

579116-A

ECM LIBRA CAPITAL SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 RM	2004 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	1,393,786	370,859
Deferred tax assets	4	732,000	-
		<u>2,125,786</u>	<u>370,859</u>
CURRENT ASSETS			
Due from holding company	5	946	-
Due from related companies	5	57,078	656,906
Trade receivables	6	661,500	2,287,234
Other receivables	7	1,649,161	197,890
Cash and cash equivalents	8	1,342,911	2,107,758
		<u>3,711,596</u>	<u>5,249,788</u>
CURRENT LIABILITIES			
Due to subsidiary of holding company	5	234,905	-
Other payables	9	2,600,603	3,827,387
		<u>2,835,508</u>	<u>3,827,387</u>
NET CURRENT ASSETS		<u>876,088</u>	<u>1,422,401</u>
		<u>3,001,874</u>	<u>1,793,260</u>
FINANCED BY:			
Share capital	10	1,000,000	1,000,000
Retained profits	11	2,001,874	751,260
Shareholders' equity		<u>3,001,874</u>	<u>1,751,260</u>
Deferred tax liabilities	4	-	42,000
		<u>3,001,874</u>	<u>1,793,260</u>

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

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ECM LIBRA CAPITAL SDN. BHD.
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005	2004
		RM	RM
Revenue	12	11,218,535	11,343,540
Other operating income		86,940	45,672
Other operating expenses		(5,961,382)	(7,123,874)
Profit before taxation	13	5,344,093	4,265,338
Taxation	14	(493,479)	(2,232,210)
Net profit for the year		<u>4,850,614</u>	<u>2,033,128</u>
Net dividends per share	15	<u>3.60</u>	<u>1.00</u>

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

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ECM LIBRA CAPITAL SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2005

	Note	Share capital RM	Retained profits/ (accumulated losses) RM	Total RM
At 1.4.2003		1,000,000	(281,868)	718,132
Net profit for the year		-	2,033,128	2,033,128
Dividends	15	-	(1,000,000)	(1,000,000)
At 31.3.2004		1,000,000	751,260	1,751,260
Net profit for the year		-	4,850,614	4,850,614
Dividends	15	-	(3,600,000)	(3,600,000)
At 31.3.2005		1,000,000	2,001,874	3,001,874

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

ECM LIBRA CAPITAL SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	2005 RM	2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,344,093	4,265,338
Adjustment for:		
Interest income	(83,226)	(35,515)
Provision for doubtful debts	960,000	-
Depreciation	189,925	41,927
Operating profit before working capital changes	<u>6,410,792</u>	<u>4,271,750</u>
Decrease in due from/to other related companies	28,278	129,013
Decrease/(increase) in due from/to fellow subsidiaries	805,509	(952,304)
Decrease/(increase) in trade receivables	665,734	(2,287,234)
(Increase)/decrease in other receivables	(18,749)	426,212
(Decrease)/increase in other payables	<u>(1,226,785)</u>	<u>3,786,106</u>
Cash generated from operations	6,664,779	5,373,543
Interest received	83,226	35,515
Taxes paid	<u>(2,700,000)</u>	<u>(2,218,210)</u>
Net cash generated from operating activities	<u>4,048,005</u>	<u>3,190,848</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(1,212,852)</u>	<u>(316,870)</u>
Net cash used in investing activity	<u>(1,212,852)</u>	<u>(316,870)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Dividends paid	<u>(3,600,000)</u>	<u>(1,000,000)</u>
Net cash used in financing activity	<u>(3,600,000)</u>	<u>(1,000,000)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(764,847)	1,873,978
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,107,758	233,780
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 8)	<u>1,342,911</u>	<u>2,107,758</u>

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

ECM LIBRA CAPITAL SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

1. GENERAL INFORMATION

The Company is principally engaged in providing management, advisory and investment consulting services. There has been no significant change in the nature of the principal activities during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The principal place of business of the Company is located at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The holding company of the Company is ECM Libra Berhad, a company incorporated in Malaysia.

The number of employees in the Company at the end of the financial year was 35 (2004: 32).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 May 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Revenue Recognition

Revenue earned from rendering advisory services is recognised as and when services are performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at a rate of 20% annually.

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is charged or credited to the income statement.

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or if this is not possible, for the cash generating units to which the assets belong.

An impairment loss is charged to the income statement immediately. 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 in the income statement immediately.

