been applied retrospectively:

- MASB Standard 25: "Income Taxes"
- MASB Standard 27: "Borrowing Costs"
- MASB Standard 29: "Employee Benefits"

(b) Prospective application

The following new MASB Standards have been applied prospectively:

- MASB Standard 28: "Discontinuing Operations"

The impact of changes in accounting policies is set out in Note 35 on the financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year except for new policies introduced as a result of the adoption of new accounting standards.

(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' identifiable net assets is reflected as goodwill on consolidation or reserve on consolidation.

The Group has taken advantage of the exemption provided by MASB 21 to apply this standard prospectively. Accordingly, business combinations entered into prior to 1 July 2001 have not been restated to comply with this standard.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (cont'd)

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

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) **Investments (cont'd)**

Other investments 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, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. 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, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. 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.

Exchange differences arising from retranslation of advances of capital nature to subsidiaries are deemed to be an extension of the Group's equity interest in the subsidiaries, and are transferred to exchange fluctuation reserve. On disposal or settlement or waiver of the advances arising from the Group's decision to divest from the subsidiaries, the translation differences will be recognised via a transfer to income statement.

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:

Foreign currency	2003	2002
	RM	RM
1 US Dollar	3.8000	3.8000
1 Singapore Dollar	2.2344	2.1894
1 Euro	4.4133	3.8937
1 Philippine Peso	0.0685	0.0713
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, amortisation and impairment losses.

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.

At each balance sheet date, the Group assesses whether there are any indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. If the carrying amount exceeds the recoverable amount, a write down is made in the manner described in Note 4(g) below.

(g) Impairment of assets

Property, plant and equipment and other non-current assets, including goodwill on consolidation, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) **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.

(i) **Receivables**

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

(j) **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 cost 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.

(k) **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 less accumulated impairment losses. Cost includes cost of land, interest on borrowings and other related development expenditure incurred.

(l) **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 revenue of the Group is 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Revenue Recognition (cont'd)

(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.

(m) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate and joint venture on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

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

Tax rate enacted or substantively enacted by the balance sheet date is used to determine deferred tax.

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

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Borrowing Cost

Interest incurred on borrowings directly associated with development projects, construction projects and real property assets are added to the cost of such properties. Capitalisation of interest on borrowing costs will cease when development projects or construction projects have been suspended or when development projects, construction projects or real property assets are ready for sale or ready for its intended use.

(o) Convertible Bonds

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity; the value of the conversion option is not changed in subsequent periods.

The Group has taken advantage of the exemption provided by MASB Standard 24: "Financial Instruments: Disclosure and Presentation" not to reclassify the Euroconvertible Bonds issued by the Group prior to 1 January 2003 into liability and equity components.

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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) **Convertible Bonds (cont'd)**

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 Bonds which 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 remains 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.

(p) **Employee Benefits**

(i) **Retirement benefits**

Certain Group companies operate defined benefit plans.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligations at the balance sheet date, together with adjustments for actuarial gains/losses and past service cost. On first application of MASB Standard 29, the transitional liability relating to the defined benefit plan was retrospectively recognised in full in accordance with MASB Standard 3: "Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies".

The Group determines the present value of defined benefit obligations via independent actuarial valuations such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. The most recent valuation was carried out on 8 April 2003.

The present value of defined benefit obligations, calculated using the projected unit credit method, is determined by reference to market yields at the balance sheet date of government securities which have the currency and terms to maturity approximating those of the related liabilities.

(ii) **Defined contribution plan**

The Group companies incorporated in Malaysia contribute to the Employees Provident Fund. The Group's contributions to the defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) **Short term employee benefits**

Wages, salaries, annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(iv) **Termination benefits**

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for the benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) **Employee Benefits (cont'd)**

(v) **Equity compensation benefits**

Details of the Group's Employee Share Option Scheme are set out in Note 22 to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium.

(q) **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.

(r) **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.

(s) **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.

(t) **Fair Value Estimation for Disclosure Purposes**

The fair values of quoted investments are based on quoted market prices at balance sheet date.

Outstanding foreign exchange related contracts at the balance sheet date are valued based on the applicable spot rates ruling at that 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>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Freehold land				
- at cost	5,017	-	-	-
- transferred from property, plant and equipment	17,810	17,810	-	-
	22,827	17,810	-	-
Development expenditure				
- at cost	25,711	16,212	-	-
- transferred from property, plant and equipment	5,951	4,890	-	-
	54,489	38,912	-	-
Attributable profit	642	442	-	-
	55,131	39,354	-	-

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 condominium 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 joint venture partner to sell 10 units of the super condominiums within the period deemed appropriate by the project's Executive Committee.

The freehold land and development expenditure for the above 29 storey luxurious super condominium were transferred from property, plant and equipment after the revaluation adjustments in the year ended 31 December 2002.

Included in the development expenditure is interest on temporary loan capitalised to-date of RM63,690 (2002: RM63,690).

6 INVENTORIES

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
<u>At cost:</u>				
Raw materials	61,907	49,931	-	-
Work in progress	16,308	23,568	-	-
Finished goods	42,586	70,936	-	-
Consumables	23,936	24,054	-	-
	144,737	168,489	-	-
<u>At net realisable value:</u>				
Raw materials	-	32	-	-
Work in progress	-	210	-	-
Finished goods	-	127	-	-
Consumables	-	13	-	-
	-	382	-	-
Completed property units for sale	26,366	17,764	-	-
Less: Allowance for write down	(13,892)	(1,270)	-	-
	12,474	16,494	-	-
	157,211	185,365	-	-

7 AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000
<u>Current</u>		
Amounts due from subsidiary companies	110,432	120,027
Less: Allowance for doubtful debts	(29,930)	(32,890)
	80,502	87,137
<u>Non-current</u>		
Amounts due from subsidiary companies	449,275	481,683
Less: Allowance for doubtful debts	(311,181)	(291,686)
	138,094	189,997
Total	218,596	277,134

7 AMOUNTS DUE FROM SUBSIDIARY COMPANIES (CONT'D)

The currency exposure profile of the amounts due from subsidiary companies is as follows:

	Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000
- Ringgit Malaysia	151,248	193,496
- US Dollar	67,348	83,638
	218,596	277,134

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

Amounts 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 2.34% to 4.00% (2002: 2.42% to 7.40%) per annum as follows:

	Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000
Current	2,659	17,466
Non-current	34,064	38,276
	36,723	55,742

8 AMOUNTS DUE FROM ASSOCIATED COMPANIES

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Current				
Amounts due from associated companies	2,572	3,415	-	2
Non-current				
Amounts due from associated companies	16,606	17,374	-	-
Less: Allowance for doubtful debts	(6,681)	(6,681)	-	-
	9,925	10,693	-	-
	12,497	14,108	-	2

8 AMOUNTS DUE FROM ASSOCIATED COMPANIES (CONT'D)

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

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Amounts due from associated companies				
- Ringgit Malaysia	3,024	4,663	-	2
- US Dollar	9,473	9,445	-	-
	12,497	14,108	-	2

The fair value of amounts due from associated companies approximates the book values.

