

# FINANCIAL STATEMENTS

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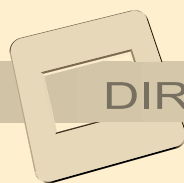
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## DIRECTORS REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2001.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are indicated in Note 4 to the financial statements.

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

### RESULTS

	Group RM	Company RM
(Loss)/Profit after taxation	(25,161,262)	2,171,000
Minority interests	(7,573,608)	-
Net (loss)/profit for the year	(32,734,870)	2,171,000
Dividend	(1,510,517)	(1,510,517)
Unappropriated profit/(Accumulated loss) brought forward	24,217,737	(4,920,100)
Transfer from capital reserve	1,055,780	-
Accumulated loss carried forward	(8,971,870)	(4,259,617)
	=====	=====

### DIVIDEND

Dividend paid or declared by the Company since the end of the previous financial year were as follows:

In respect of the financial year ended 31 December 2000	RM
First and final dividend of 1% less 28% tax paid on 8 August 2001	1,510,517
In respect of the financial year ended 31 December 2001	
Interim dividend of 1% less 28% tax paid on 31 January 2002	1,510,517
	=====

The directors do not propose to recommend any further dividend for the current financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the consolidated statement of changes in equity.

### ISSUES OF SHARES AND DEBENTURES

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

## EMPLOYEES SHARE OPTION SCHEME

During the financial year, the Company has granted options to eligible full-time salaried employees including full-time executive directors of the Company and its subsidiary companies to subscribe for 19,992,000 ordinary shares of RM1 each under the Employees' Share Option Scheme ("ESOS") approved by the shareholders and the relevant authorities. The Option may be exercised between 27 November 2001 and 20 September 2006 at RM1.00 per share. The shares issued from the exercise of the option under the ESOS rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company. The Option granted does not confer any rights to participate in any share issue of any other companies of the Group.

There were no Share Options exercised during the financial year. At 31 December 2001, there were 19,992,000 unissued shares under options granted pursuant to the ESOS.

## DIRECTORS

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

Tan Sri Datuk A. Samad bin Idris

Dato' Surin Upatkoorn

Dato' Low Hock Peng

Mr Lawrence Lim Swee Lin

Dato' Ahmad Hasmuni bin Hj Hussein

Mr Tang King Hua

Dato' Shahbudin bin Imam Mohamad

Mr Tan Chor Teck

Mr Lim Kong Yow (appointed on 11-12-2001)

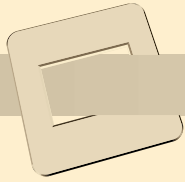
In accordance with the Company's Articles of Association, Mr Lim Kong Yow who was appointed to the board subsequent to the date of the last annual general meeting, retires at the forthcoming annual general meeting together with Mr Lawrence Lim Swee Lin and Dato' Ahmad Hasmuni bin Hj. Hussein who retire by rotation. All the retiring directors, being eligible, offer themselves for re-election.

Tan Sri Datuk A. Samad bin Idris retires at the annual general meeting in accordance with Section 129 of the Companies Act, 1965 and, being eligible, offers himself for re-appointment as director of the Company.

## DIRECTORS' INTERESTS IN SHARES

Directors' shareholdings, interests in shares and share options in the Company were as follows:

	— Number of Ordinary Shares of RM1 each —			
	At 1-1-2001/ Date of appointment	Bought	Sold	At 31-12-2001
Tan Sri Datuk A. Samad bin Idris				
- direct interest	968,000	-	-	968,000
Dato' Surin Upatkoorn				
- direct interest	786,630	-	-	786,630
- deemed interest	22,263,695	968,000	-	23,231,695



— Number of Ordinary Shares of RM1 each —

	At 1-1-2001/ Date of appointment	Bought	Sold	At 31-12-2001
--	--	--------	------	------------------

Dato' Low Hock Peng				
- deemed interest	3,317,500	-	-	3,317,500
Mr Lawrence Lim Swee Lin				
- direct interest	105,000	-	-	105,000
Mr Tang King Hua				
- deemed interest	114,200	-	-	114,200
Mr Tan Chor Teck				
- direct interest	350,000	-	-	350,000
- deemed interest	8,596,000	6,000	-	8,602,000
Mr Lim Kong Yow				
- direct interest	7,000	-	-	7,000
- deemed interest	3,000	-	-	3,000

— Number of 5.5% ICULS 1999/2004 at 90% nominal value—

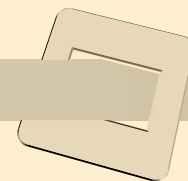
	At 1-1-2001/ Date of appointment	Bought	Converted	Sold	At 31-12-2001
--	--	--------	-----------	------	------------------

Tan Sri Datuk A. Samad bin Idris					
- direct interest	387,200	-	-	387,200	-
Dato' Low Hock Peng					
- direct interest	4,289,354	-	-	4,289,354	-
- deemed interest	1,327,000	-	-	340,000	987,000
Mr Lim Kong Yow					
- deemed interest	2,000	-	-	-	2,000

— Number of Warrants 1999/2004 —

	At 1-1-2001/ Date of appointment	Bought	Exercised	Sold	At 31-12-2001
--	--	--------	-----------	------	------------------

Tan Sri Datuk A. Samad bin Idris					
- direct interest	387,200	-	-	387,200	-
Dato' Surin Upatkoorn					
- deemed interest	10,501,341	-	-	-	10,501,341
Dato' Low Hock Peng					
- direct interest	4,289,354	-	-	4,289,354	-
- deemed interest	1,327,000	-	-	990,000	337,000
Mr Lawrence Lim Swee Lin					
- direct interest	30,000	-	-	-	30,000
Mr Tan Chor Teck					
- deemed interest	2,262,500	-	-	-	2,262,500
Mr Lim Kong Yow					
- direct interest	27,000	-	-	-	27,000
- deemed interest	2,000	-	-	-	2,000



#### Share options granted under the ESOS of the Company

	--- Number of Options over Ordinary Shares of RM1 each ---			
	At 1-1-2001	Granted	Exercised	At 31-12-2001
Dato' Surin Upatkoorn	-	600,000	-	600,000
Dato' Low Hock Peng	-	600,000	-	600,000
Mr Lawrence Lim Swee Lin	-	600,000	-	600,000
Mr Tang King Hua	-	600,000	-	600,000
Mr Lim Kong Yow	-	450,000	-	450,000

None of the other directors held any shares or had any interests in shares in the Company and its related corporations during the financial year except for the direct interests in shares held by Mr Tang King Hua in the following related companies:

	--- Number of Ordinary Shares of RM1 each ---			
	At 1-1-2001	Bought	Sold	At 31-12-2001
Alam Perdana Sdn Bhd	380,805	-	-	380,805
Davex Holdings Berhad	651,765	-	-	651,765
Davex (Malaysia) Sdn Bhd	127,000	-	-	127,000

	--- Number of Ordinary Shares of SGD1 each ---			
	At 1-1-2001	Bought	Sold	At 31-12-2001
Daviscomms (S) Pte Ltd	30,000	-	-	30,000

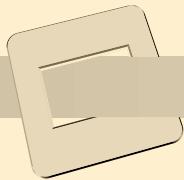
#### DIRECTORS BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

#### OTHER STATUTORY INFORMATION

- (a) Before the income statements and the balance sheets of the Company and of the Group were made out, the directors took reasonable steps:
  - (i) to ascertain the action 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 that adequate allowance had



been made for doubtful debts; and

- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and of the Group had 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:
- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company and of the Group inadequate to any substantial extent, or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Company and of the Group misleading, or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company and of the Group misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person, or
  - (ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Company or its subsidiary companies 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 affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company and of the Group which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the directors:
- (i) the results of the operations of the Company and of the Group for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

#### AUDITORS

The auditors, Moores Rowland, Chartered Accountants, have expressed their willingness to continue in office.

On behalf of the Directors

DATO' SURIN UPATKOON  
Director

LAWRENCE LIM SWEE LIN  
Director

23 April 2002

## REPORT OF THE AUDITORS TO THE MEMBERS



We have audited the financial statements set out on pages 36 to 76. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards issued by the Malaysian Institute of Accountants. These 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 an assessment of the accounting principles used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements. We believe our audit has provided us with a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up:
  - (i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Company and of the Group;
  - (ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2001 and of their results and cash flows for the year ended on that date; and
  - (iii) in accordance with the applicable approved accounting standards; and
- (b) 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 acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements.

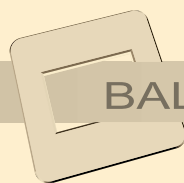
We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information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

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

MOORES ROWLAND  
No. AF: 0539  
Chartered Accountants

GAN MORN GHUAT  
No. 1499/5/03 (J)  
Partner

23 April 2002

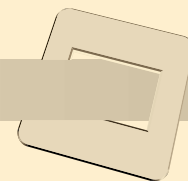


# BALANCE SHEETS

31ST DECEMBER 2001

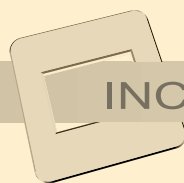
	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	2	114,437,823	121,087,290	-	-
DEVELOPMENT PROPERTIES	3	24,631,817	28,515,661	-	-
SUBSIDIARY COMPANIES	4	-	-	150,843,928	139,871,930
AMOUNT OWING BY SUBSIDIARY COMPANIES	5	-	-	258,830,414	270,911,338
ASSOCIATED COMPANIES	6	7,335,247	12,053,211	1	1
OTHER INVESTMENTS	7	128,678,244	145,202,943	8,108	8,108
GOODWILL ON ACQUISITION	8	22,279,596	24,232,855	-	-
INTANGIBLE ASSETS	9	288,073	315,625	-	-
CURRENT ASSETS					
Inventories	10	70,093,450	94,239,462	-	-
Development properties	3	21,557,046	26,112,221	-	-
Gross amount due from customers	11	1,834,743	2,070,207	-	-
Trade debtors	12	73,995,476	103,697,099	-	-
Other debtors, deposits and prepayments	13	28,406,136	29,136,479	43,989	1,970,418
Amount owing by associated companies	14	3,354,263	2,285,495	-	-
Tax recoverable		-	-	4,386,251	3,558,051
Fixed deposits	15	38,507,426	21,494,917	-	-
Cash and bank balances	16	31,669,934	22,506,331	8,405	15,427
		269,418,474	301,542,211	4,438,645	5,543,896
Less:					
CURRENT LIABILITIES					
Gross amount due to customers	11	1,340,607	1,312,455	-	-
Trade creditors		43,142,710	70,851,023	-	-
Other creditors and accruals	17	44,298,543	41,205,561	13,554,508	13,636,838
Hire purchase liabilities	18	1,066,407	939,078	-	-
Bank borrowings	19	75,989,206	88,793,397	64,389,020	62,782,805
Taxation		6,343,995	1,505,415	-	-
Dividend payable		1,510,517	-	1,510,517	-
Proposed dividend		-	1,510,517	-	1,510,517
		173,691,985	206,117,446	79,454,045	77,930,160
NET CURRENT ASSETS/(LIABILITIES)		95,726,489	95,424,765	(75,015,400)	(72,386,264)
		393,377,289	426,832,350	334,667,051	338,405,113
		=====	=====	=====	=====