(d) Financial Instruments

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

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

(i) Other Receivables

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(d) Financial Instruments (Contd.)

(ii) Other Payables

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

(iii) Equity Instruments

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

(e) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash and bank balances and short term deposits placed with licensed financial institutions.

(f) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Renovation RM	Furniture and fittings RM	Motor vehicles RM	Office equipment and computers RM	Total RM
At 1.4.2004	-	152,084	3,834	272,638	428,556
Additions	481,487	89,467	479,822	162,076	1,212,852
At 31.3.2005	481,487	241,551	483,656	434,714	1,641,408
Accumulated Depreciation					
At 1.4.2004	-	21,700	703	35,294	57,697
Depreciation charge	12,502	33,835	72,744	70,844	189,925
At 31.3.2005	12,502	55,535	73,447	106,138	247,622
Net Book Value					
At 31.3.2005	468,985	186,016	410,209	328,576	1,393,786
At 31.3.2004	-	130,384	3,131	237,344	370,859
Details at 1 April 2003					
Cost	-	52,150	-	59,536	111,686
Accumulated Depreciation	-	8,580	-	7,190	15,770
Depreciation charge for 2004					
	-	13,120	703	28,104	41,927

4. DEFERRED TAX ASSETS/(LIABILITIES)

	2005	2004
	RM	RM
At 1.4.2004	(42,000)	41,000
Recognised in the income statement (Note 14)	774,000	(83,000)
At 31.3.2005	<u>732,000</u>	<u>(42,000)</u>

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

Deferred Tax Liabilities:

	Accelerated Capital Allowances	Total
	RM	RM
At 1.4.2004	(42,000)	(42,000)
Recognised in the income statement	(40,000)	(40,000)
At 31.3.2005	<u>(82,000)</u>	<u>(82,000)</u>
Deferred tax liabilities recognised in the income statement in 2004	<u>(35,000)</u>	<u>(35,000)</u>

Deferred Tax Assets:

	Provision	Unabsorbed Capital Allowances and Tax Losses	Payables	Total
	RM	RM	RM	RM
At 1.4.2004	-	-	-	-
Recognised in the income statement	269,000	-	545,000	814,000
At 31.4.2005	<u>269,000</u>	<u>-</u>	<u>545,000</u>	<u>814,000</u>
Deferred tax assets recognised in the income statement in 2004	<u>-</u>	<u>(48,000)</u>	<u>-</u>	<u>(48,000)</u>

5. DUE FROM/(TO) RELATED COMPANIES

	2005	2004
	RM	RM
Due from subsidiaries of holding company:		
ECM Libra Investment Bank Limited	-	29,224
ECM Libra Securities Limited	-	2,330
ECM Libra Holdings Limited	19,072	519,070
ECM Libra Partners Sdn. Bhd.	29,215	106,282
ECM Libra Capital Markets Sdn. Bhd.	4,326	-
South Peninsular Capital Sdn Bhd	4,465	-
	<u>57,078</u>	<u>656,906</u>
Due from holding company:		
ECM Libra Berhad	946	-
	<u>946</u>	<u>-</u>
Due to a subsidiary of holding company:		
ECM Libra Securities Sdn. Bhd.	(234,905)	-
	<u>(234,905)</u>	<u>-</u>

The amounts due from/(to) related companies are unsecured, interest-free and have no fixed terms of repayment.

6. TRADE RECEIVABLES

	2005	2004
	RM	RM
Trade receivables	1,669,500	2,287,234
Less: Provision for doubtful debts	(1,008,000)	-
	<u>661,500</u>	<u>2,287,234</u>

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

7. OTHER RECEIVABLES

	2005	2004
	RM	RM
Deposits	92,870	83,267
Prepayments	21,330	5,084
Staff loan	-	36,000
Tax recoverable	1,501,521	69,000
Others	33,440	4,539
	<u>1,649,161</u>	<u>197,890</u>

8. CASH AND CASH EQUIVALENTS

	2005	2004
	RM	RM
Cash on hand and at bank	236,465	102,144
Deposits with licensed commercial banks	1,106,446	2,005,614
	<u>1,342,911</u>	<u>2,107,758</u>

The weighted average interest rate during the financial year and the average maturity of deposits as at 31 March 2005 were 3.00%(2004: 2.60%) per annum and 6 days (2004: 15 days) respectively.