Included in amounts due from associated companies denominated in Ringgit Malaysia is an amount of RM599,000 (2002: RM1,271,000) which is interest free and unsecured 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 granted to associated companies incorporated overseas.

9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Trade receivables	267,416	295,753	-	-
Less: Allowance for doubtful debts	(22,565)	(13,534)	-	-
	244,851	282,219	-	-
Other receivables	34,085	23,057	28	264
Deposits	1,827	2,815	41	41
Prepayments	5,799	3,676	14	12
	286,562	311,767	83	317

The currency exposure profile of trade receivables is as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
- Ringgit Malaysia	149,987	152,982	-	-
- US Dollar	61,232	87,494	-	-
- Euro	17,883	20,702	-	-
- Singapore Dollar	9,548	12,883	-	-
- Philippine Peso	6,201	8,158	-	-
	244,851	282,219	-	-

9 TRADE AND OTHER RECEIVABLES (CONT'D)

Credit terms of trade receivables range from 14 days to 180 days.

The Group's trade receivables are generated by a large number of customers in different business segments and geographical locations and do 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 to 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.

10 CASH, BANK BALANCES AND DEPOSITS

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Cash and bank balances	23,834	35,288	2,768	4,491
Cash at bank in Housing Development Accounts	3,599	3,306	-	-
Fixed deposits with licensed banks	57,479	114,204	-	4,000
Fixed deposits in foreign accounts with licensed banks	13,237	317	1,701	317
	98,149	153,115	4,469	8,808

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

Fixed deposits with licensed banks of the Group include an amount of RM3,511,200 (2002: RM3,511,200) being pledged as security for banking facility.

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

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
- Ringgit Malaysia	45,075	73,885	2,761	8,486
- US Dollar	45,267	55,627	1,708	322
- Singapore Dollar	6,635	15,009	-	-
- Euro	674	7,872	-	-
- Philippine Peso	498	722	-	-
	98,149	153,115	4,469	8,808

Notes On The Financial Statements (cont'd)

10 CASH, BANK BALANCES AND DEPOSITS (CONT'D)

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

	Group		Company	
	Highest %	Lowest %	Highest %	Lowest %
2003				
Fixed deposits with licensed banks	3.00	2.30	2.70	2.45
Fixed deposits in foreign accounts with licensed banks	1.24	0.75	-	-
Bank balances	-	-	-	-
2002				
Fixed deposits with licensed banks	3.20	0.20	2.70	2.50
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 1 to 92 days (2002: 2 to 90 days). Bank balances are deposits held at call with banks.

11 TRADE AND OTHER PAYABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	43,021	58,963	-	-
Payroll liabilities	3,132	5,663	1,063	3,754
Duties and other taxes payable	24,727	52,048	-	-
Amounts payable to suppliers of indirect materials and services	25,179	28,060	305	426
Accruals	33,234	18,439	2,483	3,405
	129,293	163,173	3,851	7,585

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
- Ringgit Malaysia	66,052	83,949	2,111	5,515
- US Dollar	50,765	68,382	1,740	2,070
- Philippine Peso	9,725	7,987	-	-
- Singapore Dollar	2,679	1,617	-	-
- Euro	72	1,238	-	-
	129,293	163,173	3,851	7,585

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

12 AMOUNT DUE TO A RELATED PARTY

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Current				
Amount due to a related party	6,080	-	-	-
Non-current				
Amount due to a related party	11,430	-	-	-
	17,510	-	-	-

Amount due to a related party is denominated in US Dollar.

The fair value of amount due to a related party approximates its book values.

Amount due to a related party arises out of dividend payable by a subsidiary company to a related party, Grand United Holdings Berhad, such amount being interest free and unsecured.

13 SHORT TERM BORROWINGS

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Unsecured				
Bankers acceptances	147,029	153,246	-	-
Trust receipts	22,346	10,886	-	-
Revolving credit	21,864	42,164	-	-
Term loans (Note 25)	6,000	13,578	-	-
Euroconvertible Bonds redeemable within 12 months (Note 24)	55,560	22,800	55,560	22,800
	252,799	242,674	55,560	22,800
Secured				
Trust receipts	1,163	1,019	-	-
Revolving credit	3,420	3,458	-	-
Term loans (Note 25)	12,358	11,596	-	-
	269,740	258,747	55,560	22,800

13 SHORT TERM BORROWINGS (CONT'D)

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

	2003		2002	
	Highest %	Lowest %	Highest %	Lowest %
Bankers acceptances	4.16	3.37	4.00	2.87
Trust receipts	2.34	2.00	5.32	2.25
Revolving credit	7.15	2.34	5.25	2.90

14 BANK OVERDRAFTS (2002 only)

The bank overdrafts are unsecured and bear interest rates averaging 6.75% (2002: 7.15%) per annum.

15 PROPERTY, PLANT AND EQUIPMENT

Group

	Opening net book value	Additions/ Written off/ Impairment/ Exchange fluctuations	Reclass- ifications	Disposals	Depreciation charge	Closing net book value
2003	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	65,001	(1,265)	1,250	-	-	64,986
Short term leasehold land	18,109	(235)	435	(1,880)	(496)	15,933
Long term leasehold land	12,137	-	(435)	-	(184)	11,518
Buildings	166,535	(11,284)	(1,250)	(3,391)	(6,917)	143,693
Plant and machinery	305,134	(40,867)	1,148	(3,298)	(27,936)	234,181
Furniture, fixtures, fittings and equipment	23,315	336	3,998	(38)	(5,271)	22,340
Motor vehicles	1,299	982	-	(22)	(635)	1,624
Construction-in- progress	10,331	629	(5,146)	-	-	5,814
	601,861	(51,704)	-	(8,629)	(41,439)	500,089