	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Financed by:					
SHARE CAPITAL	20	209,793,969	209,793,969	209,793,969	209,793,969
RESERVES	21	45,629,748	78,266,655	33,088,410	32,427,927
		-----	-----	-----	-----
SHAREHOLDERS' EQUITY		255,423,717	288,060,624	242,882,379	242,221,896
MINORITY INTERESTS		49,978,663	45,522,389	-	-
LONG TERM LIABILITIES	22	67,047,814	71,089,353	61,560,977	64,125,824
DEFERRED TAX LIABILITY	23	5,401,803	6,138,348	-	-
DEFERRED INCOME	24	15,525,292	16,021,636	-	-
AMOUNT OWING TO SUBSIDIARY COMPANIES	5	-	-	30,223,695	32,057,393
		-----	-----	-----	-----
		393,377,289	426,832,350	334,667,051	338,405,113
		=====	=====	=====	=====

*Notes to and forming part of the financial statements are set out on pages 44 to 76  
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# INCOME STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Note	Group		Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Gross revenue	25	471,554,128	466,081,540	10,795,738	15,564,352
Cost of sales	26	(400,306,263)	(390,807,843)	-	-
Gross profit		71,247,865	75,273,697	10,795,738	15,564,352
Other operating income		10,473,090	17,213,222	9,416,828	11,576,779
Selling and distribution costs		(11,255,558)	(8,044,081)	-	-
Administrative and general expenses		(54,365,541)	(50,636,131)	(3,863,911)	(2,195,186)
Other operating expenses		(1,336,773)	(9,041,759)	-	-
Profit from operations	27	14,763,083	24,764,948	16,348,655	24,945,945
Finance costs	28	(9,960,878)	(13,940,539)	(9,850,655)	(14,773,166)
Impairment loss on value of investments		(19,508,215)	(7,781,917)	(3,928,000)	(344,545)
Share of results of associated companies		(6,743,467)	(378,173)	-	-
(Loss)/Profit before taxation		(21,449,477)	2,664,319	2,570,000	9,828,234
Tax expense					
- Company and its subsidiaries	29	(3,675,946)	(6,013,877)	(399,000)	(432,577)
- Share of taxation of associated companies		(35,839)	6,001	-	-
(Loss)/Profit after taxation		(25,161,262)	(3,343,557)	2,171,000	9,395,657
Minority interests		(7,573,608)	(8,449,170)	-	-
Net (loss)/profit for the year		(32,734,870)	(11,792,727)	2,171,000	9,395,657
Net dividend per share (sen)		0.72	0.72	0.72	0.72
Loss per share	30				
Basic (sen)		(15.6)	(6.0)		
Diluted (sen)		-	-		

Notes to and forming part of the financial statements are set out on pages 44 to 76  
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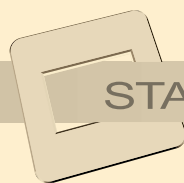
# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2001



	Share capital RM	Share premium RM	Exchange translation reserve RM	Capital reserve RM	Unappropriated profit/ (Accumulated loss) RM	Total RM
At 1 January 2000	167,130,832	23,586,099	6,694,831	24,603,319	37,665,255	259,680,336
Issue of share capital						
- conversion of ICULS	42,662,887	-	-	-	-	42,662,887
- conversion of warrants	250	-	-	-	-	250
Net losses not recognised in income statement						
- exchange translation differences			(547,777)	-	-	(547,777)
- reserve realised on disposal of a subsidiary company			(287,554)	-	-	(287,554)
			(835,331)	-	-	(835,331)
Net loss for the year					(11,792,727)	(11,792,727)
Dividends (Note 31)					(1,654,791)	(1,654,791)
At 31 December 2000	209,793,969	23,586,099	5,859,500	24,603,319	24,217,737	288,060,624
Transfer from capital reserve				(1,055,780)	1,055,780	-
Net gain not recognised in income statement						
- exchange translation differences			1,608,480	-	-	1,608,480
Net loss for the year					(32,734,870)	(32,734,870)
Dividends (Note 31)					(1,510,517)	(1,510,517)
At 31 December 2001	209,793,969	23,586,099	7,467,980	23,547,539	(8,971,870)	255,423,717

Notes to and forming part of the financial statements are set out on pages 44 to 76  
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## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Share capital RM	Share premium RM	Capital reserve RM	Accumulated loss RM	Total RM
At 1 January 2000	167,130,832	23,586,099	13,761,928	(12,660,966)	191,817,893
Issue of share capital					
- conversion of ICULS	42,662,887	-	-	-	42,662,887
- conversion of warrants	250	-	-	-	250
Net profit for the year	-	-	-	9,395,657	9,395,657
Dividends (Note 31)	-	-	-	(1,654,791)	(1,654,791)
At 31 December 2000	209,793,969	23,586,099	13,761,928	(4,920,100)	242,221,896
Net profit for the year	-	-	-	2,171,000	2,171,000
Dividends (Note 31)	-	-	-	(1,510,517)	(1,510,517)
At 31 December 2001	209,793,969	23,586,099	13,761,928	(4,259,617)	242,882,379

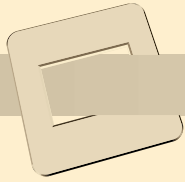
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*Auditors' Report - Page 35*

# CASH FLOW STATEMENTS

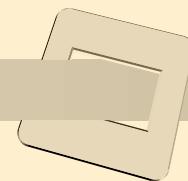
FOR THE YEAR ENDED 31ST DECEMBER 2001



	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>CASH FLOWS FROM OPERATING</b>				
<b>ACTIVITIES</b>				
(Loss)/Profit before taxation	(21,449,477)	2,664,319	2,570,000	9,828,234
Adjustments for:				
Amortisation of goodwill on acquisition	1,919,433	3,904,673	-	-
Amortisation of discounts on ICULS	435,153	4,488,128	435,153	4,488,128
Depreciation	14,239,722	13,767,996	-	-
Property, plant and equipment written off	47,608	168,933	-	-
Gain on disposal of property, plant and equipment	(412,187)	(2,552,521)	-	-
Loss on disposal of property, plant and equipment	68,817	1,029,189	-	-
(Gain)/Loss on disposal of subsidiary companies	(2,135,157)	(1,423,901)	99,999	-
Gain on disposal of an associated company	-	(1,561,237)	-	-
Impairment loss on value of investments	19,508,215	7,781,917	3,928,000	344,545
Impairment loss on value of investments written back	(56,769)	-	-	-
Share of results of associated companies	6,743,467	378,173	-	-
Intangible assets written off	60,776	462,360	-	-
Inventories written down	86,198	6,950	-	-
Allowance for doubtful debts	2,182,903	7,234,005	2,355,966	1,508,480
Allowance for doubtful debts written back	(267,037)	(4,963,061)	-	(4,873,455)
Bad debts written off	3,396,982	11,891	728,090	-
Unrealised loss on foreign exchange	839,485	342,876	-	-
Dividend income	(108,433)	(133,302)	(10,795,738)	(15,564,352)
Interest income	(2,040,526)	(2,617,314)	(9,416,828)	(6,703,324)
Interest expenses	9,525,725	9,452,411	9,415,502	10,285,038
Operating profit/(loss) before working capital changes	32,584,898	38,442,485	(679,856)	(686,706)
Changes in inventories	23,447,190	(27,924,857)	-	-
Changes in development properties	9,569,779	13,315,862	-	-
Changes in debtors	21,452,838	(22,607,440)	2,613,119	6,461,318
Changes in creditors	(21,135,192)	42,007,688	(82,330)	74,140
Changes in trade line borrowings	(10,860,977)	8,011,996	-	-
Cash generated from operations	55,058,536	51,245,734	1,850,933	5,848,752
Interest received	2,040,526	2,617,314	9,416,828	6,703,324
Interest paid	(9,525,725)	(9,452,411)	(9,415,502)	(10,285,038)
Interest paid capitalised under development properties	(1,130,760)	(1,755,997)	-	-
Taxation refund/(paid)	438,841	(8,598,207)	(1,227,200)	(2,038,119)
Net cash from operating activities	46,881,418	34,056,433	625,059	228,919

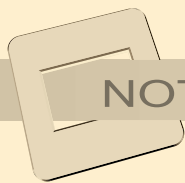


	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
<b>CASH FLOWS FROM INVESTING</b>				
<b>ACTIVITIES</b>				
Purchase of property, plant and equipment	(7,877,020)	(19,220,395)	-	-
Purchase of new subsidiary companies, net of cash (Note 32)	(126,094)	444,885	-	-
Purchase of additional shares in subsidiary companies	(203,474)	(11,966,090)	(15,000,000)	(4,805,000)
Purchase of new associated companies	-	(596,260)	-	-
Purchase of investment properties	-	(233,929)	-	-
Purchase of other investments	(2,160,916)	(3,735,141)	-	-
Proceeds from disposal of property, plant and equipment	686,867	6,955,752	-	-
Disposal of subsidiary companies, net of cash (Note 32)	(9,261)	3,289,569	3	-
Proceeds from disposal of an associated company	-	5,861,040	-	1
Return of capital by investee companies	274,173	-	-	-
Proceeds from disposal of investments	-	131,350	-	-
Repayment from subsidiary companies	-	-	12,310,178	6,832,293
Withdrawal/(Placement) of pledged fixed deposits	736,065	(1,922,558)	-	-
Dividends received	108,433	133,302	10,795,738	15,564,352
Expenditure on patents capitalised	(33,165)	(109,482)	-	-
Net cash (used in)/from investing activities	(8,604,392)	(20,967,957)	8,105,919	17,591,646
<b>CASH FLOWS FROM FINANCING</b>				
<b>ACTIVITIES</b>				
Dividends paid to shareholders	(1,510,517)	(1,509,093)	(1,510,517)	(1,509,093)
Dividend paid to minority interests	(3,095,767)	(4,326,129)	-	-
Proceeds from exercise of warrants	-	250	-	250
Bank borrowings raised	8,500,000	3,072,400	-	450,000
Repayment of bank borrowings	(7,219,105)	(9,584,734)	(2,000,000)	-
Repayment to subsidiary companies	-	-	(1,833,698)	(14,819,899)
Payment of hire purchase instalments	(1,233,133)	(229,009)	-	-
Net cash used in financing activities	(4,558,522)	(12,576,315)	(5,344,215)	(15,878,742)



	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
NET CHANGES IN CASH AND CASH EQUIVALENTS	33,718,504	512,161	3,386,763	1,941,823
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	18,696,205	18,336,100	(11,167,378)	(13,109,201)
EFFECTS OF CHANGES IN EXCHANGE RATES	(499,868)	(152,056)	-	-
	18,196,337	18,184,044	(11,167,378)	(13,109,201)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	51,914,841	18,696,205	(7,780,615)	(11,167,378)
	=====	=====	=====	=====
Represented by:				
FIXED DEPOSITS	30,774,295	13,025,721	-	-
CASH AND BANK BALANCES	31,669,934	22,506,331	8,405	15,427
BANK OVERDRAFTS	(10,529,388)	(16,835,847)	(7,789,020)	(11,182,805)
	51,914,841	18,696,205	(7,780,615)	(11,167,378)
	=====	=====	=====	=====

During the financial year, the Group acquired property, plant and equipment amounting to RM8,140,148 (2000 : RM22,761,758) of which RM263,128 (2000 : RM3,541,363) was financed under hire purchase and balance of RM7,877,020 (2000 : RM19,220,395) was paid by cash.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting

The financial statements are prepared under the historical cost convention, unless otherwise indicated in the accounting policies set out below, and comply with applicable approved accounting standards issued or adopted by the Malaysian Accounting Standards Board.

### (b) Subsidiary companies

A subsidiary company is a company in which the Company has the power to control the financial and operating policies so as to obtain benefits from its activities.

The Company's interests in subsidiary companies are stated at cost, and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

### (c) Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company and all its subsidiary companies made up to the end of the financial year. All inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The financial statements of the subsidiary companies are consolidated on the acquisition method of accounting and the results of the subsidiary companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or 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.