9. OTHER PAYABLES

	2005	2004
	RM	RM
Service tax payable	39,500	229,613
Accrued expenses	612,658	40,104
Provision for bonus	1,948,445	3,557,670
	<u>2,600,603</u>	<u>3,827,387</u>

10. SHARE CAPITAL

	Number of Ordinary Shares of RM1.00 Each		Amount	
	2005	2004	2005 RM	2004 RM
Authorised:				
At 1 April/31 March	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid:				
At 1 April/31 March	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

11. RETAINED PROFITS

The Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 to frank the payment of dividends out of its entire retained profits as at 31 March 2005.

12. REVENUE

Revenue comprises fees earned from providing advisory services.

13. PROFIT BEFORE TAXATION

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

	2005 RM	2004 RM
Personnel costs:		
Directors' remuneration		
- Salaries and bonus	1,272,600	2,062,924
- Employees' Provident Fund	100,800	247,559
Salaries, bonus, allowances and other staff costs	1,103,433	3,435,347
Employees' Provident Fund	<u>385,420</u>	<u>322,142</u>
	<u>2,862,253</u>	<u>6,067,972</u>
Interest income	(83,226)	(35,515)
Auditors' remuneration	3,000	3,000
Depreciation	189,925	41,927
Provision for doubtful debts	960,000	-
Rental of premises	<u>261,025</u>	<u>123,120</u>

14. TAXATION

	2005	2004
	RM	RM
Tax expense for the year	1,291,000	2,149,210
Overprovision of tax in the prior year	(23,521)	-
Deferred tax relating to origination and reversal of temporary differences (Note 4)	(774,000)	83,000
	<u>493,479</u>	<u>2,232,210</u>

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

	2005	2004
	RM	RM
Profit before tax	<u>5,344,093</u>	<u>4,265,338</u>
Taxation at Malaysia statutory tax rate of 28%	1,496,346	1,194,295
Expenses not deductible for tax purposes	291,013	1,077,915
Effect of income subject to tax rate of 20%*	(40,000)	(40,000)
Overprovision of tax in the prior year	(23,521)	-
Deferred tax assets not recognised in the prior year	(1,230,359)	-
Tax expense for the year	<u>493,479</u>	<u>2,232,210</u>

Tax losses are analysed as follows:

Tax savings recognised during the year arising from:

Utilisation of tax losses brought forward from previous period

-	<u>38,778</u>
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Unabsorbed capital allowances are analysed as follows:

Tax savings recognised during the year arising from:

Utilisation of current year capital allowances
Utilisation of unabsorbed capital allowances brought forward from previous period

58,873	43,955
-	<u>9,373</u>

* Applicable to company with paid-up capital of RM 2.5 million and below.

15. DIVIDENDS

	Amount		Net Dividends per Share	
	2005	2004	2005	2004
	RM	RM	RM	RM
Interim dividend of of 500%, less 28% taxation, paid on 22.3.2005	3,600,000	1,000,000	3.60	1.00
	<u>3,600,000</u>	<u>1,000,000</u>	<u>3.60</u>	<u>1.00</u>

16. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders while minimising the potential adverse effects on the performance of the Company.

(b) Interest Rate Risk

The Company's primary interest rate risk relates to interest-bearing assets. The interest bearing assets are made up of fixed deposits with licensed financial institutions. The interest rate risk arises from changes in market interest rate.

(c) Liquidity Risk

The Company manages the profile of its fixed deposits with financial institutions, operating cash flows and the availability of funding so as to ensure that all operating needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

(d) Fair Values

It is not practical to estimate the fair value of the inter-company balances due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Company believes that the carrying amount represents the recoverable values.

The carrying amounts for short term funds, other receivables and payables approximate their fair values due to the relatively short term maturity of these financial instruments.

17. CURRENCY

All amounts are stated in Ringgit Malaysia.

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**REPORT OF THE AUDITORS TO THE MEMBERS OF
ECM LIBRA CAPITAL SDN. BHD.
(Incorporated in Malaysia)**

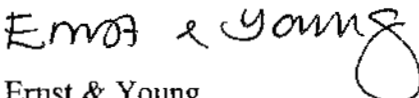
We have audited the financial statements set out on pages 72 to 85. These financial statements are the responsibility of the Company's directors.