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	<u>Additions</u>	<u>Written off</u>	<u>Impairment loss</u>		<u>Exchange</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>charged to</u>	<u>charged</u>	<u>fluctuations</u>	<u>RM'000</u>
			<u>income</u>	<u>against</u>		
			<u>statement</u>	<u>revaluation</u>		
			<u>RM'000</u>	<u>surplus</u>	<u>RM'000</u>	<u>RM'000</u>
				<u>RM'000</u>		
Freehold land	-	-	(420)	-	(845)	(1,265)
Short term leasehold land	-	-	-	(235)	-	(235)
Long term leasehold land	-	-	-	-	-	-
Buildings	208	-	(7,977)	(3,302)	(213)	(11,284)
Plant and machinery	2,114	(6,278)	(35,558)	-	(1,145)	(40,867)
Furniture, fixtures, fittings and equipment	1,605	(1,164)	(127)	-	22	336
Motor vehicles	1,039	-	(55)	-	(2)	982
Construction-in-progress	1,187	-	(546)	-	(12)	629
	6,153	(7,442)	(44,683)	(3,537)	(2,195)	(51,704)

Group

	<u>At cost/ valuation</u>	<u>Accumulated depreciation</u>	<u>Accumulated impairment loss</u>	<u>Net book value</u>
<u>2003</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Freehold land				
- at valuation	65,406	-	(420)	64,986
Short term leasehold land				
- at valuation	16,680	(512)	(235)	15,933
Long term leasehold land				
- at valuation	11,955	(437)	-	11,518
Buildings				
- at cost	12,585	(2,522)	-	10,063
- at valuation	152,548	(7,648)	(11,270)	133,630
Plant and machinery	550,067	(272,030)	(43,856)	234,181
Furniture, fixtures, fittings and equipment	66,476	(43,959)	(177)	22,340
Motor vehicles	16,573	(14,894)	(55)	1,624
Construction-in-progress	6,359	-	(545)	5,814
	898,649	(342,002)	(56,558)	500,089

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group

	<u>At cost/ valuation</u> RM'000	<u>Accumulated depreciation</u> RM'000	<u>Accumulated impairment loss</u> RM'000	<u>Net book value</u> RM'000
<u>2002</u>				
Freehold land				
- at valuation	65,001	-	-	65,001
Short term leasehold land				
- at valuation	18,125	(16)	-	18,109
Long term leasehold land				
- at valuation	12,390	(253)	-	12,137
Buildings				
- at cost *	12,225	(1,978)	-	10,247
- at valuation	157,209	(921)	-	156,288
Plant and machinery	585,631	(272,170)	(8,327)	305,134
Furniture, fixtures, fittings and equipment	71,508	(48,143)	(50)	23,315
Motor vehicles	17,675	(16,376)	-	1,299
Construction-in-progress	10,331	-	-	10,331
	950,095	(339,857)	(8,377)	601,861

* Buildings completed during the financial year ended 31 December 2002 were not revalued as the completion dates were close to the date of the Group's revaluation exercise.

Company

	<u>Opening net book value</u> RM'000	<u>Additions</u> RM'000	<u>Disposal</u> RM'000	<u>Depreciation charge</u> RM'000	<u>Closing net book value</u> RM'000
<u>2003</u>					
Furniture, fixtures, fittings and equipment	196	42	(8)	(59)	171

Company

	<u>Cost</u> RM'000	<u>Accumulated depreciation</u> RM'000	<u>Net book value</u> RM'000
<u>2003</u>			
Furniture, fixtures, fittings and equipment	341	(170)	171
<u>2002</u>			
Furniture, fixtures, fittings and equipment	308	(112)	196

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group's freehold and leasehold properties were revalued at 31 December 2002 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 Kuvenaraju 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.

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>2003</u>	<u>2002</u>
	RM'000	RM'000
Freehold land	14,209	22,458
Short term leasehold land	4,380	4,330
Long term leasehold land	6,202	6,303
Buildings	97,750	112,654
	122,541	145,745

Included in short term leasehold land of the Group is a piece of leasehold land with a valuation amount of RM625,000 (2002:RM625,000) which is still in the process of being registered in a subsidiary company's name.

Included in short term leasehold land of the Group is a piece of leasehold land with a valuation amount of RM435,000 (2002:RM435,000) which is still in the process of being registered in a subsidiary company's name.

Included in short term leasehold land of the Group is a piece of leasehold land with a valuation amount of RM995,000 (2002: RM995,000) where the land title is still with the land office.

Included in buildings are apartments costing RM570,000 (2002: RM595,000) and a shop lot costing RM270,000 (2002: RM599,000) for which the strata titles are being applied for.

16 PROPERTIES HELD FOR FUTURE DEVELOPMENT

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Land	7,418	21,136	-	-
Development expenditure	12,755	18,290	-	-
	20,173	39,426	-	-

17 SUBSIDIARY COMPANIES

	Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000
Unquoted shares - at 2003 valuation	344,276	-
- at 1998 valuation	-	472,813
- at cost	-	11,872
	344,276	484,685
Less: Accumulated impairment losses in certain subsidiary companies		
- charged to income statement	-	(4,614)
- charged against revaluation surplus	-	(61,747)
	344,276	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 2003.

Listed below are the subsidiaries of the Company:

<u>Name of Subsidiary</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2003</u>	<u>2002</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

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>2003</u>	<u>2002</u>	
<u>Incorporated in Malaysia</u>			
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. (Ceased operations on 16 July 2003)
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. *	100%	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%	Dormant
Million Crest (M) Sdn. Bhd. *	96.8%	96.8%	Property development
Penang Pewter & Metal Arts Sdn. Bhd. *	100%	100%	Dormant (Ceased operation on 1 March 2003)
KPU-LEADER Consortium Sdn. Bhd.	100%	100%	Trading of cables
Dolphin Square Sdn. Bhd.*	100%	100%	Investment holding and property development
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 (Ceased operations on 31 December 2003)

Notes On The Financial Statements (cont'd)

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>2003</u>	<u>2002</u>	
<u>Incorporated in Malaysia</u>			
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 (In the process of strike-off)
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
Leader Risk Management Services (M) Sdn. Bhd. *	100%	100%	Dormant
Northern Wire & Cable Sdn. Bhd. *	100%	100%	Dormant
<u>Incorporated in Labuan (Federal Territory)</u>			
Leader Universal (Labuan) Limited *	100%	100%	Investment holding
<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>2003</u>	<u>2002</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 (Deregistered on 11 March 2004)
<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

