

Company no. : 590945-H

LEBAR DAUN BERHAD
(Formerly known as ANGKASA GANDA BERHAD)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

31 DECEMBER 2003

LEBAR DAUN BERHAD
(Formerly known as ANGKASA GANDA BERHAD)
(Incorporated in Malaysia)

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Company no. : 590945-H

LEBAR DAUN BERHAD

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(Incorporated in Malaysia)

DIRECTORS' REPORT AND STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

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

THE COMPANY

The Company was incorporated on 28 August 2002 and has yet to commence its operations as at 31 December 2003.

CHANGE OF NAME

On 10 February 2003, the Company has changed its name from ANGKASA GANDA BERHAD to its present name.

RESULTS

	RM
Loss after taxation	(79,300)
Accumulated losses brought forward	(9,350)
Accumulated losses carried forward	<u>(88,650)</u>

DIVIDENDS

There were no dividends proposed, declared or payable during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

SHARE CAPITAL

On 17 January 2003, the Company sub-divided its authorised share capital from 100,000 ordinary shares of RM1.00 each to 200,000 ordinary shares of RM0.50 each. Subsequently, the Company sub-divided its issued and paid up share capital from 2 ordinary shares of RM1.00 each to 4 ordinary shares of RM0.50 each.

On 13 October 2003, the Company increased its authorised share capital from RM100,000 to RM250,000,000 by creation of 499,800,000 ordinary shares of RM0.50 each.

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DIRECTORS' REPORT AND STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Norazmi bin Mohamed Nurdin	(Appointed w.e.f. 7.1.2004)
Datuk Mohd Hashim bin Hassan	(Appointed w.e.f. 7.1.2004)
Prof Dr Hamzah bin Ismail	(Appointed w.e.f. 7.1.2004)
Dato' Nik Ismail bin Dato' Nik Yusoff	(Appointed w.e.f. 7.1.2004)
Dato' Noor Azman @ Noor Hizam bin Mohd Nurdin	(Appointed w.e.f. 7.1.2004)
Shah Rudin bin Mohammed Miskun	(Resigned w.e.f. 7.1.2004)
Nor Lia binti Johan	(Resigned w.e.f. 7.1.2004)

DIRECTORS' INTEREST

According to the register of directors' shareholding, the interests of directors in office at the end of the financial year in the ordinary shares of the Company are as follows:

Directors	Number of ordinary shares of RM1.00 each			Balance as at 31.12.2003
	Balance as at 1.1.2003	Bought	Sold	
Shah Rudin bin Mohammed Miskun	1	-	-	1
Nor Lia binti Johan	1	-	-	1

On 17 January 2003, the Company had sub-divided the ordinary shares of RM1.00 each to RM0.50 each.

Directors	Number of ordinary shares of RM0.50 each			Balance as at 31.12.2003
	Balance as at 31.1.2003	Bought	Sold	
Shah Rudin bin Mohammed Miskun	2	-	-	2
Nor Lia binti Johan	2	-	-	2

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Since the end of last financial year, no director of the Company has received or become entitled to receive any benefits by reason of a contract made by the Company or a related corporation with the director or with a firm which the director is a member or with a company in which the director has a substantial financial interest.

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DIRECTORS' REPORT AND STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

OTHER STATUTORY INFORMATION

Before the income statement and the balance sheet 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 no known bad debts had been written off and that no allowance had been made for doubtful debts; and
- ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

- i) which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the Company inadequate to any substantial extent; or
- ii) which would render the value attributed to the current assets of the Company misleading; or
- iii) which would render any amount stated in the financial statements of the Company misleading; other than those already dealt with in this report and in the relevant financial statements; or
- iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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

- i) any charge on the assets of the Company that 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 Company that has arisen since the end of the financial year.

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

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Events subsequent to balance sheet are disclosed in Note 12 to the financial statements.

Company no. : 590945-H

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DIRECTORS' REPORT AND STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

In the opinion of the directors:

- (i) the results of the operations of the Company for the financial year ended 31 December 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report, and
- (ii) the financial statements set on pages 7 to 14, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 December 2003 and of its results, its changes in equity and cash flows for the financial year ended on that date.