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

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

In our opinion:

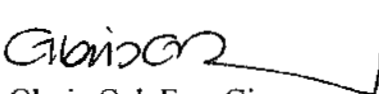
- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company as at 31 March 2005 and of the results and the cash flows of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia

20 MAY 2005



Gloria Goh Ewe Gim
No. 1685/04/07 (J)
Partner

ECM LIBRA PARTNERS SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 RM	2004 RM
CURRENT ASSETS			
Due from holding company	3	-	2,000
Due from subsidiary of holding company	3	287,253	-
Trade receivables		35,398,625	1,164,944
Other receivables		346,615	8,043
Cash and cash equivalents	4	6,563,727	3,922,972
		<u>42,596,220</u>	<u>5,097,959</u>
CURRENT LIABILITIES			
Borrowings	5	5,000,000	-
Due to holding company	3	35,356,659	-
Due to subsidiaries of holding company	3	50,437	4,111,830
Sundry payables	6	548,735	253,808
Taxation		67,175	26,330
		<u>41,023,006</u>	<u>4,391,968</u>
NET CURRENT ASSETS		<u>1,573,214</u>	<u>705,991</u>
		<u>1,573,214</u>	<u>705,991</u>
REPRESENTED BY:			
Share capital	7	500,000	500,000
Retained profits	8	1,073,214	205,991
Shareholders' equity		<u>1,573,214</u>	<u>705,991</u>

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

ECM LIBRA PARTNERS SDN. BHD.
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 RM	2004 RM
Revenue	9	3,026,315	587,237
Other operating income	10	<u>88,579</u>	<u>21,254</u>
		3,114,894	608,491
Other operating expenses	11	<u>(187,493)</u>	<u>(67,867)</u>
Profit from operations		2,927,401	540,624
Finance costs		<u>(1,794,629)</u>	<u>(249,756)</u>
Profit before taxation		1,132,772	290,868
Taxation	12	<u>(265,549)</u>	<u>(69,918)</u>
Net profit for the year		<u>867,223</u>	<u>220,950</u>

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

ECM LIBRA PARTNERS SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2005

	Note	Share capital RM	(Accumulated losses)/ Retained profits RM	Total RM
At 1.4.2003		500,000	(14,959)	485,041
Net profit for the year		-	220,950	220,950
At 31.3.2004		500,000	205,991	705,991
Net profit for the year		-	867,223	867,223
At 31.3.2005		500,000	1,073,214	1,573,214

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

ECM LIBRA PARTNERS SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation representing net cash before working capital changes	1,132,772	290,868
Increase in amount due from holding company	35,358,659	-
(Increase)/decrease in amount due from/to subsidiaries of holding company	(4,348,646)	4,584,830
Increase in trade receivable	(34,233,681)	(1,164,944)
Increase in other receivables	(338,572)	(8,043)
Increase in sundry payables	294,927	251,808
Cash (used in)/generated from operations	<u>(2,134,541)</u>	<u>3,954,519</u>
Taxes paid	<u>(224,704)</u>	<u>(45,188)</u>
Net cash (used in)/generated from operating activities	<u>(2,359,245)</u>	<u>3,909,331</u>
CASH FLOW FROM FINANCING ACTIVITY		
Drawdown of borrowings	<u>5,000,000</u>	<u>-</u>
Net cash generated from financing activity	<u>5,000,000</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,640,755	3,909,331
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,922,972</u>	<u>13,641</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>6,563,727</u>	<u>3,922,972</u>

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

ECM LIBRA PARTNERS SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

1. GENERAL INFORMATION

The principal activity of the Company is that of a licensed money lender. There has been no change in the nature of the principal activity during the financial year.

The Company is a private limited company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The holding company of the Company is ECM Libra Berhad, a company incorporated in Malaysia.

The Company does not have any employees at the end of the current and previous financial year. The accounting and other records are maintained by employees of a subsidiary of the holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 May 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Income Recognition

- (i) Interest income is recognised on a time-apportionment basis.
- (ii) Other income is recognised when services are performed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(c) Financial Instruments

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

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

(i) Receivables

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

(ii) Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(iii) Payables

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

(iv) Equity Instruments

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

(d) Income Tax

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(d) Income Tax (Contd.)

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

(e) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and short term funds.