### (d) Associated companies

Associated companies are defined as those companies in which the Group holds a long term equity interest, has representation on the board of directors and is in a position to exercise significant influence in their management, but not control, over the financial and operating policies.

Investments in associated companies are stated at cost and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

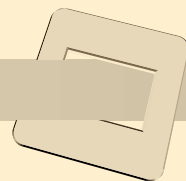
The Group's share of results and reserves of the associated companies are accounted for in the income statement using the equity method of accounting in place of dividends received. On the balance sheet, the Group's share of post-acquisition results and reserves of the associated companies are added to the cost of investments.

The post-acquisition results and reserves of the associated companies accounted for are based on the latest audited or management financial statements of the companies concerned made up to the end of the financial year.

### (e) Goodwill or discount on acquisition

The difference between the acquisition cost and the fair values of attributable net assets acquired is reflected in the financial statements as either goodwill or discount on acquisition. Goodwill on acquisition is amortised over a period of 20 years on the straight line basis while discount on acquisition is retained in the balance sheet and will be credited to the income statement over the suitable period decided in relation to the particular circumstances which give rise to it. The carrying amounts and amortisation periods are reviewed annually and goodwill is written down when, in the opinion of the directors, its value has deteriorated or when it ceases to have a useful life.





(f) Property, plant and equipment

(i) Measurement basis

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

Property, plant and equipment under hire purchase are capitalised in the financial statements and the corresponding obligations are treated as liabilities.

Leased assets

Leases in which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and accumulated impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Company's incremental borrowing rates are used.

(ii) Depreciation

Freehold land is not amortised while leasehold land is amortised over the remaining lease period of 30 to 99 years.

Depreciation is calculated to write off the cost of other property, plant and equipment on the straight line basis over their expected useful lives at the following annual rates:

Buildings	1% - 10%
Plant and machinery	7.5% - 40%
Motor vehicles	15% - 20%
Furniture, fixtures and equipment	2% - 50%

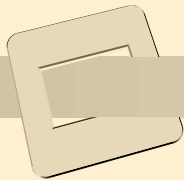
(g) Development properties

Development properties are stated at cost plus attributable profit less foreseeable losses and progress billings. Cost consists of land and development expenditure which includes interest expenses incurred during the period of development. Development properties are only shown as current assets when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

Profit on development properties is recognised on the percentage of completion method, which is applied in circumstances where the outcome of the contract can be reliably determined. The stage of completion is determined by the proportion of costs incurred to-date bear to estimated total costs, and for this purpose only those costs that reflect actual development work performed are included as costs incurred to-date.

Where the outcome of a development cannot be reasonably estimated, no development revenue is recognised.

When it is probable that the total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether development work has commenced or not, or the stage of completion of development activity or the amounts of profits expected to arise on other unrelated development projects.



(h) Investment properties

Investment properties are stated at cost and are held for their investment potential and rental income.

The investment properties are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

(i) Other investments

Other investments are stated at cost and held for long term. The investments are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statement.

(j) Intangible assets

The cost of acquiring and developing of patents, including cost of registration of patents is capitalised and written off on the straight line basis over the expected useful economic life of 17 years.

The carrying amount of the intangible assets are reviewed annually to determine whether there is an impairment loss. The impairment loss, if any, is charged to the income statement.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined principally on the first-in first-out basis and in the case of work-in-progress and finished goods, comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads. The net realisable value is considered to be the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated selling expenses.

(l) Gross amount due from/to customers

On the balance sheet, contracts work-in-progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

(m) Debtors

Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

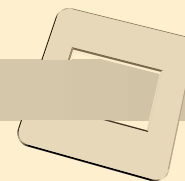
(n) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the closing rates. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions.

(ii) Financial statements of foreign operations

For consolidation purposes, assets and liabilities of foreign subsidiary companies are translated to Ringgit Malaysia at the closing rates. Goodwill or discount on acquisition and fair value adjustments are translated at the exchange rates at the dates of acquisition. The revenue and expense items in the income statement are translated to Ringgit Malaysia at average exchange rates applicable throughout the financial year. All exchange differences arising on translation are recognised directly in equity through the exchange translation reserve account. On disposal of foreign subsidiaries, such translation differences are recognised in the income statement as part of the gain or loss on disposal.



The closing rates used in translation are as follows:

	2001 RM	2000 RM
USD 1	3.77	3.77
SGD 1	2.03	2.16
HKD 1	0.48	0.48
AUD 1	1.91	2.09
RMB1	0.46	0.45
TWD1	0.11	0.11

(o) Income recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the income can be measured reliably, on the following bases:

(i) Sale of goods

Sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customers.

(ii) Construction contracts

The Group's construction contracts are all fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that contract costs incurred to-date bear to estimated total costs, and for this purpose only those costs that reflect actual contract work performed are included as costs incurred to date.

When the outcome of a construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Where it is probable that the total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether contract work has commenced or not, or the stage of completion of contract activity, or the amounts of profits expected to arise on other unrelated contracts.

(iii) Sale of development properties

Income from sale of development properties is recognised on the percentage of completion method and represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

(vi) Services rendered

Income from services rendered is recognised on an accrual basis when services are rendered.

(v) Dividend income

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

(vi) Interest income

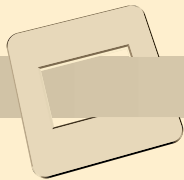
Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(vii) Rental income

Rental income is recognised on a time proportion basis over the lease term.

(viii) Licence fee

Licence fee is recognised on time proportion basis over the licence period commencing from the respective dates of signing the licence agreements to 31 August 2089. Licence fees received and receivable which relate to the unexpired licence period are reflected in the consolidated balance sheet as deferred income.



(p) Finance costs

Finance costs comprise interest and other expenses paid and payable on borrowings.

Borrowing costs incurred on development properties that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will cease when the assets are completed or during extended periods in which active development is interrupted.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs.

The interest component of hire purchase and finance lease payments is charged to the income statement over the hire purchase and finance lease periods so as to give a constant periodic rate of interest on the remaining hire purchase and finance lease liabilities.

(q) Discount on ICULS

The discount on Irredeemable Convertible Unsecured Loan Stocks ("ICULS") is written off over a period of 5 years, being the tenure of the ICULS so as to give a constant periodic rate of interest on the remaining ICULS, except for the discount on those ICULS already converted, in which case the discount is fully written off in the year of conversion.

(r) Operating leases

Operating leases are those leases other than finance leases. Lease payments under operating leases are charged to the income statement on a time proportion basis over the lease term.

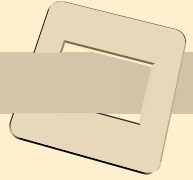
(s) Tax expense

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is provided on the liability method for taxation deferred in respect of all material timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(t) Cash equivalents

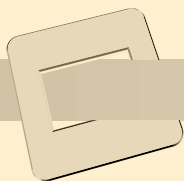
Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.



## 2. PROPERTY, PLANT AND EQUIPMENT

Group 2001	Freehold land and buildings RM	Long term leasehold land and buildings RM	Short term leasehold land and buildings RM	Plant and machinery RM	Motor vehicles, furniture, fixtures & equipment RM	Capital work-in progress RM	Total RM
At Cost							
At 1 January	5,876,110	79,508,573	9,119,401	87,922,652	26,469,424	131,020	209,027,180
Exchange adjustments	(130,386)	3,945	-	(212,007)	(64,517)	2,765	(400,200)
	5,745,724	79,512,518	9,119,401	87,710,645	26,404,907	133,785	208,626,980
Acquisition of subsidiaries	-	-	-	-	122,043	-	122,043
Additions	20,725	1,231,972	-	4,881,366	1,949,717	56,368	8,140,148
Disposals	-	-	-	(1,045,062)	(570,924)	-	(1,615,986)
Write-off	-	-	-	(50,202)	(21,368)	-	(71,570)
Reclassifications	-	-	-	182,674	-	(182,674)	-
At 31 December	5,766,449	80,744,490	9,119,401	91,679,421	27,884,375	7,479	215,201,615
Accumulated depreciation							
At 1 January	317,953	13,033,304	659,715	58,516,444	15,412,474	-	87,939,890
Exchange adjustments	(12,261)	3,138	-	(88,749)	(27,391)	-	(125,263)
	305,692	13,036,442	659,715	58,427,695	15,385,083	-	87,814,627
Acquisition of subsidiaries	-	-	-	-	5,894	-	5,894
Charge for the year	70,976	2,649,395	179,772	8,506,418	2,833,161	-	14,239,722
Disposals	-	-	-	(751,880)	(520,609)	-	(1,272,489)
Write-off	-	-	-	(13,052)	(10,910)	-	(23,962)
Reclassifications	-	-	-	(780)	780	-	-
At 31 December	376,668	15,685,837	839,487	66,168,401	17,693,399	-	100,763,792
Net book value at 31 December	5,389,781	65,058,653	8,279,914	25,511,020	10,190,976	7,479	114,437,823
<b>2000</b>							
Net book value at 31 December	5,558,157	66,475,269	8,459,686	29,406,208	11,056,950	131,020	121,087,290
Depreciation charge for the year	168,072	2,401,299	186,543	8,156,919	2,855,163	-	13,767,996

The leasehold land of a subsidiary company with net book value of RM17,280,366 (2000 : RM17,474,710) is presently licensed to another subsidiary



company for 97 years commencing 1 September 1992 for the purpose of management of a golf course and a clubhouse. The remaining leasehold land of the said subsidiary company of RM17,760,000 (2000 : RM17,760,000) has been allocated for development purposes and is classified under development properties referred to in Note 3.

The net book value of property, plant and equipment pledged as securities for banking and other credit facilities granted to the Group are as follows:

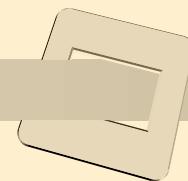
	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Freehold properties	1,889,236	-
Long term leasehold properties	36,257,538	36,872,344
Motor vehicles, furniture, fixtures and equipment	1,001,516	-
Plant and machinery	6,755,933	3,138,035
	<u>45,904,223</u>	<u>40,010,379</u>
	=====	=====

Included in the net book value of property, plant and equipment of the Group are plant and machinery, motor vehicles and equipment amounting to RM4,437,102 (2000 : RM5,275,350) acquired under hire purchase.

### 3. DEVELOPMENT PROPERTIES

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Land, at cost	50,870,596	52,335,261
Development expenditure, at cost	107,496,344	111,513,061
	<u>158,366,940</u>	<u>163,848,322</u>
Less:		
Foreseeable loss	-	-
	<u>158,366,940</u>	<u>163,848,322</u>
Less:		
Non-current portion	24,631,817	28,515,661
	<u>133,735,123</u>	<u>135,332,661</u>
Profit attributable to development work to-date	5,316,829	9,164,222
	<u>139,051,952</u>	<u>144,496,883</u>
Less:		
Progress billings	117,494,906	118,384,662
Current portion	21,557,046	26,112,221
	<u>139,051,952</u>	<u>144,496,883</u>
Progress billings to-date comprise:		
Progress billings		
- received	113,717,905	108,416,351
- receivable	3,777,001	9,968,311
	<u>117,494,906</u>	<u>118,384,662</u>
	=====	=====

The Group considers as current assets those portions of development properties on which significant development works have been undertaken and are expected to be completed within the normal operating cycle.



There were no advances received for contract work not yet performed at the end of the financial year.

Included in development expenditure is interest expense capitalised during the year amounting to RM1,130,760 (2000 : RM1,755,997).