AUDITORS

The auditors, Messrs. Khairuddin Hasyudeen & Razi, retire and have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors,



NORAZMI BIN MOHAMED NURDIN
Director



DATO' NOOR AZMAN @ NOOR HIZAM BIN MOHD NURDIN
Director

Kuala Lumpur

Dated : 18 FEB 2004

Company no. : 590945-H

LEBAR DAUN BERHAD

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(Incorporated in Malaysia)

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

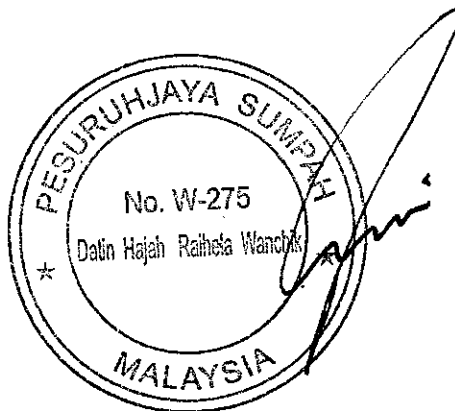
I, SEE THOO SU JEAN, being the officer primarily responsible for the accounting records and financial management of LEBAR DAUN BERHAD (Formerly known as ANGKASA GANDA BERHAD), do solemnly and sincerely declare that the financial statements set out on pages 7 to 14 are to the best of my knowledge and belief, 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)
SEE THOO SU JEAN)
at Kuala Lumpur in the state of Federal)
Territory on 18 FEB 2004)



SEE THOO SU JEAN

Before me,



B-16-5
Blok B, Ting 16, Unit 5
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 012-3008300
03-27156556



**KHAIRUDDIN
HASYUDEEN
& RAZI**

Chartered Accountants
(AF 1161)

B-5-7, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel 603 2710 7717
Fax 603 2710 7727
Website: www.khr.com.my
E-mail: clientcare@khr.com.my

Company no. : 590945-H

**REPORT OF THE AUDITORS
TO THE MEMBERS OF LEBAR DAUN BERHAD**
(Formerly known as ANGKASA GANDA BERHAD)

We have audited the financial statements set out on pages 7 to 14 of LEBAR DAUN BERHAD (Formerly known as ANGKASA GANDA BERHAD).

The financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. 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 statements presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and 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 of the Company; and
 - (ii) the state of affairs of the Company as at 31 December 2003 and of the results and the cash flows of the Company for the financial year ended on that date;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Khairuddin Hasyudeen & Razi

KHAIRUDDIN HASYUDEEN & RAZI
AF 1161
Chartered Accountants

Ahmad Shahrul bin Hj. Mohamed

Ahmad Shahrul bin Hj. Mohamed
2138/04/05 (J)
Partner of the Firm

Kuala Lumpur
Dated : 18 FEB 2004

Company no. : 590945-H

LEBAR DAUN BERHAD

(Formerly known as ANGKASA GANDA BERHAD)

(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2003

	NOTE	2003 RM	2002 RM
CURRENT ASSET			
Cash in hand		2	2
		<u>2</u>	<u>2</u>
CURRENT LIABILITY			
Other payables and accruals		88,650	9,350
		<u>88,650</u>	<u>9,350</u>
NET CURRENT LIABILITIES		(88,648)	(9,348)
		<u>(88,648)</u>	<u>(9,348)</u>
REPRESENTED BY:			
SHAREHOLDERS' EQUITY			
Share capital	6	2	2
Accumulated losses		(88,650)	(9,350)
		<u>(88,648)</u>	<u>(9,348)</u>

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

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LEBAR DAUN BERHAD

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INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

		For 12 months period ended	For 4 months period ended
	NOTE	31-12-2003	31-12-2002
		RM	RM
Revenue		-	-
Cost of Sales		-	-
Gross profit / (loss)		<u>-</u>	<u>-</u>
Administrative expenses		(79,300)	(9,350)
Loss before taxation	7	<u>(79,300)</u>	<u>(9,350)</u>
Taxation	8	-	-
Net loss after taxation		<u>(79,300)</u>	<u>(9,350)</u>
Loss per share	9	<u>39,650</u>	-

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Company no. : 590945-H

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STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

	Share capital	Accumulated	
	RM	losses	Total
	RM	RM	RM
As at 28 August 2002 (date of incorporation)	2	-	2
Net loss for the period	-	(9,350)	(9,350)
Balance as at 31 December 2002	<u>2</u>	<u>(9,350)</u>	<u>(9,348)</u>
Net loss for the year	-	(79,300)	(79,300)
Balance as at 31 December 2003	<u><u>2</u></u>	<u><u>(88,650)</u></u>	<u><u>(88,648)</u></u>

The accompanying notes form an integral part of the financial statements

Company no. : 590945-H

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CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

	For 12 months period ended 31-12-2003 RM	For 4 months period ended 31-12-2002 RM
CASH FLOW FROM FINANCING ACTIVITY		
Proceed from issuance of shares	-	2
<i>Net cash provided by financing activity</i>	<u>-</u>	<u>2</u>
Net increase in cash and cash equivalents	-	2
Cash and cash equivalents brought forward	2	-
Cash and cash equivalents carried forward	<u>2</u>	<u>2</u>

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

LEBAR DAUN BERHAD

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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

1. **GENERAL**

- (a) The Company was incorporated on 28 August 2002 and has yet to commence its operations as at 31 December 2003.
- (b) The registered office is located at Wisma Lebar Daun, No. 2, Jalan Tengku Ampuan Zabedah J9/J, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan.
- (c) There was no employee (2002 : Nil) at the end of the financial year.

2. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and in compliance with applicable approved accounting standards in Malaysia.

3. **DATE OF AUTHORISATION OF ISSUE**

The financial statements were authorised for issue by the Board of Directors on **18 FEB 2004**

4. **FINANCIAL RISK MANAGEMENT POLICIES**

The Company has no formal risk management structure with respect to its financial assets. Risks are handled on case to case basis by the directors as and when issues arise.

The main areas of financial risks faced by the Company and in respect of the major areas of treasury activity are set out as follows:

(a) **Foreign currency risk**

The Company does not have material foreign currency transactions, assets or liabilities and hence are not exposed to any significant or material currency risks.

(b) **Interest rate risk**

The Company does not have any borrowings or cash deposits and hence is not exposed to interest rate risks.

(c) **Market risk**

The Company does not have any quoted investments and hence is not exposed to market risks.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

(d) **Credit risk**

The Company does not have any exposure to credit risks of counterparties defaulting, arising from cash deposits and receivables.

(e) **Liquidity and cash flow risks**

The Company's exposure to liquidity and cashflow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

5. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) **Basis of accounting**

The financial statements of the Company have been prepared under the historical cost, unless otherwise indicated in the individual accounting policies.

(b) **Cash and cash equivalents**

Cash comprises of cash in hand.

(c) **Financial instruments**

Financial instruments carried on the balance sheet included cash and bank balances and payables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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 liability are reported as expense or income. Distributions to holders of financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

6. **SHARE CAPITAL**

	2003 RM	2002 RM
Authorised:		
Ordinary shares of RM1 each		
As at beginning of the financial year	100,000	100,000
Sub-divided into RM0.50 each		
during the financial year	(100,000)	-
As at end of the financial year	<u> -</u>	<u> 100,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

	2003 RM	2002 RM
Authorised:		
Ordinary shares of RM0.50 each		
As at beginning of the financial year	-	-
Sub-divided from RM1.00 each to RM0.50 each during the financial year	100,000	-
Created during the financial year	249,900,000	-
As at end of the financial year	<u>250,000,000</u>	<u>-</u>
Issued and paid-up:		
2 ordinary shares of RM1 each	-	2
4 ordinary shares of RM0.50 each	<u>2</u>	<u>-</u>

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following item:

	For 12 months period ended 31-12-2003 RM	For 4 months period ended 31-12-2002 RM
Audit fees	<u>2,500</u>	<u>500</u>

8. TAXATION

No taxation has been provided in the current year's financial statements since the Company has yet to commence its operations.

9. LOSS PER SHARE

The loss per share is calculated by dividing the Company's loss after taxation by the member of ordinary shares of 2 in issue.

LEBAR DAUN BERHAD

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2003

10. SEGMENT INFORMATION

No segment information reporting is presented as the Company and its subsidiary operates only in one industry.

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions entered into by the Company during the financial year.

12. SUBSEQUENT EVENTS TO THE BALANCE SHEET DATE

- (a) On 7 January 2004, the Company increased its paid up capital from RM2 to RM56,500,002 by the issuance of 113,000,000 ordinary shares of RM0.50 each for additional working capital.
- (b) On 7 January 2004, the Company acquired 17,000,000 ordinary shares of Lebar Daun Construction Sdn. Bhd. representing its entire shareholding at RM17,000,000. As a result, Lebar Daun Construction Sdn. Bhd. becomes the Company's subsidiary Company.
- (c) Pursuant to the Company's listing exercise on their Second Board of Malaysia Securities Exchange Berhad, in its prospectus dated 10 February 2004, the Company is issuing additional 24,000,000 ordinary shares at RM0.50 each to its eligible directors, employees, business associates and the public at an offer price of RM1.20 each.

The Company is also offering a placement of RM100,000 nominal value at 3 years 2% Irredeemable Convertible Unsecured Loan Stocks (ICULS) 2004/2007.

Pursuant to the above, the Company also assumes the listing status from Hiap Aik Construction Berhad (11140-V, Special Administrators Appointed).

13. FAIR VALUES

The carrying amounts of the Company's financial assets and financial liabilities at the balance sheet date approximate their fair values because of the short maturity of these instruments.

14. COMPARATIVE FIGURES

The comparative figures of current year is made for the 12 months period from 1 January 2003 to 31 December 2003. The previous year's figures was made for the 4 months period from 28 September 2002 to 31 December 2002.