3. DUE FROM/(TO) RELATED COMPANIES

	2005 RM	2004 RM
Due (to)/from holding company:		
ECM Libra Berhad	<u>(35,356,659)</u>	<u>2,000</u>
Due from subsidiary of holding company:		
ECM Libra Investment Bank Limited	<u>287,253</u>	<u>-</u>
Due to subsidiaries of holding company:		
ECM Libra Investment Bank Limited	-	(4,005,548)
ECM Libra Capital Sdn. Bhd.	(29,215)	(106,282)
ECM Libra Securities Sdn. Bhd.	<u>(21,222)</u>	<u>-</u>
	<u>(50,437)</u>	<u>(4,111,830)</u>

3. DUE FROM/(TO) RELATED COMPANIES (CONTD.)

The amount due to ECM Libra Investment Bank Limited as at 31 March 2004 is unsecured, bears interest at 8% per annum and repayable within one year.

The amounts due from/(to) other subsidiaries of holding company are unsecured, interest-free and have no fixed terms of repayment.

The amount due to holding company is secured, bears interest at 5.25% per annum and have no fixed terms of repayment.

4. CASH AND CASH EQUIVALENTS

	2005	2004
	RM	RM
Cash on hand and at bank	112,324	19,191
Short term funds:		
Repo placements and bankers' acceptances purchased from a licensed bank	6,541,403	3,903,781
	<u>6,653,727</u>	<u>3,922,972</u>

The weighted average interest rate and the average remaining maturity of short term funds as at 31 March 2005 were 2.63% (2004:2.6%) per annum and 9 days (2004:1 day) respectively.

5. BORROWINGS

	2005	2004
	RM	RM
Revolving credit	<u>5,000,000</u>	<u>-</u>

The effective interest rate of the revolving credit is 5.0% per annum. There is no fixed term of repayment and it is secured by a corporate guarantee from the Company's holding company.

6. SUNDRY PAYABLES

	2005	2004
	RM	RM
Amounts due to directors	-	223,153
Accrued interest	324,030	26,975
Accrued expenses	224,705	3,680
	<u>548,735</u>	<u>253,808</u>

Amounts due to directors are unsecured, interest-free and have no fixed terms of repayment.

7. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2005	2004	2005	2004
			RM	RM
Authorised:				
At 1 April/31 March	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
At 1 April/31 March	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

8. RETAINED PROFITS

As at 31 March 2005, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 to frank the payment of dividends amounting to approximately RM694,000 (2004: RM120,100) out of its retained profits. If the balance of the retained profits of RM379,200 (2004: RM85,890) were to be distributed as dividends prior to there being sufficient tax credits, the Company would have a Section 108 shortfall of approximately RM147,500 (2004: RM33,400).

9. REVENUE

	2005	2004
	RM	RM
Interest income from money-lending activities	3,026,315	398,831
Other income	-	188,406
	<u>3,026,315</u>	<u>587,237</u>

10. OTHER OPERATING INCOME

Other operating income comprises interest income from short term deposits.

11. OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	2005	2004
	RM	RM
Auditors' remuneration	1,000	1,000
Rental of premises	51,321	56,282
Realised foreign exchange loss	361	1,265
	<u> </u>	<u> </u>

12. TAXATION

	2005	2004
	RM	RM
Tax expense for the year	277,176	70,000
Overprovided in prior year	(11,627)	(82)
	<u>265,549</u>	<u>69,918</u>

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

	2005	2004
	RM	RM
Profit before tax	<u>1,132,772</u>	<u>290,868</u>
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	317,176	81,443
Expenses not deductible for tax purposes	-	11,826
Effect of income subject to tax rate of 20%*	(40,000)	(23,269)
Overprovided in prior year	(11,627)	(82)
Tax expense for the year	<u>265,549</u>	<u>69,918</u>

* Applicable to companies with paid-up capital of RM 2.5 million and below.

13. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2005 RM	2004 RM
Interest expense paid and payable		
Holding company:		
ECM Libra Berhad	<u>1,593,711</u>	<u>-</u>
Subsidiary of holding company:		
ECM Libra Investment Bank Limited	<u>191,329</u>	<u>249,756</u>

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

14. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders while minimising the potential adverse effects on the performance of the Company.

(b) Liquidity Risk

The Company manages the operating cash flows and the availability of funding so as to ensure that all operating needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.

(c) Fair Values

It is not practical to estimate the fair value of the inter-company balances due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs. However, the Company believes that the carrying amounts represent the recoverable value.

The carrying amounts for other receivables, sundry payables, borrowings and cash and cash equivalents approximate their fair values due to the relatively short term maturity of these financial instruments.