The carrying amount of development properties of a subsidiary company pledged as security for banking facilities granted to the Company and the said subsidiary are as follows:

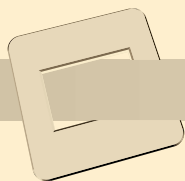
	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Land, at cost	1,645,261	3,415,261
Development expenditure, at cost	1,703,360	23,761,358
	<u>3,348,621</u>	<u>27,176,619</u>
	=====	=====

#### 4. SUBSIDIARY COMPANIES

	<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Unquoted shares, at cost	154,771,928	143,171,928
Less:		
Impairment loss	<u>3,928,000</u>	<u>3,299,998</u>
	<u>150,843,928</u>	<u>139,871,930</u>
	=====	=====

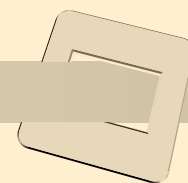
The subsidiary companies, all of which are incorporated in Malaysia except where indicated are as follows:

	Gross equity interest		Principal activities
	2001 %	2000 %	
Subsidiaries of the Company			
MWE Spinning Mills Sdn Bhd	100	100	Investment holding, manufacturing and sale of yarn
MWE Weaving Mills Sdn Bhd	100	100	Trading of yarns
MWE Properties Sdn Bhd	100	100	Property investment and development
MWE Advanced Structure Sdn Bhd	90	90	Building construction
MWE Hunza Corporation Sdn Bhd	100	100	Investment holding
* Davex Holdings Berhad	86	86	Investment holding
Alam Perdana Sdn Bhd	51	51	Investment holding
MWE Golf & Country Club Berhad	100	100	Management of a golf course and clubhouse and the provision of landscaping services
MWE Optical Holdings Sdn Bhd	55	55	Investment holding
Skypark Corporation Sdn Bhd	55	55	Consultancy services on technology of parking system
	Gross equity interest		
	2001	2000	Principal activities

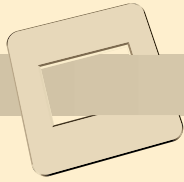


	%	%	
<b>Subsidiaries of the Company</b>			
Metra Management Sdn Bhd	100	100	Provision of share registration and insurance agency services
Ganda Pesona Sdn Bhd	100	100	Provision of secretarial and management services
First Cosmopolitan Sdn Bhd	100	100	Investment holding
* Alu-Paste & Pigments Sdn Bhd	100	100	Investment holding
E&W Wood Industries Sdn Bhd	98	98	Inactive
Inai Idaman Sdn Bhd	100	100	Inactive
EW Equipment Sdn Bhd	–	63	Inactive
E.W.I. Timber Industries Sdn Bhd	–	100	Inactive
V. Scooters Marketing (M) Sdn Bhd	–	100	Inactive
<b>Subsidiary companies of MWE Spinning Mills Sdn Bhd</b>			
MWE Textile Industries Sdn Bhd	100	100	Manufacturing and sale of dyed knitted fabrics, dyeing and finishing of woven fabrics
United Sweethearts Garment Sdn Bhd	100	100	Manufacturing and sale of garments
Multibillion Industrial Sdn Bhd	100	100	Inactive
MWE Apparel Sourcing Sdn Bhd	100	100	Inactive
MWE Garments Sdn Bhd	100	100	Inactive
<b>Subsidiary companies of MWE Properties Sdn Bhd</b>			
Jurangjaya Sdn Bhd	60	60	Property development
MWE Development Sdn Bhd	70	70	Property development
MWE Tiravest Sdn Bhd	60	60	Property development
Shanpin Industrial (M) Sdn Bhd	96	96	Property development
Melati Mewah Sdn Bhd	100	100	Property investment and development
MWE Macadam Sdn Bhd	51	51	Building construction
Metra PMC Sdn Bhd	100	100	Provision of property management services
Prime Achiever Sdn Bhd	90	90	Rental of properties
MWE Precast Concrete Sdn Bhd	100	100	Manufacture and sale of precast formwork panels
<b>Subsidiary company of Jurangjaya Sdn Bhd</b>			
Lup Ching Holdings Sdn Bhd	100	100	Property development
<b>Subsidiary company of MWE Advanced Structure Sdn Bhd</b>			
MWE Cedar Homes Sdn Bhd	70	70	Inactive

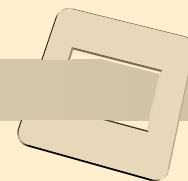




	Gross equity interest		Principal activities
	2001 %	2000 %	
Subsidiary company of MWE Hunza Corporation Sdn Bhd			
MWE Hunza Resort Sdn Bhd	100	100	Inactive
Subsidiary companies of Davex Holdings Berhad			
* PI Electronics (Hong Kong) Ltd (incorporated in Hong Kong, SAR)	51	51	Investment holding, designing, manufacturing and sale of electronic power conversion products
* PI Electronics Pte Ltd (incorporated in the Republic of Singapore)	51	51	Importing and exporting of electronic power conversion products
* Davex (Malaysia) Sdn Bhd	83	83	General importer and supplier of electrical fittings, manufacturing and assembling of all range of electrical cable trunkings and lightings
* DG Technologies (M) Sdn Bhd	81	81	Contract manufacturing of electronic products
* Daviscomms (S) Pte Ltd (incorporated in the Republic of Singapore)	68	68	Design, manufacturing and distribution of telecommunication and internet products
* Phili-Orient Lines (Penang) Sdn Bhd	54	51	Provision of sea freight forwarding services
* PI International Ltd (incorporated in British Virgin Islands)	51	51	Dormant
Subsidiary companies of PI Electronics (Hong Kong) Ltd			
* PI Electronics Pte Ltd (incorporated in the Republic of Taiwan)	51	51	Trading of electronic components and products
* PI Technology (China) Ltd (incorporated in Hong Kong, SAR)	75	75	Investment holding and trading of electronic parts and electronic power conversion products
Subsidiary companies of Davex (Malaysia) Sdn Bhd			
* Davex Australia Pty Ltd (incorporated in Australia)	100	100	Manufacturer, wholesaler and importer of electrical goods
* Davex Trading (Pg) Sdn Bhd	100	100	Inactive
* Davex Engineering (M) Sdn Bhd	100	100	Manufacturing and assembly of a range of electrical cable trunkings and lightings



		Gross equity interest		Principal activities
		2001	2000	
		%	%	
<b>Subsidiary companies of Davex (Malaysia) Sdn Bhd</b>				
*	Davex Group (M) Sdn Bhd	100	100	Inactive
*	Specific Form Sdn Bhd	100	100	Investment holding
<b>Subsidiary companies of Phili-Orient Lines (Penang) Sdn Bhd</b>				
*	Phili-Orient Airfreight (Penang) Sdn Bhd	100	100	Provision of international air and sea freight forwarding services
*	Phili-Orient Lines (Port Klang) Sdn Bhd	60	60	Provision of sea freight forwarding services
*	Phili-Orient Lines (Johor) Sdn Bhd	51	–	Provision of international air and sea freight forwarding services and warehousing
*	P.O. Logistics (Singapore) Pte Ltd (incorporated in the Republic of Singapore)	51	–	Provision of freight forwarding, logistics and warehousing business
<b>Subsidiary company of Phili-Orient Airfreight (Penang) Sdn Bhd</b>				
*	Phili-Orient Airfreight (Malaysia) Sdn Bhd	100	100	Provision of air and sea freight forwarding services
<b>Subsidiary company of PI Technology (China) Ltd</b>				
*	PI Technology (Shenzhen) Ltd (incorporated in the People's Republic of China)	100	100	Manufacturing of electronic products
<b>Subsidiary company of Specific Form Sdn Bhd</b>				
*	Realistic Returns Sdn Bhd	100	100	Letting of property
<b>Subsidiary company of Alam Perdana Sdn Bhd</b>				
*	P & E Holdings (M) Sdn Bhd	75	75	Investment holding
<b>Subsidiary companies of MWE Optical Holdings Sdn Bhd</b>				
	MWE Optical Trading Sdn Bhd	100	100	Trading in optical products
	MWE Optimia JV Sdn Bhd	100	100	Trading in ophthalmic products
	Shu Tong Mow Contact Optical Sdn Bhd	100	100	Trading in ophthalmic products
*	MWE Optical Pte Ltd (incorporated in the Republic of Singapore)	100	100	Inactive



	Gross equity interest		Principal activities
	2001	2000	
	%	%	
<b>Subsidiary company of Metra Management Sdn Bhd</b>			
Metra Nominees Sdn Bhd	100	100	Provision of nominee services
<b>Subsidiary companies of First Cosmopolitan Sdn Bhd</b>			
Devanna Ltd (incorporated in British Virgin Islands)	100	100	Investment holding and general trading
MWE (Singapore) Pte Ltd (incorporated in the Republic of Singapore)	100	100	Investment holding
Diamond Head International Holdings Ltd (incorporated in British Virgin Islands)	100	100	Inactive

\* Subsidiary Companies not audited by Moores Rowland or its associates.

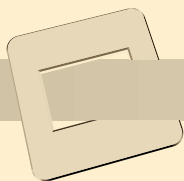
#### 5. AMOUNT OWING BY/TO SUBSIDIARY COMPANIES

	Company	
	2001 RM	2000 RM
Amount owing by subsidiary companies	262,169,322	274,479,500
Less:		
Allowance for doubtful debts	3,338,908	3,568,162
	258,830,414	270,911,338
	=====	=====
Amount owing to subsidiary companies	30,223,695	32,057,393
	=====	=====

The amount owing by/to the subsidiary companies is unsecured and not expected to be substantially repayable within the next 12 months.

Amount owing by subsidiary companies totalling RM228,854,218 (2000 : RM232,641,858) bears interests between 0.125% and 8.87% (2000 : 0.125% to 11%) per annum and the balance is interest free.

Amount owing to subsidiary companies totalling RM4,658,167 (2000 : RM5,719,266) bears interests at 7% (2000 : 7%) per annum and the balance is interest free.



## 6. ASSOCIATED COMPANIES

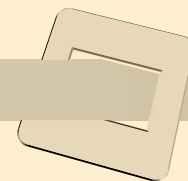
	<b>Group</b>		<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>	<b>2001 RM</b>	<b>2000 RM</b>
Unquoted shares, at cost	20,160,824	20,160,824	16,747,096	16,747,096
Less:				
Impairment loss	-	-	16,747,095	16,747,095
	20,160,824	20,160,824	1	1
Group's share of post- acquisition reserves and results	(12,825,577)	(8,107,613)	-	-
	7,335,247	12,053,211	1	1
	=====	=====	=====	=====
Represented by:				
	<b>2001 RM</b>	<b>2000 RM</b>		
Attributable share of net assets of associated companies	7,335,247	12,053,211		
	=====	=====		

The share of loss in an associated company has been discontinued in the previous financial years as the share of loss had exceeded the carrying amount of the investment. The share of loss for the current year and cumulatively not recognised is as follows:

	<b>2001 RM</b>	<b>2000 RM</b>
Share of (loss)/profit not recognised		
- in the current year	(37,878)	16,705,351
- cumulatively	(8,055,537)	(8,017,659)
	=====	=====

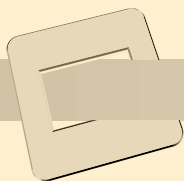
The associated companies, all of which are incorporated in Malaysia except where indicated are as follows:

	<b>Gross equity interest</b>		<b>Principal activities</b>
	<b>2001</b>	<b>2000</b>	
	%	%	
<b>Associated companies of the Company</b>			
Premier Capital Holdings Sdn Bhd	30	30	Investment holding



	Gross equity interest		
	2001	2000	Principal activities
	%	%	
<b>Associated companies of MWE Properties Sdn Bhd</b>			
Island Garden Development Sdn Bhd	40	40	Housing development
Ribuan Wangsa Sdn Bhd	50	50	Property development
<b>Associated company of PI Electronics (Hong Kong) Ltd</b>			
STD PI Technology Limited (Incorporated in Hong Kong, SAR)	40	40	Investment holding
<b>Associated companies of United Sweethearts Garment Sdn Bhd</b>			
USJ Embroidery Sdn Bhd	49	49	Embroidery of garments
USH Garment (Nibong Tebal) Sdn Bhd	45	45	Manufacturing of and dealing in textiles
CNT Garments Sdn Bhd	20	20	Manufacturing and dealing in textiles
<b>Associated company of Devanna Ltd</b>			
* Greenland Timber Industries Pte Ltd (incorporated in the Republic of Singapore)	41	–	Investment holding
<b>Associated company of MWE (Singapore) Pte Ltd</b>			
* Greenland Timber Industries Pte Ltd (incorporated in the Republic of Singapore)	–	41	Investment holding

\* This associated company has 3.52% (2000 : 3.47%) interest in the issued and paid-up share capital of the Company.