	<u>Group</u>		<u>Company</u>	
	<u>2003</u> <u>RM'000</u>	<u>2002</u> <u>RM'000</u>	<u>2003</u> <u>RM'000</u>	<u>2002</u> <u>RM'000</u>
Unquoted shares at cost	25,380	25,380	6,762	6,762
Less: Accumulated impairment losses	(23,189)	(2,975)	-	-
	2,191	22,405	6,762	6,762
Group's share of post acquisition				
- Non-distributable reserve	145	145	-	-
- Retained profits	10,724	11,371	-	-
Total interest in associated companies	13,060	33,921	6,762	6,762
Total interest is represented by:				
Group's share of net tangible assets	13,060	33,921		

Notes On The Financial Statements (cont'd)

18 ASSOCIATED COMPANIES (CONT'D)

Listed below are the associated companies:

<u>Name of Associated Company</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	<u>2003</u>	<u>2002</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 (Ceased operations on 31 May 2003)
Infrakomas Sdn. Bhd.	30%	30%	Cable installation and engaging in related engineering services and trading of cables
<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

	<u>Group</u>		<u>Company</u>	
	<u>2003</u> <u>RM'000</u>	<u>2002</u> <u>RM'000</u>	<u>2003</u> <u>RM'000</u>	<u>2002</u> <u>RM'000</u>
Shares in corporations quoted in Malaysia, at cost	35,380	37,353	-	-
Less: Allowance for diminution in value	(27,001)	(29,584)	-	-
	8,379	7,769	-	-
Unquoted shares, at cost	15,888	15,890	4,322	4,322
Less: Allowance for diminution in value	(4,988)	(2,487)	(470)	(415)
	10,900	13,403	3,852	3,907
	19,279	21,172	3,852	3,907
Market value of quoted shares at 31 December	8,379	7,769	-	-

19 OTHER INVESTMENTS (CONT'D)

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 30 March 2004 is RM8,705,000. No adjustment has been made in the financial statements as at 31 December 2003 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>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Arising from the acquisition of subsidiaries	18,935	18,935	-	-
Less: Accumulated amortisation	(15,570)	(14,201)	-	-
	3,365	4,734	-	-

21 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Deferred tax assets	17,614	17,585	-	-
Deferred tax liabilities	(44,403)	(48,759)	-	-
	(26,789)	(31,174)	-	-

The movements during the financial year relating to deferred tax are as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
As at 1 January	(31,174)	(19,653)	-	-
Credited/(charged) to income statement				
- Property, plant and equipment	1,865	(6,662)	-	-
- Tax losses	(930)	(688)	-	-
- Payables	1,719	196	-	-
- Receivables	1,227	(2,045)	-	-
- Others	6	(14)	-	-
	3,887	(9,213)	-	-
Credited/(charged) to equity	498	(2,308)	-	-
	(26,789)	(31,174)	-	-

21 DEFERRED TAXATION (CONT'D)

The movements during the financial year relating to deferred tax are as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment	18,590	20,441	-	-
Unutilised tax losses	4,121	5,050	-	-
Payables	3,395	1,675	-	-
Receivables	1,641	1,990	-	-
	27,747	29,156	-	-
Offsetting	(10,133)	(11,571)	-	-
Deferred tax assets (after offsetting)	17,614	17,585	-	-
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(44,695)	(48,270)	-	-
Receivables	-	(1,576)	-	-
Others	-	(6)	-	-
	(44,695)	(49,852)	-	-
Offsetting	10,133	11,571	-	-
Deferred tax liabilities (after offsetting)	(34,562)	(38,281)	-	-
Subject to capital gains tax				
Deferred tax liabilities				
Property, plant and equipment	(9,841)	(10,478)	-	-

Deferred tax assets are recognised for tax losses carry forward and other deductible temporary differences to the extent that the realisation of the related tax benefits by way of future taxable profits is probable. The directors are of the opinion that the Group will be able to reduce tax payable over the future years in view of forecasted future taxable profits.

The amounts of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Deductible temporary differences	39,058	18,310	-	-
Tax losses	29,589	19,739	-	-

22 SHARE CAPITAL

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> 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 in accordance with the requirement set out in (c) below.
- (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 bases on which the options granted may be exercised by virtue of clause 7(ii) of the by-laws are as follows:

<u>Number of Options Granted</u>	<u>Percentage of Options Exercisable</u>				
	<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.

- (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 Malaysia Securities Exchange Berhad 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.

22 SHARE CAPITAL (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 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 are as follows:

Number of ordinary share options of RM1.00 each	Option price
7,460,000 (Offer 1)	RM1.66
7,898,000 (Offer 2)	RM1.22

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

Grant date	Expiry date	Exercise price RM/share	At beginning of financial year '000	Number of shares			At end of financial year '000	
				Granted '000	Exercised '000	Lapsed '000		
2003								
<u>Offer 1</u>								
2 July 1999	1 July 2004	1.66	7,653	–	–	(193)	7,460	
<u>Offer 2</u>								
3 January 2000	1 July 2004	1.22	8,096	–	–	(198)	7,898	
				15,749	–	–	(391)	15,358
2002								
<u>Offer 1</u>								
2 July 1999	1 July 2004	1.66	8,407	–	–	(754)	7,653	
<u>Offer 2</u>								
3 January 2000	1 July 2004	1.22	8,837	–	–	(741)	8,096	
				17,244	–	–	(1,495)	15,749

23 RESERVES

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
(a) <u>Distributable</u>				
Capital reserve	1,836	1,836	-	-
(b) <u>Non-distributable</u>				
Share premium	54,829	54,829	54,829	54,829
Reserve on consolidation	3,030	3,872	-	-
Revaluation surplus	65,562	69,476	124,268	194,382
Exchange fluctuation reserve	13,763	16,044	-	-
	137,184	144,221	179,097	249,211
Total reserves as at 31 December	139,020	146,057	179,097	249,211

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

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Capital reserve:				
As at 1 January	1,836	4,804	-	-
Transfer to accumulated losses	-	(4,753)	-	-
Write back on revaluation	-	1,785	-	-
As at 31 December	1,836	1,836	-	-

Capital reserve comprises mainly the gains arising from the disposals of certain subsidiaries in Malaysia.

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</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	3,872	4,715	-	-
Amortisation of reserve on consolidation	(842)	(843)	-	-
As at 31 December	3,030	3,872	-	-

23 RESERVES (CONT'D)

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Revaluation surplus:				
As at 1 January	69,476	63,385	194,382	194,382
Transfer to accumulated losses	(641)	(1,520)	-	-
Reversal of deferred taxation no longer required on disposal	244	-	-	-
Deferred taxation on revaluation surplus	(80)	(2,319)	-	-
Reversal of deferred taxation on impairment	100	-	-	-
Surplus/(deficit) on revaluation	-	9,930	(70,114)	-
Reversal of revaluation surplus	(3,537)	-	-	-
As at 31 December	65,562	69,476	124,268	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 investment in subsidiaries.