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15. COMPARATIVES

Certain comparatives have been reclassified to conform with the current year's presentation.

16. CURRENCY

All amounts are stated in Ringgit Malaysia.

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**REPORT OF THE AUDITORS TO THE MEMBERS OF
ECM LIBRA PARTNERS SDN. BHD.
(Incorporated in Malaysia)**

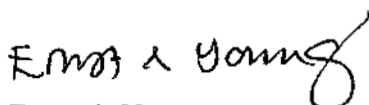
We have audited the financial statements set out on pages 87 to 98. These financial statements are the responsibility of the Company's directors.

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

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

In our opinion:


- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company as at 31 March 2005 and of the results and the cash flows of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia

20 MAY 2005



Gloria Goh Ewe Gim
No. 1685/04/07 (J)
Partner

ECM LIBRA CAPITAL MARKETS SDN. BHD.
(formerly known as Libra Capital Markets Sendirian Berhad)
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 RM	2004 RM
NON-CURRENT ASSET			
Property, plant and equipment	3	-	-
CURRENT ASSETS			
Due from shareholders	4	-	1,595,567
Sundry receivables	5	19,203	53,668
Cash and cash equivalents	6	2,283,079	674,457
		<u>2,302,282</u>	<u>2,323,692</u>
CURRENT LIABILITIES			
Due to subsidiaries of holding company	7	4,967	-
Sundry payables		6,300	45,512
Tax payable		3,267	476
		<u>14,534</u>	<u>45,988</u>
NET CURRENT ASSETS		<u>2,287,748</u>	<u>2,277,704</u>
		<u>2,287,748</u>	<u>2,277,704</u>
FINANCED BY:			
Share capital	8	2,000,000	2,000,000
Retained profits		287,748	277,704
		<u>2,287,748</u>	<u>2,277,704</u>

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

ECM LIBRA CAPITAL MARKETS SDN. BHD.
(formerly known as Libra Capital Markets Sendirian Berhad)
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 RM	2004 RM
Revenue	9	-	36,000
Other operating income	10	36,458	20,244
Other operating expenses	11	<u>(19,114)</u>	<u>(53,864)</u>
Profit before taxation		17,344	2,380
Taxation	13	<u>(7,300)</u>	<u>(476)</u>
Net profit for the year		<u>10,044</u>	<u>1,904</u>

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

ECM LIBRA CAPITAL MARKETS SDN. BHD.
(formerly known as Libra Capital Markets Sendirian Berhad)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2005

	Share capital RM	Distributable Retained profits RM	Total RM
At 1 April 2003	2,000,000	275,800	2,275,800
Net profit for the year	-	1,904	1,904
At 31 March 2004	<u>2,000,000</u>	<u>277,704</u>	<u>2,277,704</u>
Net profit for the year	-	10,044	10,044
At 31 March 2005	<u>2,000,000</u>	<u>287,748</u>	<u>2,287,748</u>

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

ECM LIBRA CAPITAL MARKETS SDN. BHD.
(formerly known as Libra Capital Markets Sendirian Berhad)
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,344	2,380
Adjustment for:		
Interest income	(36,458)	(20,244)
Operating loss before working capital changes	(19,114)	(17,864)
Decrease in sundry receivables	34,510	48,423
Decrease/(increase) in amount due from shareholders	1,595,567	(39,424)
Increase in amount due to subsidiaries of holding company	4,967	-
Decrease in sundry payables	(39,212)	(4,578)
Cash generated from/(used in) operations	1,576,718	(13,443)
Interest received	36,413	20,264
Taxes paid	(4,509)	-
Net cash generated from operating activities	<u>1,608,622</u>	<u>6,821</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,608,622	6,821
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF YEAR	<u>674,457</u>	<u>667,636</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR*		
(Note 6)	<u>2,283,079</u>	<u>674,457</u>

* Included in cash and cash equivalents is an amount of RM200,000 (2004: RM200,000) pledged to a bank as security deposit pursuant to Section 23 of the Securities Industry Act, 1983.

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

ECM LIBRA CAPITAL MARKETS SDN. BHD.
(formerly known as Libra Capital Markets Sendirian Berhad)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

1. GENERAL INFORMATION

The principal activity of the Company is fund management. There has been no significant change in the nature of the principal activity during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 8A Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

During the financial year, ECM Libra Berhad, a company incorporated in Malaysia, acquired 100% equity interest in the Company and became the holding company of the Company as at the end of the financial year.