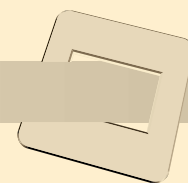
## 7 OTHER INVESTMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Investment properties				
- Freehold land, at cost	6,180,000	6,180,000	-	-
- Buildings, at cost	78,386,536	78,423,279	-	-
	84,566,536	84,603,279	-	-
Quoted shares, at cost				
- quoted in Malaysia	20,559,154	18,620,000	-	-
- quoted outside Malaysia	2,372,405	2,503,755	8,105	8,105
	22,931,559	21,123,755	8,105	8,105
Less:				
Impairment loss	15,890,808	-	-	-
	7,040,751	21,123,755	8,105	8,105
Unquoted shares, at cost	59,685,365	63,580,303	15,203,920	15,203,920
Less:				
Impairment loss	22,867,830	24,104,394	15,203,917	15,203,917
	36,817,535	39,475,909	3	3
Membership in a golf and country club, at cost	253,422	-	-	-
	128,678,244	145,202,943	8,108	8,108
Market value				
- quoted shares	7,621,494	8,028,215	48,164	60,326

All the above shares quoted in Malaysia held by a subsidiary company have been pledged to a licensed bank to secure banking facilities of the Company.

The cost of investment properties of certain subsidiary companies pledged as security for bank term loans granted to the Company are as follows:

	Group	
	2001 RM	2000 RM
Investment properties		
- Freehold land	6,180,000	6,180,000
- Buildings	65,403,896	65,403,896
	71,583,896	71,583,896



## 8. GOODWILL ON ACQUISITION

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
At 1 January	24,232,855	22,119,334
Additions	48,900	6,033,004
Disposals	(82,726)	(14,810)
	<u>24,199,029</u>	<u>28,137,528</u>
Less:		
Amortisation for the year	<u>1,919,433</u>	<u>3,904,673</u>
At 31 December	<u>22,279,596</u>	<u>24,232,855</u>
	=====	=====

## 9. INTANGIBLE ASSETS

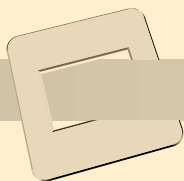
Intangible assets stated at cost less amount written off represent:

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Patents	288,073	315,625
	=====	=====

## 10. INVENTORIES

<b>Group</b>	<b>At cost RM</b>	<b>At net realisable value RM</b>	<b>Total RM</b>
<b>2001</b>			
Raw materials	21,681,128	-	21,681,128
Work-in-progress	8,625,022	-	8,625,022
Finished goods	15,290,080	-	15,290,080
Inventories of completed development properties	23,348,560	-	23,348,560
Consumable stores and spares	1,148,660	-	1,148,660
	<u>70,093,450</u>	<u>-</u>	<u>70,093,450</u>
	=====	=====	=====
<b>2000</b>			
Raw materials	36,023,474	-	36,023,474
Work-in-progress	18,259,133	61,848	18,320,981
Finished goods	15,128,964	240,496	15,369,460
Inventories of completed development properties	23,513,448	-	23,513,448
Consumable stores and spares	1,012,099	-	1,012,099
	<u>93,937,118</u>	<u>302,344</u>	<u>94,239,462</u>
	=====	=====	=====

Inventories of completed development properties amounting to RM20,245,228 (2000 : RM20,573,228) are charged to a bank to secure banking facilities granted to the Company.



## 11. GROSS AMOUNT DUE FROM/TO CUSTOMERS

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Cost of contracts	32,804,755	30,802,467
Attributable profits recognised to-date	2,590,919	2,503,551
	35,395,674	33,306,018
Less:		
Progress billings to-date	34,901,538	32,548,266
	494,136	757,752
Represented by:		
Gross amount due from customers	1,834,743	2,070,207
Gross amount due to customers	(1,340,607)	(1,312,455)
	494,136	757,752
Retention sum receivable	1,920,524	2,608,967

## 12. TRADE DEBTORS

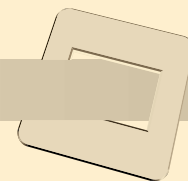
	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Gross receivables	77,952,687	110,161,010
Less:		
Allowance for doubtful debts	3,957,211	6,463,911
	73,995,476	103,697,099

## 13. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	<b>Group</b>		<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>	<b>2001 RM</b>	<b>2000 RM</b>
Gross receivables, deposits and prepayments	49,773,830	46,991,622	6,443,792	8,900,269
Less:				
Allowance for doubtful debts	21,367,694	17,855,143	6,399,803	6,929,851
	28,406,136	29,136,479	43,989	1,970,418

Included in other debtors, deposits and prepayments of the Group is an amount of RM283,912 (2000 : RM1,098,803) which bears interest between 3% and 11% (2000 : 3% and 11%) per annum and the balance is interest free.





#### 14. AMOUNT OWING BY ASSOCIATED COMPANIES

The amount owing by the associated companies is unsecured, interest free and has no fixed terms of repayment.

#### 15. FIXED DEPOSITS

	Group	
	2001 RM	2000 RM
Fixed deposits are placed with		
- licensed banks in Malaysia	30,835,820	14,279,335
- foreign banks	7,671,606	7,215,582
	<u>38,507,426</u>	<u>21,494,917</u>
	=====	=====

Fixed deposits amounting to RM7,733,131 (2000 : RM8,469,196) of the Group are pledged as securities for bank guarantees and other credit facilities granted to the Group.

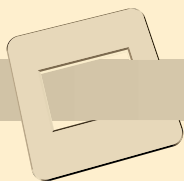
Included in fixed deposits of the Group is an amount of RM637,256 (2000 : RM684,102) placed in trust accounts pursuant to Clause 12.02 and 13.01 of the Trust Deed entered into between two subsidiary companies, Arab Malaysian Trustee Berhad (2000 : Mayban Trustees Berhad) and Licensees of Monterez Golf & Country Club and RM454,139 (2000 : RM441,577) placed in trust accounts pursuant to Section 46 of the Strata Titles Act, 1985 and Schedule III, Clause 5 of the Deed of Covenant entered into between the Developer and the Purchasers. The above trust accounts are only available for specific uses by the said subsidiary companies.

#### 16. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are bank balances not available for use by the Group amounting to RM1,447,396 (2000 : RM3,071,336) maintained in housing development accounts in accordance with the Housing Developers (Housing Development Account) Regulations 1991 and RM20,096 (2000 : RM5) placed in trust accounts pursuant to Clause 11.01, 12.02 and 13.01 of the Trust Deed entered into between two subsidiary companies, Arab-Malaysian Trustee Berhad (2000 : Mayban Trustees Berhad) and Licensees of Monterez Golf & Country Club. These accounts are only available for specific uses by the said subsidiary companies.

#### 17. OTHER CREDITORS AND ACCRUALS

Included in other creditors and accruals of the Company and of the Group is an amount of RM12,000,000 (2000 : RM12,000,000) which represents interest free refundable deposit received from a corporation in relation to the appointment of the said corporation as the developer and project manager for the development of a piece of leasehold land held by a subsidiary company and also to act as a club manager for Monterez Golf & Country Club. To-date, the terms of the appointment has yet to be finalised.



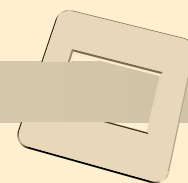
## 18. HIRE PURCHASE LIABILITIES

	Group	
	2001 RM	2000 RM
Outstanding hire purchase instalments due:		
- not later than one year	1,351,177	1,355,815
- later than one year and not later than five years	2,485,728	3,936,491
	<u>3,836,905</u>	<u>5,292,306</u>
Less:		
Unexpired term charges	<u>547,589</u>	<u>987,960</u>
Outstanding principal amount due	3,289,316	4,304,346
Less:		
Outstanding principal amount due later than one year and not later than five years (Note 22)	<u>2,222,909</u>	<u>3,365,268</u>
Outstanding principal amount due not later than one year (included in current liabilities)	<u>1,066,407</u>	<u>939,078</u>

## 19. BANK BORROWINGS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Bank overdrafts				
- secured	3,675,266	6,718,143	1,148,915	2,661,828
- unsecured	6,854,122	10,117,704	6,640,105	8,520,977
	<u>10,529,388</u>	<u>16,835,847</u>	<u>7,789,020</u>	<u>11,182,805</u>
Bank loans				
- secured	33,400,000	16,540,724	21,600,000	14,100,000
- unsecured	23,300,000	38,800,000	32,000,000	37,500,000
	<u>56,700,000</u>	<u>55,340,724</u>	<u>53,600,000</u>	<u>51,600,000</u>
Bankers' acceptance and trust receipts				
- secured	2,198,000	7,179,849	-	-
- unsecured	3,475,323	9,358,634	-	-
	<u>5,673,323</u>	<u>16,538,483</u>	<u>-</u>	<u>-</u>
Current portion of bank term loans (Note 22)	3,086,495	78,343	3,000,000	-
	<u>75,989,206</u>	<u>88,793,397</u>	<u>64,389,020</u>	<u>62,782,805</u>

Bank borrowings bear interests at commercial rates which vary according to base lending rates or cost of funds of the respective banks. They are secured on quoted shares held by a subsidiary company, certain leasehold buildings of a subsidiary company and fixed and floating charges over the assets of the subsidiary companies and are also guaranteed by the Company.



## 20. SHARE CAPITAL

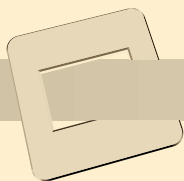
	2001		2000	
	Number of shares	Nominal value RM	Number of shares	Nominal value RM
Authorised				
Ordinary shares of RM1 each	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid				
Ordinary shares of RM1 each				
At 1 January	209,793,969	209,793,969	167,130,832	167,130,832
Issue of shares from				
- conversion of ICULS	-	-	42,662,887	42,662,887
- exercise of warrants	-	-	250	250
At 31 December	209,793,969	209,793,969	209,793,969	209,793,969

At 31 December 2001, there were :

- (i) 66,157,283 (2000 : 66,157,283) unexercised warrants in issue which entitle the registered holders to subscribe for one (1) new ordinary share at a price of RM1.00 per ordinary share for every warrant held.
- (ii) 19,992,000 (2000 : Nil) unissued shares under options granted pursuant to the Employees' Share Option Scheme.