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Exchange fluctuation reserve:				
As at 1 January	16,044	19,909	-	-
Translation of net equity of foreign subsidiaries	(2,281)	(3,865)	-	-
As at 31 December	13,763	16,044	-	-

24 EUROCONVERTIBLE BONDS (UNSECURED)

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
<u>Euroconvertible Bonds of US\$1 each due in 2007</u>				
Principal amount				
- As at 1 January	277,666	346,446	277,666	346,446
- Cancellation during the financial year	(37,805)	(68,780)	(37,805)	(68,780)
- As at 31 December	239,861	277,666	239,861	277,666
Redemption premium				
- As at 1 January	83,042	101,500	83,042	101,500
- Accrual for the financial year	748	1,693	748	1,693
- Reversal on cancellation during the financial year	(11,076)	(20,151)	(11,076)	(20,151)
- As at 31 December	72,714	83,042	72,714	83,042
	312,575	360,708	312,575	360,708
Euroconvertible Bonds redeemable within 12 months (Note 13)				
- Principal amount	(42,971)	(17,634)	(42,971)	(17,634)
- Redemption premium	(12,589)	(5,166)	(12,589)	(5,166)
	(55,560)	(22,800)	(55,560)	(22,800)
	257,015	337,908	257,015	337,908

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.

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 MSEB 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.

24 EUROCONVERTIBLE BONDS (UNSECURED) (CONT'D)

(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 arrears 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.

(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 US\$'million	Total principal and redemption premium amount RM'million
May 2004	3.16	12.01
November 2004*	11.46	43.55
May 2005	3.95	15.02
November 2005	7.91	30.07
May 2006	4.25	16.13
November 2006	7.91	30.07
May 2007	43.62	165.73
	82.26	312.58

* Included in November 2004 redemption is an amount of USD1,970,000 (RM7,500,000) representing proceeds from the disposal of a subsidiary's land receivable before November 2004, which will be utilised towards the redemption in accordance with the ECB covenant set out in Condition 8(e) of Schedule 3 of the Trust Deed.

24 EUROCONVERTIBLE BONDS (UNSECURED) (CONT'D)

(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 remains outstanding as at 6 May 2005 and 6 May 2006 respectively. In respect of these additional premium, the Company made an accrual of RM748,000 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 2003, the balance of exchange loss of RM81,761,000 (2002: RM94,647,000) previously recorded and charged out in the 1997 income statement for the ECB remains unrealised.

25 TERM LOANS

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Term loans (unsecured)	12,526	20,393	-	-
Term loans (secured)	20,618	32,694	-	-
	33,144	53,087	-	-
Portion of term loans payable within twelve months included in short-term borrowings				
- (unsecured) (Note 13)	(6,000)	(13,578)	-	-
- (secured) (Note 13)	(12,358)	(11,596)	-	-
	14,786	27,913	-	-

The term loans are repayable by instalments up to 2005 and bear floating interest rates ranging from 1.50% to 2.25% (2002: 1.50% to 2.00%) above the banks' base lending rate or cost of funds per annum, and fixed interest rate of 4.50% (2002: 4.50% to 5.90%) per annum.

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

Notes On The Financial Statements (cont'd)

25 TERM LOANS (CONT'D)

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 2003					
- fixed	-	-	-	-	-
- floating	18,358	14,786	-	-	33,144
	18,358	14,786	-	-	33,144
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

26 RETIREMENT BENEFITS

The movements during the financial year in respect of the Group's retirement benefit plan are as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
As at 1 January	7,982	7,411	5,835	5,418
(Credited)/charged to income statement	(439)	571	-	-
(Credited)/charged to subsidiary companies *	-	-	(96)	417
Benefits paid	(146)	-	-	-
As at 31 December	7,397	7,982	5,739	5,835

* The Company's provision for retirement benefit plan is charged to its subsidiary companies as reimbursement of Group's expense.

The amounts recognised in the balance sheet in respect of defined benefit plans are determined as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Present value of obligations	7,397	7,982	5,739	5,835

26 RETIREMENT BENEFITS (CONT'D)

The amounts recognised in the income statement in respect of defined benefit plans are as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Current service cost	(197)	256	-	-
Interest cost	(242)	315	-	-
Total included in staff costs	(439)	571	-	-

The principal actuarial assumptions used in respect of the Group's defined benefit plans are as follows:

	Group		Company	
	<u>2003</u> %	<u>2002</u> %	<u>2003</u> %	<u>2002</u> %
Discount rate	7	7	7	7
Future salary increases	4	4	4	4
Future pension increases	-	-	-	-

With effect from 1 January 2003, the Group and Company discontinued this defined benefit plan. The amount vested in the eligible employees will be maintained in the financial statements until their retirement.

27 REVENUE

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Sale of goods, principally cables and related products	884,046	921,848	-	-
Income from property development	12,147	29,316	-	-
Income from power generation	110,265	103,171	-	-
Rendering of services	731	693	-	-
Dividends	1,608	203	1,399	11,723
Interest income	364	372	11,529	12,511
	1,009,161	1,055,603	12,928	24,234

28 (LOSS)/PROFIT FROM OPERATIONS

	Group		Company	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
(Loss)/profit from operations is stated:	RM'000	RM'000	RM'000	RM'000
After charging:				
Amortisation of goodwill	1,369	1,298	-	-
Auditors' remuneration	394	397	75	75
Depreciation	41,439	43,493	59	72
Rental of land and buildings	1,217	1,254	327	329
Allowance for doubtful debts - trade receivables	11,681	4,706	-	-
- associated company	-	2,384	-	-
Inventories - written off	10,216	-	-	-
- allowance for write down	1,577	-	-	-
Completed property units for sale written down*	10,494	2,525	-	-
Property, plant and equipment - written off*	7,442	4,095	-	-
- impairment*	44,683	-	-	-
Loss on disposal of property, plant and equipment	2,507	-	-	-
Impairment loss on investment in subsidiary company	-	-	3,934	-
Impairment loss on investment in associated company*	20,214	2,675	-	-
Allowance for diminution in value of investments:				
- quoted investments	-	2,948	-	-
- unquoted investments	2,501	2,437	55	415
Allowance for doubtful debts - amounts owing by subsidiary companies	-	-	16,535	27,322
Retrenchment benefits	5,971	1,206	-	-
Retirement benefits	-	571	-	-
Staff costs	57,364	63,871	-	-
Defined contribution plan	6,073	5,368	-	-
Net foreign exchange losses - unrealised	442	-	-	-
- realised	-	-	1	4
Royalties	648	663	-	-

* These charges have been included in other operating expenses in the income statement.