There was no employee as at the end of the financial year (2004: 2). The accounting and other records are maintained by employees of a subsidiary of the holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 May 2005.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Revenue Recognition

Management fees are recognised on an accrual basis.

(c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at a rate of 20% annually.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(c) Property, Plant and Equipment and Depreciation (Contd.)

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

The carrying values of assets are reviewed for impairment when there is any indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or if this is not possible, for the cash generating units to which the assets belong.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. 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.

(d) Financial Instruments

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

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

(i) Other Receivables

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

(ii) Other Payables

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(d) Financial Instruments (Contd.)

(iii) Equity Instruments

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

(e) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

(f) Employee Benefits

(i) Short term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated balances, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(f) Employee Benefits (Contd.)****(ii) Defined Contribution Plan**

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

(g) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash at banks and short term funds placed with licensed financial institutions.

3. PROPERTY, PLANT AND EQUIPMENT

	RM
Furniture and fittings	
Cost	
At 1.4.2004	4,850
Written-off	<u>(4,850)</u>
At 31.3.2005	<u>-</u>
Accumulated Depreciation	
At 1.4.2004	4,850
Written-off	<u>(4,850)</u>
At 31.3.2005	<u>-</u>
Net Book Value	
At 31.3.2005	<u>-</u>
At 31.3.2004	<u>-</u>
Details at 1.4.2003	
Cost	<u>4,850</u>
Accumulated Depreciation	<u>4,850</u>

4. AMOUNT DUE FROM SHAREHOLDERS

The amount due from shareholders in the prior year represented loans granted by the Company, which was then a private exempt company, and were unsecured, interest-free and had no fixed terms of repayment.

5. SUNDRY RECEIVABLES

Included in sundry receivables in the prior year was an amount due from a company with a common director of RM36,000. This amount was unsecured, interest-free and had no fixed terms of repayment. Also included in sundry receivables is tax recoverable of RM16,909 (2004: RM16,919).

6. CASH AND CASH EQUIVALENTS

	2005 RM	2004 RM
Cash at banks	32,111	5,246
Fixed deposits with a licensed bank	672,370	669,211
Bankers' acceptances purchased from a licensed bank	1,578,598	-
	<u>2,283,079</u>	<u>674,457</u>

Included in fixed deposits is an amount of RM200,000 (2004 : RM200,000) pledged to a bank as security deposit pursuant to Section 23 of the Securities Industry Act, 1983.

The weighted average rate of return and the average remaining maturity as at 31 March 2005 were as follows:

	Weighted average rate of return		Average remaining maturity	
	2005 % p.a.	2004 % p.a.	2005 Days	2004 Days
Fixed deposits with a licensed bank	3	3	17	17
Bankers' acceptances purchased from a licensed bank	3	-	15	-
	<u>3</u>	<u>-</u>	<u>15</u>	<u>-</u>

7. DUE TO RELATED COMPANIES

	2005	2004
	RM	RM
Due to subsidiaries of holding company:		
ECM Libra Capital Sdn. Bhd.	4,326	-
ECM Libra Securities Sdn. Bhd.	641	-
	<u>4,967</u>	<u>-</u>

The amount due to related companies are unsecured, interest-free and have no fixed terms of repayment.

8. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2005	2004	2005	2004
			RM	RM
Authorised:				
At 1 April / 31 March	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid up:				
At 1 April / 31 March	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

9. REVENUE

Revenue of the Company represented management fees received from the provision of fund management services.

10. OTHER OPERATING INCOME

Other operating income comprises interest income from short term funds' placements.

11. OTHER OPERATING EXPENSES

Included in other operating expenses are the following:

	2005	2004
	RM	RM
Auditors' remuneration:		
Statutory audit - current year	2,000	2,000
Other services		
- current year	3,000	3,000
- underprovision for prior year	-	3,000
Staff costs	-	36,296
	<u> </u>	<u> </u>

12. STAFF COSTS

	2005	2004
	RM	RM
Salaries and other staff costs	-	32,450
Employees' Provident Fund	-	3,846
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

13. TAXATION

	2005	2004
	RM	RM
Tax expense for the year	<u>7,300</u>	<u>476</u>

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

	2005	2004
	RM	RM
Profit before taxation	<u>17,344</u>	<u>2,380</u>
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	4,856	666
Expenses not deductible for tax purposes	5,361	-
Effect of income subject to tax rate of 20%*	<u>(2,917)</u>	<u>(190)</u>
Tax expense for the year	<u>7,300</u>	<u>476</u>

* Applicable to company with paid-up capital of RM 2.5 million and below.