## 21. RESERVES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Non-distributable				
Share premium account	23,586,099	23,586,099	23,586,099	23,586,099
Exchange translation reserve	7,467,980	5,859,500	-	-
	31,054,079	29,445,599	23,586,099	23,586,099
Distributable				
Capital reserve	23,547,539	24,603,319	13,761,928	13,761,928
(Accumulated loss)/ Unappropriated profit	(8,971,870)	24,217,737	(4,259,617)	(4,920,100)
	14,575,669	48,821,056	9,502,311	8,841,828
	45,629,748	78,266,655	33,088,410	32,427,927



## 22. LONG TERM LIABILITIES

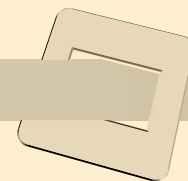
	Group		Company	
	2001 RM	2000 RM	2001 RM	200 RM
Bank term loans				
- secured	47,155,897	47,430,794	44,000,000	44,000,000
- unsecured	194,526	245,810	-	-
	<u>47,350,423</u>	<u>47,676,604</u>	<u>44,000,000</u>	<u>44,000,000</u>
Less:				
Repayments due within 12 months (included in Note 19)	<u>3,086,495</u>	<u>78,343</u>	<u>3,000,000</u>	<u>-</u>
	<u>44,263,928</u>	<u>47,598,261</u>	<u>41,000,000</u>	<u>44,000,000</u>
5.5% Irredeemable Convertible Unsecured Loan Stocks 1999/2004	21,757,646	21,757,646	21,757,646	21,757,646
Less:				
Unamortised discount on ICULS	<u>1,196,669</u>	<u>1,631,822</u>	<u>1,196,669</u>	<u>1,631,822</u>
	<u>20,560,977</u>	<u>20,125,824</u>	<u>20,560,977</u>	<u>20,125,824</u>
Hire purchase liabilities (Note 18)	<u>2,222,909</u>	<u>3,365,268</u>	<u>-</u>	<u>-</u>
	<u>67,047,814</u>	<u>71,089,353</u>	<u>61,560,977</u>	<u>64,125,824</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The bank term loans of the subsidiary companies bear interests at commercial rates which vary according to the base lending rates or cost of funds of the lending banks. They are secured by leasehold properties, machinery and equipment, certain land held under development of the Group and an unconditional, continuing and irrevocable guarantee from another bank. They are also guaranteed by the Company.

The bank term loan of the Company is secured by freehold, leasehold and investment properties of certain subsidiary companies, a debenture over a fixed and floating charge over the assets of certain subsidiary companies and assignment over a depository account for the proceeds from conversion of warrants.

The bank term loans of the Company and of the Group are repayable by equal monthly, quarterly and semi-annual instalments commencing between 1993 and 2002.

The 5.5% Irredeemable Convertible Unsecured Loan Stocks 1999/2004 ("ICULS") of the Company represents RM66,157,533 nominal amount of ICULS issued and allotted at 90% of the nominal amount with 66,157,533 detachable warrants on the basis of RM2.00 nominal amount of ICULS with two (2) warrants for every five (5) existing ordinary shares of RM1.00 each held.



The ICULS are in registered form and constituted by a Trust Deed dated 11 August 1999 and has a tenure of five years from the date of issue and will not be redeemable in cash. Unless previously converted, all outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price on the maturity date. The ICULS shall be convertible into fully paid ordinary shares of RM1.00 each at any time between 1 March to 31 May and 1 September to 30 November during the tenure of the ICULS from 8 October 1999 to the maturity date on 7 October 2004, and at any time during the thirty (30) days prior to and including the maturity date at the rate of RM1.00 nominal amount of ICULS for one fully paid ordinary share of RM1.00 each in the Company. The interest on the ICULS at the rate of 5.5% per annum is payable annually in arrears on 31 August commencing 8 October 1999.

The warrants which were issued together with the ICULS are in registered form and constituted by a Deed Poll dated 11 August 1999 and entitle the registered holders to subscribe for one new ordinary share of RM1.00 each in the Company at a price of RM1.00 per ordinary share for every warrant held at any time during the exercise period of four years and six months commencing from the date of issue of the warrants on 8 October 1999 and expiring on 7 April 2004.

Upon conversion of the ICULS and exercise of the warrants into new ordinary shares, such shares should rank pari passu in all respects with the existing ordinary shares of the Company in issue at the date of allotment of the new ordinary shares except that the new ordinary shares shall not be entitled to any rights, allotments or dividends, the record date of which is on or before the relevant conversion or exercise date.

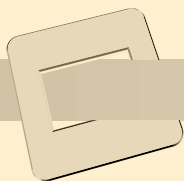
The conversion and exercise price of the ICULS and warrants may be subject to adjustments under certain circumstances in accordance with the provisions of the Trust Deed and Deed Poll respectively.

## 23. DEFERRED TAX LIABILITY

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
At 1 January	6,138,348	2,719,763
Exchange adjustment	74	(4,164)
Fair value adjustment on the leasehold land of a subsidiary company allocated for development purposes	-	4,957,014
Acquisition of subsidiaries	-	47,129
Transfer from/(to) income statement	(736,619)	(1,581,394)
At 31 December	5,401,803	6,138,348
	=====	=====

The deferred tax liability represents timing differences:

- relating to fair value adjustment on the leasehold land allocated for development purposes	3,177,160	3,419,296
- between net book value and tax written down value of property, plant and equipment	2,454,215	2,927,232
- arising from unabsorbed capital allowances	(78,904)	(112,916)
- between accounting profit and taxable profit in respect of development properties sold	(46,740)	-
- other timing differences	(103,928)	(95,264)
	=====	=====
	5,401,803	6,138,348
	=====	=====



At the end of the year, the Group has the following items giving rise to deferred tax benefits which have not been recognised in the financial statements as there is no assurance beyond any reasonable doubt that future taxable income will be sufficient to allow the benefits to be realised:

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Unutilised tax losses	50,345,000	50,728,000
Unabsorbed capital allowances	14,436,000	15,611,000
Timing difference between net book value and tax written down value of property, plant and equipment	(2,081,000)	(1,605,000)
Other timing differences	713,000	462,000
	<u>63,413,000</u>	<u>65,196,000</u>
	=====	=====

## 24. DEFERRED INCOME

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
Licence fees received in advance	14,562,629	15,060,335
Discount on acquisition of subsidiary companies		
At 1 January	961,301	470,384
Addition	1,362	490,917
At 31 December	962,663	961,301
	<u>15,525,292</u>	<u>16,021,636</u>
	=====	=====

Licence fees received in advance represent club membership licence fees received by a subsidiary company. The licence fees received are recognised in the income statement on a time proportion basis over the licence period.

## 25. GROSS REVENUE

	<b>Group</b>		<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>	<b>2001 RM</b>	<b>2000 RM</b>
Sale of goods	424,268,365	411,208,300	-	-
Sale of development properties	12,551,803	34,672,762	-	-
Contract revenue	1,613,340	4,776,812	-	-
Services rendered	30,263,253	12,366,365	-	-
Rental income	2,748,934	2,923,999	-	-
Dividend income	108,433	133,302	10,795,738	15,564,352
	<u>471,554,128</u>	<u>466,081,540</u>	<u>10,795,738</u>	<u>15,564,352</u>
	=====	=====	=====	=====

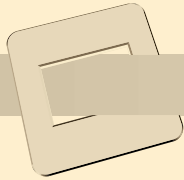
## 26. COST OF SALES

	Group	
	2001 RM	2000 RM
Cost of goods sold	358,640,036	345,047,028
Cost of development properties sold	12,462,010	19,648,630
Contract costs	2,064,585	12,033,447
Cost of services rendered	27,139,630	14,078,738
	<u>400,306,261</u>	<u>390,807,843</u>
	=====	=====

## 27. PROFIT FROM OPERATIONS

Profit from operations is stated after charging:

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Allowance for doubtful debts	2,182,903	7,234,005	2,355,966	1,508,480
Amortisation of goodwill on acquisition	1,919,433	3,904,673	-	-
Auditors' remuneration				
- current year	424,146	388,465	27,000	27,000
- underestimated/(overestimated) in prior year	13,600	(7,434)	13,000	9,000
Bad debts written off	3,396,982	11,891	728,090	-
Depreciation	14,239,722	13,767,996	-	-
Directors' remuneration				
- fees	274,000	160,750	80,000	58,750
- other emoluments	4,783,548	4,880,803	46,500	9,000
Inventories written down	86,198	6,950	-	-
Loss on foreign exchange				
- realised	245,029	317,436	-	-
- unrealised	859,407	342,876	-	-
Loss on disposal of property, plant and equipment	68,817	1,029,189	-	-
Loss on disposal of subsidiary companies	14,122	-	99,999	-
Operating lease rental	2,514,022	1,726,373	-	-
Property, plant and equipment written off	47,608	168,933	-	-
Intangible assets written off	60,776	462,360	-	-
Rental of premises	1,228,466	1,426,825	-	-
Rental of machinery	283,767	360,531	-	-
Retirement benefits	249,692	218,500	-	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>



	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
and crediting:				
Allowance for doubtful debts written back	267,037	4,963,061	-	4,873,455
Bad debts recovered	42,163	-	-	-
Gain on foreign exchange				
- realised	255,509	400,142	-	-
- unrealised	19,922	-	-	-
Gain on disposal of				
- subsidiary companies	2,149,279	1,423,901	-	-
- associated company	-	1,561,237	-	-
Gross dividend income from				
- subsidiary companies	-	-	10,794,750	15,563,000
- investments quoted in Malaysia	107,445	131,950	-	-
- investments quoted outside Malaysia	988	1,352	988	1,352
Gain on disposal of property, plant and equipment	412,187	2,552,521	-	-
Interest income	2,040,526	2,617,314	9,416,828	6,703,324
Impairment loss on value of investments written back	56,769	-	-	-
Rental income	2,901,816	2,978,825	-	-
	=====	=====	=====	=====

## 28. FINANCE COSTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Finance costs incurred during the financial year comprise:				
- interest on ICULS	1,197,211	951,362	1,197,211	951,362
- other interest expenses	9,459,274	10,257,046	8,218,291	9,333,676
- amortisation of discounts on ICULS	435,153	4,488,128	435,153	4,488,128
	-----	-----	-----	-----
	11,091,638	15,696,536	9,850,655	14,773,166
Less:				
Finance costs capitalised under development properties (Note 3)				
- interest expenses	1,130,760	1,755,997	-	-
	-----	-----	-----	-----
	9,960,878	13,940,539	9,850,655	14,773,166
	=====	=====	=====	=====



## 29. TAX EXPENSE

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Current tax expense				
Malaysian				
- current year	3,486,009	5,132,495	968,000	432,577
- under/(over)estimated in prior year	(293,979)	1,536,093	(569,000)	-
	3,192,030	6,668,588	399,000	432,577
Overseas				
- current year	1,270,693	926,683	-	-
- overestimated in prior year	(50,158)	-	-	-
	4,412,565	7,595,271	399,000	432,577
Deferred tax income relating to reversal of timing differences	(736,619)	(1,581,394)	-	-
	3,675,946	6,013,877	399,000	432,577
	=====	=====	=====	=====

There is tax expense in the Group despite the Group incurring a loss because certain expenses have been disallowed in arriving at the taxable income and also the non-availability of Group relief for losses incurred by certain subsidiary companies.

The effective tax rate of the Group in the previous financial year was high compared to the statutory rate because certain expenses had been disallowed in arriving at the taxable income and also the non-availability of Group relief for losses incurred by certain subsidiary companies.

The effective tax rate of the Company for the current financial year is high compared to the statutory rate because certain expenses have been disallowed in arriving at the taxable income. The effective tax rate of the Company in the previous financial year was low compared to the statutory rate because certain income not subject to tax had been excluded in arriving at the taxable income.

Based on estimated tax credits and tax exempt income available and the prevailing tax rate applicable to dividends, the entire distributable reserve of the Company at year end is available for distribution by way of dividend without incurring additional tax liability.