28 (LOSS)/PROFIT FROM OPERATIONS (CONT'D)

	Group		Company	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit from operations is stated:				
after crediting:				
Gross dividend income from quoted investments	1,608	203	-	-
Gross dividend income from an associated company	-	-	262	263
Gross dividend income from subsidiary companies	-	-	1,137	11,460
Interest income	2,808	1,890	11,529	12,511
Gain on disposal of property, plant and equipment	248	1,586	-	-
Gain on disposal of quoted investments	119	-	-	-
Rental income	579	483	-	-
Write back of allowance for doubtful debts				
- trade receivables	2,338	-	-	-
Write back of allowance for diminution in value of quoted investments	1,039	-	-	-
Write back of allowance for write down				
- inventories	482	-	-	-
- completed property units for sale	398	-	-	-
Write back of retirement benefits	439	-	-	-
Amortisation of reserve on consolidation	842	843	-	-
Net foreign exchange gains				
- unrealised	-	1,089	2	6
- realised	242	5,895	-	-
Bad debts recovered	146	327	-	-
Gain on ECB buyback *	-	12,046	-	12,046
Redemption premium written back arising from cancellation of ECB *	4,617	19,038	4,617	19,038

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

29 DIRECTORS' REMUNERATION

The directors of the Company in office during the year are as follows:

Non-executive Directors

Dato' N. Sadasivan
Lai Chang Hun
Wan Ismail Wan Nik
Dato' Ismail Abdullah
Patrick Chin Yoke Chung

Executive Director

Tan Sri Razali Ismail
Dato' Seri H'ng Bok San
Dato' H'ng Bak Tee

29 DIRECTORS' REMUNERATION (CONT'D)

The aggregate amount of emoluments receivable by Directors of the Company during the financial year is as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Non-Executive Directors:				
- fees	109	130	84	105
- other employee benefits	228	240	228	240
Executive Directors				
- fees	129	191	51	105
- salaries and bonus	1,930	4,568	1,930	4,568
- estimated money value of benefits-in-kind	63	103	63	103
- defined contribution plan	367	1,338	367	1,338
- other employee benefits	111	2,638	111	2,638
	2,937	9,208	2,834	9,097

Directors' remuneration of the Company, other than fees, is reimbursed by the subsidiary companies.

Details of the defined benefit plans of the Group and Company are set out in Note 26.

There were no options over ordinary shares of the Company granted to Executive Directors of the Company during the financial year. The unexercised options over ordinary shares of the Company granted to Executive Directors of the Company as at the financial year end are as follows:

	Unexercised options	
	<u>2003</u> RM'000	<u>2002</u> RM'000
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.

30 AUDITORS' REMUNERATION

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
<u>PricewaterhouseCoopers Malaysia firm</u>				
Statutory audit (Note 28)				
- current financial year	144	144	75	75
- underprovision in respect of previous financial years	-	3	-	-
	144	147	75	75
<u>Fees for other services:</u>				
Review of Directors' Statement on Internal Control				
- current financial year	2	-	-	-
- underprovision in respect of previous financial years	2	-	-	-
	4	-	-	-
Total remuneration	148	147	75	75
<u>Affiliates of PricewaterhouseCoopers Malaysia firm (including overseas PricewaterhouseCoopers firms)</u>				
Statutory audit	71	68	-	-
<u>Other auditors</u>				
Statutory audit	175	182	-	-

31 FINANCE COSTS

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Euroconvertible Bonds interest	(11,549)	(13,620)	(11,549)	(13,620)
Term loans interest	(2,187)	(3,026)	-	(193)
Other interest expense	(6,929)	(8,614)	-	-
Redemption premium payable	(748)	(1,693)	(748)	(1,693)
	(21,413)	(26,953)	(12,297)	(15,506)

32 TAXATION

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
The taxation (charge)/credit comprises:				
Malaysian:				
Current taxation	(1,068)	(1,379)	(768)	(521)
Deferred taxation	3,887	(7,637)	-	-
Over/(under) provision in previous financial years	(17)	2,543	(6)	(120)
	2,802	(6,473)	(774)	(641)
Overseas:				
Underprovision in previous financial years	-	(2)	-	-
	2,802	(6,475)	(774)	(641)
Current tax:				
Current financial year	(1,068)	(1,768)	(768)	(521)
Benefit from previously unrecognised tax loss	-	387	-	-
Over/(under) provision in previous financial years	(17)	4,119	(6)	(120)
Deferred tax:				
Origination and reversal of temporary differences	3,356	(9,942)	-	-
Benefit from previously unrecognised tax loss	531	729	-	-
	2,802	(6,475)	(774)	(641)

32 TAXATION (CONT'D)

The explanation of the relationship between tax expense and profit from ordinary activities before tax is as follows:

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Numerical reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the Malaysian tax rate:				
(Loss)/profit from ordinary activities before taxation	(92,170)	47,443	(14,389)	4,538
Tax calculated at a tax rate of 28% (2002: 28%)	(25,808)	13,284	(4,029)	1,271
Tax effects of:				
- lower tax rate for small and medium scale companies *	(9)	-	-	-
- different tax rates in other countries	389	235	-	-
- income not subject to tax	(47,990)	(15,489)	(4,378)	(14,467)
- expenses not deductible for tax purposes	61,307	10,215	9,175	13,717
- expenses double deductible for tax purposes	(28)	(38)	-	-
- unrecognised deductible temporary differences and unused tax losses	9,851	1,927	-	-
- utilisation of previously unrecognised tax losses	(531)	(1,116)	-	-
Over/(under) provision in respect of prior financial years	17	(2,543)	6	120
Tax (credit)/expense	(2,802)	6,475	774	641

* As gazetted in the Finance (No. 2) Act 2002, the income tax rate for the first chargeable income of RM100,000 for small and medium scale companies is reduced to 20% for the financial year as compared to 28% in the previous financial year.

33 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the net (loss)/profit attributable to shareholders of RM(98,174,000) (2002: RM24,698,000) by the weighted average number of ordinary shares in issue during the financial year of 436,458,652 (2002: 436,458,652) shares.

(b) Diluted (loss)/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.

34 DISCONTINUING OPERATIONS

The Board of Directors of Leader Cable Philippines Corporation ("LCPC"), a 100% subsidiary in the Philippines, which operated in the cable and related products segment, has on 5 February 2004 announced that LCPC will cease its manufacturing operations with effect from 1 May 2004. The results of the operations of LCPC is presented as Discontinuing Operations below.