13. TAXATION (CONTD.)

	2005	2004
	RM	RM
Unutilised tax losses carried forward	33,323	33,323
Unabsorbed capital allowances carried forward	<u>2,328</u>	<u>1,940</u>

Deferred tax benefits have not been recognised in respect of unutilised tax losses and unabsorbed capital allowances as the Company has a history of business losses, and it is not probable that sufficient taxable profits will be available in the coming years for the deductible temporary differences to be utilised.

The Company has sufficient tax credits under Section 108 (6) of the Income Tax, 1967 and sufficient balance in the tax exempt income account under Section 12 of the Income Tax (Amendment) Act, 1999 to frank the payment of dividends out of its entire retained profits as at 31 March 2005.

14. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders while minimising the potential adverse effects on the performance of the Company.

(b) Interest Rate Risk

The Company's primary interest rate risk relates to interest-bearing assets. The interest bearing assets are made up of short term funds with licensed financial institutions. The interest rate risk arise from changes in market interest rate.

(c) Liquidity Risk

The Company manages the profile of its short term funds with financial institutions, operating cash flows and the availability of funding so as to ensure that all operating needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

14. FINANCIAL INSTRUMENTS (CONTD.)

(d) Fair Values

It is not practical to estimate the fair value of the Company's inter-company balances due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Company believes that the carrying amounts represent the recoverable values.

The carrying amounts for cash and cash equivalents, other receivables and payables approximate their fair values due to the relatively short term maturity of these financial instruments.

15. CURRENCY

All amounts are stated in Ringgit Malaysia.

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Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ECM LIBRA CAPITAL MARKETS SDN. BHD.
(formerly known as Libra Capital Markets Sendirian Berhad)
(Incorporated in Malaysia)**

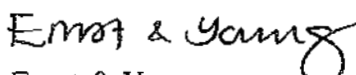
We have audited the accompanying financial statements set out on pages 100 to 112. These financial statements are the responsibility of the Company's directors.

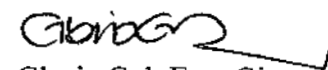
It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content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

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

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company as at 31 March 2005 and of the results and the cash flows of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.


Ernst & Young
AF : 0039
Chartered Accountants


Gloria Goh Ewe Gim
No. 1685/04/07(J)
Partner

Kuala Lumpur, Malaysia

20 MAY 2005

ECM LIBRA HOLDINGS LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 USD	2004 USD
NON-CURRENT ASSETS			
Investments in subsidiaries	4	<u>9,532,117</u>	<u>3,996,623</u>
CURRENT ASSETS			
Due from a subsidiary	5	-	1,865,854
Due from a related party	5	-	114,520
Other receivables	6	139	1,870
Short term funds	7	<u>214,215</u>	<u>25,978</u>
		<u>214,354</u>	<u>2,008,222</u>
CURRENT LIABILITIES			
Due to subsidiaries	5	1,840,785	107,849
Due to a subsidiary of holding company	5	5,019	136,597
Other payables		2,892	1,580
Taxation		-	5,263
Dividends payable		-	3,461,013
		<u>1,848,696</u>	<u>3,712,302</u>
NET CURRENT LIABILITIES		<u>(1,634,342)</u>	<u>(1,704,080)</u>
		<u>7,897,775</u>	<u>2,292,543</u>
FINANCED BY:			
Share capital	8	1,316,000	1,316,000
Retained profits		6,581,775	976,543
Shareholders' equity		<u>7,897,775</u>	<u>2,292,543</u>

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

LL03290

ECM LIBRA HOLDINGS LIMITED
(Incorporated in the Federal Territory of Labuan, Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 USD	2004 USD
Revenue	9	6,003,340	6,791,010
Other operating income		2,016	158,142
Other operating expenses		<u>(5,324)</u>	<u>(18,017)</u>
Profit before taxation	10	6,000,032	6,931,135
Taxation	11	-	<u>(5,263)</u>
Net profit for the year		<u>6,000,032</u>	<u>6,925,872</u>

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