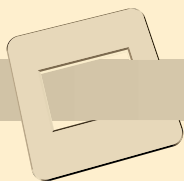
## 30. LOSS PER SHARE

### (i) Basic loss per share

The basic loss per share have been calculated based on the consolidated net loss for the year of RM32,734,870 (2000 : RM11,792,727) and on 209,793,969 (2000 : 196,547,687) weighted average number of ordinary shares in issue during the year after adjusting for shares issued on conversion of ICULS and warrants as follows:

	2001	2000
Number of ordinary shares at 1 January	209,793,969	167,130,832
Effect of shares issued pursuant to		
- conversion of ICULS	-	29,416,714
- exercise of warrants	-	141
Weighted average number of ordinary shares	209,793,969	196,547,687
	=====	=====

### (ii) Diluted loss per share



The diluted loss per share is not disclosed as the potential ordinary shares arising from the conversion of outstanding ICULS, exercise of warrants and options under ESOS at fair value, have anti-dilutive effect.

### 31. DIVIDENDS

	2001 RM	2000 RM
In respect of the year ended 31 December 1999		
- additional first and final dividend paid of 1% less 28% tax in respect of conversion of 20,037,807 ICULS and warrants to equivalent number of ordinary shares during the financial year	-	144,274
In respect of the year ended 31 December 2000		
- proposed first and final dividend of 1% less 28% tax	-	1,510,517
In respect of the year ended 31 December 2001		
- interim dividend payable of 1% less 28% tax	1,510,517	-
	<u>1,510,517</u>	<u>-</u>
	<u>1,510,517</u>	<u>1,654,791</u>
	<u>=====</u>	<u>=====</u>

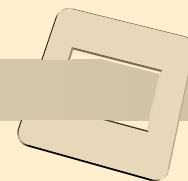
### 32. ANALYSIS OF ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

The effects of acquisition and disposal of subsidiary companies on the consolidated net loss, the consolidated financial position and the consolidated cash flow statement are as follows:

(a) Acquisition of new subsidiary companies

(i) Effect on consolidated net loss for the year

	2001 RM	2000 RM
Gross revenue	1,284,503	40,519,960
Cost of sales	<u>(1,144,976)</u>	<u>(37,346,521)</u>
Gross profit	139,527	3,173,439
Other operating income	3,692	50,421
Selling and distribution costs	<u>(140,650)</u>	<u>(504,891)</u>
Administrative and general expenses	<u>(205,984)</u>	<u>(4,230,173)</u>
Other operating expenses	<u>-</u>	<u>(162,185)</u>
Loss from operations	(203,415)	(1,673,389)
Finance costs	<u>-</u>	<u>(294,278)</u>
Loss before taxation	(203,415)	(1,967,667)
Tax expense	<u>-</u>	<u>(232,445)</u>
Loss after taxation	(203,415)	(2,200,112)
Minority interest	<u>54,915</u>	<u>672,021</u>
Increase in Group's net loss	<u>(148,500)</u>	<u>(1,528,091)</u>
	<u>=====</u>	<u>=====</u>

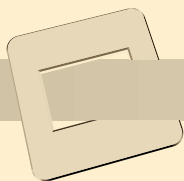


(ii) Effect on consolidated financial position

	2001 RM	2000 RM
Non-current assets	116,149	1,774,685
Current assets	329,168	12,939,100
Non-current liabilities	-	(47,129)
Current liabilities	(141,670)	(4,324,929)
Minority interest	(118,647)	(2,722,474)
Group's share of net assets	<u>185,000</u>	<u>7,619,253</u>
	=====	=====

(iii) Effect on consolidated cash flow statement

	2001 RM	2000 RM
Net assets acquired:		
Property, plant and equipment	116,149	1,546,882
Other investments	-	49,600
Current assets	329,168	12,939,100
Current liabilities	(141,670)	(4,324,929)
Deferred liabilities	-	(47,129)
Minority interest	(118,647)	(2,722,474)
Goodwill on acquisition	<u>23,080</u>	<u>178,203</u>
Total purchase consideration	208,080	7,619,253
Less:		
Cash and cash equivalents	<u>81,986</u>	<u>8,064,138</u>
Net cash flows on acquisition	<u>126,094</u>	<u>(444,885)</u>
	=====	=====



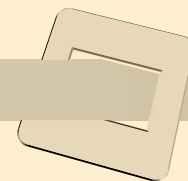
(b) Disposal of subsidiary companies

(i) Effect on consolidated net loss for the year

	— Subsidiaries disposed — in 2001		Subsidiary disposed in 2000
	2001 RM	2000 RM	2000 RM
Gross revenue	37,773	400,854	8,773,589
Cost of sales	—	(236,851)	(6,437,706)
Gross profit	37,773	164,003	2,335,883
Other operating income	3,447,510	75,498	65,775
Selling and distribution costs	—	—	(216,003)
Administrative and general expenses	(176,325)	(657,355)	(1,505,303)
Profit from operations	3,308,958	(417,854)	680,352
Finance costs	—	—	(20,570)
Profit before taxation	3,308,958	(417,854)	659,782
Tax expense	—	—	(210,634)
Profit after taxation	3,308,958	(417,854)	449,148
Minority interest	—	—	(89,374)
Decrease/(Increase) in Group's net loss	3,308,958	(417,854)	359,774
	=====	=====	=====

(ii) Effect on consolidated financial position

	— Subsidiaries disposed — in 2001		Subsidiary disposed in 2000
	2001 RM	2000 RM	2000 RM
Non-current assets	—	247,928	1,315,700
Current assets	17,635	497,769	8,283,137
Non-current liabilities	—	—	(523,316)
Current liabilities	(2,180,789)	(6,226,381)	(7,110,502)
Minority interest	—	—	(391,026)
Group's share of net (liabilities)/assets	(2,163,154)	(5,480,684)	1,573,993
	=====	=====	=====



(iii) Effect on consolidated cash flow statement

	Subsidiaries disposed in 2001 RM	Subsidiary disposed in 2000 RM
Net assets disposed:		
Property, plant and equipment	–	852,768
Other investments	–	448,122
Current assets	17,635	8,283,137
Current liabilities	(2,180,789)	(7,110,502)
Deferred liabilities	–	(523,316)
Goodwill on acquisition written off on disposal	28,000	14,810
Gain on disposal of subsidiary companies	2,135,157	1,423,901
	<u>–</u>	<u>–</u>
Sale consideration	3	3,388,920
Less:		
Cash and cash equivalents	9,264	99,351
	<u>–</u>	<u>–</u>
Net cash flows on disposal	(9,261)	3,289,569
	<u>=====</u>	<u>=====</u>

### 33.EMPLOYEES INFORMATION

	Group 2001	2000
Staff costs	RM74,632,688	RM66,422,029
	<u>=====</u>	<u>=====</u>
Number of employees at year end	5,301	5,701
	<u>=====</u>	<u>=====</u>

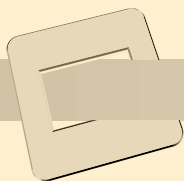
No staff costs were incurred by the Company as the Company did not have any employee.

### 34.SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has controlling related party relationship with its subsidiary companies.

The Group also has related party relationship with:

- Star Regent International Limited, a company in which Mr Ho Kwok Pun and Madam Tse Oi, the directors of PI Electronics (Hong Kong) Ltd, have financial interests.
- Gold Apollo Co Ltd, a minority shareholder of a subsidiary company, DG Technologies (M) Sdn Bhd.
- USH Garment (Nibong Tebal) Sdn Bhd, USJ Embroidery Sdn Bhd and CNT Garments Sdn Bhd, the associated companies.



Transactions with related parties during the financial year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2001 RM</b>	<b>2000 RM</b>	<b>2001 RM</b>	<b>2000 RM</b>
Interest charged to				
- MWE Properties Sdn Bhd	-	-	7,268,862	4,035,459
- Metra Management Sdn Bhd	-	-	61,955	-
- Alu-Paste & Pigments Sdn Bhd	-	-	123,757	57,365
- First Cosmopolitan Sdn Bhd	-	-	28,779	27,045
- MWE Golf & Country Club Berhad	-	-	858,202	516,133
- MWE Optical Holdings Sdn Bhd	-	-	16,015	21,029
- Melati Mewah Sdn Bhd	-	-	1,059,258	1,369,993
Sales to Gold Apollo Co Ltd	913,209	194,528	-	-
Consultancy fee paid to Star Regent International Ltd	648,663	647,988	-	-
Interest charged by				
- Davex Holdings Berhad	-	-	378,651	783,525
- Davex (Malaysia) Sdn Bhd	-	-	-	257,370
Workmanship charged by				
- USH Garment (Nibong Tebal) Sdn Bhd	1,744,920	1,425,566	-	-
- USJ Embroidery Sdn Bhd	727,376	741,001	-	-
- CNT Garments Sdn Bhd	1,261,917	1,204,598	-	-
	=====	=====	=====	=====

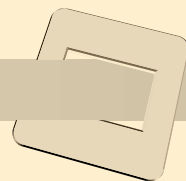
The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business.

During the financial year, the Company has written off bad debt of RM728,090 owing by a subsidiary company, EWI Timber Industries Sdn Bhd, which was disposed of during the year.

### 35. COMMITMENTS

	<b>Group</b>	
	<b>2001 RM</b>	<b>2000 RM</b>
(a) Capital commitments		
Approved and contracted capital expenditure not provided for in the financial statements	6,456,000	1,182,000
(b) Operating lease commitments		
- payable not later than one year	1,175,000	527,000
- payable later than one year and not later than five years	669,000	703,000
- payable later than five years	1,502,000	1,311,000
	3,346,000	2,541,000
	-----	-----
	9,802,000	3,723,000
	=====	=====

### 36. CONTINGENT LIABILITIES

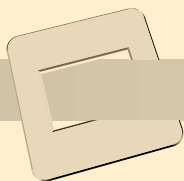


	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Unsecured corporate guarantees given to secure banking and other credit facilities granted to subsidiary companies	-	-	19,000,000	23,000,000
Recourse against a subsidiary company in respect of loans granted by a financial institution to members of Montez Golf and Country Club to finance licence fees payable by the latter to the said subsidiary company	200,000	300,000	-	-
	200,000	300,000	19,000,000	23,000,000

### 37. SEGMENT REPORTING

Analysis by activities

2001	Gross revenue RM	Profit/(Loss) before taxation RM	Assets employed RM
Manufacturing	420,756,907	22,820,036	221,443,529
Properties	17,414,070	(13,422,947)	226,357,300
General trading	27,702,227	1,216,800	17,168,787
Investments	988	(2,802,115)	18,354,907
Leisure	5,275,750	(1,885,363)	34,609,397
Others	404,186	(20,632,421)	49,135,354
	471,554,128	(14,706,010)	567,069,274
Group's share of associated companies' results	-	(6,743,467)	-
	471,554,128	(21,449,477)	567,069,274
2000			
Manufacturing	404,936,197	19,660,916	249,538,868
Properties	42,283,921	(1,438,343)	246,705,984
General trading	11,690,773	(375,162)	15,957,263
Investments	376,352	(5,717,740)	13,238,518
Leisure	5,484,661	(1,696,529)	37,287,278
Others	1,309,636	(7,390,650)	70,221,885
	466,081,540	3,042,492	632,949,796
Group's share of associated companies' results	-	(378,173)	-
	466,081,540	2,664,319	632,949,796



#### Analysis by geographical locations

2001	Gross revenue RM	Profit/(Loss) before taxation RM	Assets employed RM
Malaysia	212,177,913	(13,780,367)	409,111,019
Asia Pacific	259,268,770	12,137,903	108,515,355
Others	107,445	(19,807,013)	49,442,900
	<u>471,554,128</u>	<u>(21,449,477)</u>	<u>567,069,274</u>
2000			
Malaysia	223,034,019	(1,685,108)	422,526,398
Asia Pacific	241,791,270	10,922,335	121,865,552
Others	1,256,251	(6,572,908)	88,557,846
	<u>466,081,540</u>	<u>2,664,319</u>	<u>632,949,796</u>

#### 38. SIGNIFICANT EVENT DURING THE YEAR

During the financial year, the directors have resolved to abort the proposed private placement of up to 29,770,000 new ordinary shares of RM1.00 each, representing 10% of the Company's issued and paid-up share capital due to persisting poor market condition.