Notes On The Financial Statements (cont'd)

34 DISCONTINUING OPERATIONS (CONT'D)

Income statement	Continuing operations		Discontinuing operations		Group	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	975,745	1,025,928	33,416	29,675	1,009,161	1,055,603
Other income	17,839	49,606	137	2,736	17,976	52,342
Expenses	(1,033,822)	(1,021,725)	(85,484)	(38,744)	(1,119,306)	(1,060,469)
(Loss)/profit from ordinary activities before taxation	(40,238)	53,809	(51,931)	(6,333)	(92,169)	47,476
Taxation	2,802	(6,475)	-	-	2,802	(6,475)
(Loss)/profit from ordinary activities after taxation	(37,436)	47,334	(51,931)	(6,333)	(89,367)	41,001
Balance sheet	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	581,328	686,919	2,177	42,473	583,505	729,392
Current assets	586,104	666,048	13,521	26,968	599,625	693,016
Total Assets	1,167,432	1,352,967	15,698	69,441	1,183,130	1,422,408
Current liabilities	417,375	423,955	21,061	18,680	438,436	442,635
Non-current liabilities	322,291	422,562	-	-	322,291	422,562
Total Liabilities	739,666	846,517	21,061	18,680	760,727	865,197
Net assets/(liabilities)	427,766	506,450	(5,363)	50,761	422,403	557,211
Cash flows	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating activities	33,557	83,678	(1,003)	42,982	32,554	126,660
Investing activities	5,485	5,018	(429)	(802)	5,056	4,216
Financing activities	(86,897)	(58,185)	551	(41,184)	(86,346)	(99,369)
Total cash flows	(47,855)	30,511	(881)	996	(48,736)	31,507

The impairment losses relating to LCPC charged to the income statement for the financial year are as follows:

	RM'000
Impairment of:	
- property, plant and equipment	33,060
- inventory	9,386
- trade receivables	5,738
	<u>48,184</u>

35 CHANGES IN ACCOUNTING POLICIES

During the financial year, the Company changed its accounting policies to comply with the following new MASB Standards:

- * MASB Standard 25: "Income Taxes"
- * MASB Standard 29: "Employee Benefits"

(a) Deferred taxation

In previous financial years, deferred tax was recognised for timing differences except when there was reasonable evidence that such timing differences would not reverse in the foreseeable future. The tax effect of timing differences that resulted in a debit balance or a debit to the deferred tax balance was not carried forward unless there was a reasonable expectation of its realisation. The potential tax saving relating to a tax loss carry forward was only recognised if there was assurance beyond any reasonable doubt that future taxable income would be sufficient for the benefit of the loss to be realised. No provision nor disclosure was made of this tax effect where the Group intended to hold such assets for the foreseeable future.

The Group has now changed its accounting policy to recognise deferred tax on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying values in the financial statements. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences or unused tax losses can be utilised.

In addition, deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

This change in accounting policy has been accounted for retrospectively. The comparative figures for the financial year ended 31 December 2003 have been restated to conform to the changed policy.

(b) Employee benefits

(i) Retirement benefits

On first application of MASB Standard 29, the transitional liability relating to the defined benefit plan amounting to RM7,412,000 was recognised retrospectively in full in accordance with MASB Standard 3 "Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies".

The comparative figures for the financial year ended 31 December 2003 have been restated to conform to the changed policy.

(ii) Short term employee benefits

In previous financial years, the Company did not accrue for unutilised paid annual leave. With the adoption of the provisions of MASB Standard 29 relating to short term employee benefits, the Company has now changed its accounting policy to accrue for unutilised paid annual leave (included under trade and other payables).

This change in accounting policy has been accounted for retrospectively in accordance with MASB Standard 3 "Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies". The comparative figures for the financial year ended 31 December 2003 have been restated to conform to the changed policy.

Notes On The Financial Statements (cont'd)

35 CHANGES IN ACCOUNTING POLICIES (CONT'D)

The effects of the changes in accounting policies on the Group's and Company's financial statements are as follows (continued):

Group	As	Effect of changes in		Subtotal	As
	previously reported	accounting policies			restated
	RM'000	MASB 25	MASB 29	RM'000	RM'000
		RM'000	RM'000		
At 1 January 2002					
- accumulated losses	(165,312)	(4,688)	(7,531)	(12,219)	(177,531)
- revaluation surplus	74,703	(11,318)	-	(11,318)	63,385
- deferred tax assets	-	13,881	-	13,881	13,881
- deferred tax liabilities	2,259	31,275	-	31,275	33,534
- trade and other payables	168,970	-	204	204	169,174
- retirement benefits	-	-	7,411	7,411	7,411
- minority interest	108,441	(1,388)	(84)	(1,472)	106,969
Year ended 31 December 2002					
- net (loss)/profit for the financial year	29,235	(3,572)	(965)	(4,537)	24,698
- revaluation surplus	8,410	(2,319)	-	(2,319)	6,091
At 1 January 2003					
- accumulated losses	(129,804)	(8,260)	(8,496)	(16,756)	(146,560)
- revaluation surplus	83,113	(13,637)	-	(13,637)	69,476
- deferred tax assets	-	17,585	-	17,585	17,585
- deferred tax liabilities	7,575	41,184	-	41,184	48,759
- trade and other payables	162,562	-	611	611	163,173
- retirement benefits	-	-	7,982	7,982	7,982
- minority interest	123,054	(1,702)	(97)	(1,799)	121,255
Company *					
At 1 January 2003					
- amounts due from subsidiary companies	271,237	-	5,897	5,897	277,134
- trade and other payables	7,523	-	62	62	7,585
- retirement benefits	-	-	5,835	5,835	5,835

* The Company's provision for retirement benefit plan and accrual for unutilised paid annual leave are deemed to be the Group's expense. Accordingly, the provision and accrual is charged to its subsidiary companies.

36 COMMITMENTS

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Capital expenditure on property, plant and equipment:				
- contracted but not provided for	-	1,347	-	-

37 CONTINGENT LIABILITIES - UNSECURED

	Group		Company	
	<u>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Guarantees given to bankers and financial institutions in respect of facilities granted to subsidiaries - not provided for in the financial statements	-	-	386,600	396,900

38 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>2003</u> RM'000	<u>2002</u> RM'000	<u>2003</u> RM'000	<u>2002</u> RM'000
Sales of goods to an associated company: - Universal Cable (Sarawak) Sdn. Bhd.	9,165	12,385	-	-
Gross dividend from an associated company: - Universal Cable (Sarawak) Sdn. Bhd.	-	-	262	263
Remuneration paid to persons (other than directors of the Company) connected to directors	2,428	2,151	-	-
Professional fees payable to East Design Architect Sdn. Bhd., a company in which a person connected to a director has a financial interest	-	68	-	-

39 GROUP SEGMENTAL INFORMATION

(a) Analysis by primary

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

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

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

39 GROUP SEGMENTAL INFORMATION (CONT'D)

(a) Analysis by primary (cont'd)

2003	Cable and related products		Power generation	Property development and housing	Investment holding	Others	Group
	Continuing operations	Discontinuing operations (Note 34)					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
Total revenue	850,248	33,416	110,265	11,599	6,133	1,113	1,012,774
Intersegment revenue	-	-	-	-	(3,613)	-	(3,613)
External revenue	850,248	33,416	110,265	11,599	2,520	1,113	1,009,161
Results							
Segment result	4,164	(49,413)	41,779	(14,241)	(15,285)	855	(32,141)
Unallocated income							7,425
Unallocated expenses							(46,115)
Loss from operations							(70,831)
Finance costs							(21,413)
Share of profits of associated companies	75	-	-	-	-	-	75
Loss from ordinary activities before tax							(92,169)
Tax							2,802
Loss from ordinary activities after tax							(89,367)
Minority interest							(8,807)
Net loss attributable to shareholders							(98,174)
Other information							
Segment assets	727,347	14,290	153,040	99,668	57,341	2,621	1,054,307
Associates	13,060	-	-	-	-	-	13,060
Unallocated assets							115,763
Total assets							1,183,130
Segment Liabilities	53,185	9,725	69,972	31,457	9,993	230	174,562
Unallocated liabilities							586,165
Total liabilities							760,727
Capital expenditure	4,982	454	657	-	56	4	6,153
Depreciation and amortisation	31,057	1,883	8,207	281	536	2	41,966

39 GROUP SEGMENTAL INFORMATION (CONT'D)

(a) Analysis by primary (cont'd)

2002	Cable and related products						
	Continuing operations	Discontinuing operations (Note 34)	Power generation	Property development and housing	Investment holding	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
Total revenue	889,694	29,675	103,171	28,781	5,554	3,219	1,060,094
Intersegment revenue	–	–	–	–	(4,444)	(47)	(4,491)
External revenue	889,694	29,675	103,171	28,781	1,110	3,172	1,055,603
Results							
Segment result	61,002	(2,886)	40,336	3,014	(9,735)	(932)	90,799
Unallocated income							32,974
Unallocated expenses							(51,261)
Profit from operations							72,512
Finance costs							(26,953)
Share of profits of associated companies	1,912	–	–	–	–	5	1,917
Profit from ordinary activities before tax							47,476
Tax							(6,475)
Profit from ordinary activities after tax							41,001
Minority interest							(16,303)
Net profit attributable to shareholders							24,698
Other information							
Segment assets	787,678	68,081	181,679	115,766	60,722	3,861	1,217,787
Associates	33,921	–	–	–	–	–	33,921
Unallocated assets							170,700
Total assets							1,422,408
Segment Liabilities	79,722	7,896	65,773	26,044	4,925	787	185,147
Unallocated liabilities							680,050
Total liabilities							865,197
Capital expenditure	3,202	822	675	4	137	7	4,847
Depreciation and amortisation	32,458	2,359	7,984	279	737	131	43,948

39 GROUP SEGMENTAL INFORMATION (CONT'D)

(b) Analysis by secondary

Although the Group's business segments are managed on a regional 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 which are not of sufficient size to be reported separately.

	<u>Revenue</u>		<u>Total assets</u>		<u>Capital expenditure</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	592,602	638,599	891,484	1,012,708	4,938	3,296
Cambodia	110,265	103,171	176,608	204,507	657	675
Singapore	56,529	87,814	34,076	36,861	104	54
Other countries *	249,765	226,019	67,902	134,411	454	822
	1,009,161	1,055,603	1,170,070	1,388,487	6,153	4,847
Associates			13,060	33,921		
Total assets			1,183,130	1,422,408		

* Included in the Group's operations in other countries are the discontinuing operations of Leader Cable Philippines Corporation, a 100% owned subsidiary company located in Philippines.

40 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 a favourable or unfavourable position.

As at 31 December 2003, 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	Currency to be received	Currency to be paid	RM'000 equivalent	Contractual rate
Trade receivables	Euro	RM	2,906	4.1519
	Euro	RM	2,982	4.2603
	Euro	RM	537	4.4736
	Euro	RM	3,355	4.4739
	Euro	RM	2,014	4.4751
	Euro	RM	1,181	4.7245
	Euro	RM	1,985	4.7273

The fair value of outstanding forward contracts of the Group at the balance sheet date was a favourable net position of approximately RM27,000. The net unrecognised loss at 31 December 2003 on open contracts which hedge anticipated future foreign currency sales amounted to approximately RM Nil (2002: RM315,000). These net exchange losses are deferred until the related sales are transacted, at which time they are included in the measurement of such transactions.

41 SUBSEQUENT EVENT

INTERNAL CORPORATE RESTRUCTURING EXERCISE

The Group had on 1 April 2004 implemented an internal corporate restructuring exercise ("the restructuring") involving Leader Cable Industry Berhad ("LCIB") and several of its subsidiaries. The restructuring is to enable LCIB to focus on its core business of cable manufacturing. The following subsidiaries of LCIB which are involved in property development and investment holdings were transferred by LCIB to Leader Universal Properties Sdn Bhd ("LUP") at the consideration which was based on the cost of investment of the respective companies as follows:

Name of subsidiaries	No. of shares	Consideration	Method of Payment
1. LCI Properties Development Sdn Bhd	2,000,000	1,750,001	) Issuance of 3,491,507
2. Leader Holdings Sdn Bhd	2	1,078,392	) ordinary shares of
3. Cogent Corporation Sdn Bhd	440,002	424,100	) RM1.00 each to LCIB
4. Glamour Acres Sdn Bhd	2	2	) in the capital of LUP
5. Leader Garden Sdn Bhd	250,000	239,012	) credited as fully paid.
6. Dolphin Square Sdn Bhd	5,000,000	1	- Cash

Subsequent to the aforesaid issue, LCIB then transferred the entire 3,491,507 ordinary shares of RM1.00 each in LUP to LEADER for a total cash consideration of RM3,491,507.

42 APPROVAL OF FINANCIAL STATEMENT

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 April 2004.