#### 39. SUBSEQUENT EVENTS

Subsequent to the year end,

- (i) a subsidiary company, MWE Properties Sdn Bhd, disposed of a piece of development property for a cash consideration of RM6,500,000.
- (ii) a subsidiary company, MWE Spinning Mills Sdn Bhd, subscribed for USD1,200,000 representing the entire issued and paid-up share capital of United Sweethearts Garment (Vietnam) Co. Ltd ("USV"), a company incorporated in Vietnam. USV has a registered investment capital of USD2,000,000 and its principal activity is the production of garment products for export. The operational duration of USV is 46 years from the date of issuance of the investment license which was issued on 23 April 2001.



## STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 36 to 76 are drawn up:

- (a) so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2001 and of their results and cash flows for the year then ended; and
- (b) in accordance with applicable approved accounting standards.

On behalf of the Directors

DATO' SURIN UPATKOON

Director

LAWRENCE LIM SWEE LIN

Director

23 April 2002

## STATUTORY DECLARATION

I, Dato' Surin Upatkoon, being the director primarily responsible for the financial management of MWE Holdings Berhad do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 36 to 76` are 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.

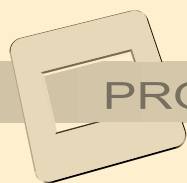
Subscribed and solemnly declared at       )  
Kuala Lumpur                                       )  
  )  
this 23 April 2002                                       )  
  )     DATO' SURIN UPATKOON

Before me:

Hamzah bin Haji Sulaiman

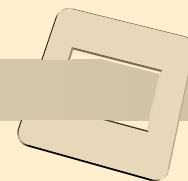
PPN., PLP., PIS

Commissioner for Oaths

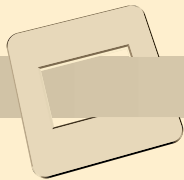


## PROPERTIES HELD BY THE GROUP

Particulars of Titles	Tenure	Land Area	Description/ Existing Use	Net Book Value as at 31.12.01 RM	Approximate Age of Building	Year of Acquisition
<b>PENANG</b>						
Advance certificate of title holding no. 468 Mukim 12 Province Wellesley (South) Penang	Leasehold (999 years - expiring on 31.12.2875)	11.55 acres	Office and factory building	4,645,245	27 years	1991
Lots 895, 896 & 1234 Mukim 15 Seberang Perai Tengah Penang	Freehold	3.95 acres	Office and factory building	2,861,311	36 years	1998
Grant (1st Grade) 11818 Lot 1233, Section 1 Georgetown, N.E.D. Penang	Freehold	17,538 sq ft	1 storey out of 8-storey office block for rental	2,064,249	8 years	1988
Lots 198, 199, 200 & 201 Mukim 14, Central District of Province Wellesley Penang	Freehold	46,619 sq ft	Residential house and land for development	1,991,781	-	1991
Lot 278 Bandar Bukit Bendera Penang	Leasehold (99 years - expiring on 30.04.2030)	0.64 acre	Bungalow	1,245,948	70 years	1989
Geran No. 11255 & 11256 Lots 346 & 348, Section 15 Georgetown, N.E.D. Penang	Freehold	0.54 acre	10-storey office block for rental	21,888,023	8 years	1991
H.S. (D) 3245 P.T. 2944, Mukim 11 Daerah Seberang Perai Tengah Penang	Leasehold (60 years - expiring on 29.06.2052)	2.79 acres	Factory building	4,061,493	9 years	1991
Holding No. 243, T.S.17 North East District Penang	Freehold	0.04 acre	Shophouse - vacant	172,274	81 years	1991
Lots 524, 525, 526 & 739 Section 14, Georgetown Penang	Freehold	0.62 acre	Land for development	5,593,959	-	1987
Parcel 1B 1st Floor Indahmas, Lots 330-333 Title No. 12782-12785 Mukim 13, Daerah Timur Laut Penang	Freehold	2,375 sq ft	Apartment	364,800	11 years	1999



Particulars of Titles	Tenure	Land Area	Description/ Existing Use	Net Book Value as at 31.12.01 RM	Approximate Age of Building	Year of Acquisition
<b>PENANG</b>						
H.S. (D) 253 P.T. 277, Seksyen 11E Georgetown, D.T.L. Penang	Leasehold (99 years - expiring on 25.11.2089)	5,255 sq ft	3 units of shophouses - office & laboratory	776,510	7 years	1995
H.S. (D) 578 P.T. No. 474, Mukim 6 Daerah Seberang Perai Tengah Penang	Leasehold (60 years - expiring on 23.09.2052)	5.88 acres	Office and factory building	7,033,966	3 years	1992
Lots 1337, 1334, 1181 1183, Mk. 7 Seberang Perai Utara Penang	Freehold	10.64 acres	Land for development	3,348,621	-	1990
Lot 788, Sek. 19 Bandar Georgetown D.T.L. Penang	Freehold	37,703 sq ft	20-storey out of 25 storey office block with 1 basement car park - office & for rental	45,495,873	5 years	1990
Geran No. 51436 (1st Grade) No. Petak 42, Tingkat No. 7 Bangunan No. 171 Lot No. 1630 Bandar Jelutong Seksyen 3 Daerah Timur Laut Penang	Freehold	700 sq ft	Apartment	120,344	5 years	1997
<b>KEDAH</b>						
Lot 38, Kulim Industrial Estate Mukim Sg. Seluang District of Kulim Kedah Darul Aman	Leasehold (99 years - expiring on 28.01.2085)	9.06 acres	Factory building	3,802,386	12 years	1988
H.S. (D) 85/92, P.T. 18863 Sg. Petani, Daerah Kuala Muda Kedah Darul Aman	Leasehold (60 years - expiring on 12.04.2052)	3.02 acres	Factory building	2,492,490	6 years	1994
<b>SELANGOR</b>						
H.S. (M) 3760, P.T. 11 Mukim of Batu Batu Caves Selangor Darul Ehsan	Leasehold (99 years - expiring on 05.09.2074)	9.03 acres	Office and factory building	20,245,228	10 years	1990



Particulars of Titles	Tenure	Land Area	Description/ Existing Use	Net Book Value as at 31.12.01 RM	Approximate Age of Building	Year of Acquisition
<b>SELANGOR</b>						
H.S. (D) 57415, P.T. 541 Mukim of Bukit Raja Daerah Petaling Selangor Darul Ehsan	Leasehold (99 years - expiring on 04.12.2090)	209 acres	Golf course & Clubhouse and residential development	73,180,086	7 years	1992
H.S. (D) 116225, P.T. 1880 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	Leasehold (99 years - expiring on 28.12.2096)	1988 sq ft	1½ storey terrace factory - office & warehouse	250,504	10 years	1990
<b>JOHOR</b>						
H.S. (D) 10548, PTD 9170 Mukim of Simpang Kanan Batu Pahat Johor Darul Takzim	Freehold	0.03 acre	Double storey shophouse - tenanted	171,631	14 years	1986
<b>KUALA LUMPUR</b>						
H.S. (D) 30053, P.T. 4 Section 19, Town of Kuala Lumpur	Freehold	40,191 sq ft	48 units of penthouses and condominiums for sale & rental	17,938,267	8 years	1991
Lots 1937-1939, 1947 2507-2512, 2483 P.T. 41670, 41763 41764, 42051 Kepong Kuala Lumpur	Freehold	26.6 acres	Joint venture development properties	10,483,991	-	1993
<b>AUSTRALIA</b>						
Lot 38 Registered plan 222774 County of Ward Parish of Nerang	Freehold	18,862 sq ft	Solid brick office, factory and warehouse	1,271,233	6 years	1995

# ANALYSIS OF SHAREHOLDINGS

AS AT 26 APRIL 2002



Class of security	:	Ordinary Shares of RM1.00 each
Authorised Share Capital	:	RM500,000,000
Total Issued and Paid up capital	:	RM209,793,969
Voting right	:	1 vote per share
Number of shareholders	:	14,689

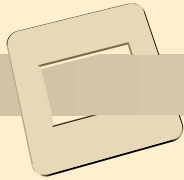
Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 1,000	351	2.39	136,720	0.07
1,000 - 10,000	13,060	88.91	40,305,399	19.21
10,001 - 100,000	1,159	7.89	29,810,608	14.21
100,001 - less than 5% of issued shares	116	0.79	92,575,320	44.13
5% and above of issued shares	3	0.02	46,965,922	22.38
<b>Total</b>	<b>14,689</b>	<b>100.00</b>	<b>209,793,969</b>	<b>100.00</b>

## DIRECTORS' SHAREHOLDINGS

Name	Direct	No. of shares held		%
		%	Indirect	
Tan Sri Datuk A. Samad bin Idris	968,000	0.46	-	-
Dato' Surin Upatkoorn	786,630	0.37	23,808,695 (a)	11.35
Dato' Low Hock Peng	-	-	3,317,500 (b)	1.58
Lawrence Lim Swee Lin	105,000	0.05	-	-
Tang King Hua	-	-	114,200 (c)	0.05
Lim Kong Yow	7,000	(e)	3,000 (d)	(e)
Dato' Ahmad Hasmuni bin Hj. Hussein	-	-	-	-
Dato' Shahbudin bin Imam Mohamad	-	-	-	-
Tan Chor Teck	350,000	0.17	8,602,000 (f)	4.10

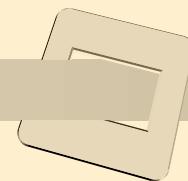
### Notes:

- (a) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Casi Management Sdn Bhd.
- (b) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Golden Bay Holding Sdn Bhd.
- (c) Deemed interested in 114,200 MWE shares held by his spouse, Madam Leong Chooi Yin.
- (d) Deemed interested in 3,000 MWE shares held by his spouse, Madam Yap Siew Chooi.
- (e) Shareholding is insignificant.
- (f) Deemed interested through family members and by virtue of Section 6A(4) of the Companies Act, 1965 held through Simansu Sdn Bhd.



### 30 LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares held	% of shares
1.	SOUTHERN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Casi Management Sdn Bhd</i>	22,644,695	10.79
2.	SOUTHERN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd</i>	13,665,227	6.51
3.	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd</i>	10,656,000	5.08
4.	UMB NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Eastern &amp; Oriental Bhd</i>	8,418,000	4.01
5.	KAMUNTING CORPORATION BERHAD	8,200,000	3.91
6.	SIMANSU SDN BHD	8,058,000	3.84
7.	GREENLAND TIMBER INDUSTRIES (PRIVATE) LIMITED	5,562,000	2.65
8.	JB SECURITIES SDN BHD	4,100,000	1.95
9.	LIM TIONG CHIN	4,100,000	1.95
10.	EMPLOYEES PROVIDENT FUND BOARD	3,239,000	1.54
11.	AAA NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Bizurai Bijak (M) Sdn Bhd</i>	3,217,000	1.53
12.	AAA NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Beh Guat Beng</i>	3,126,500	1.49
13.	AAA NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : For Eastern &amp; Oriental Berhad</i>	3,000,000	1.43
14.	AAA NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Tan Geok Lan</i>	2,678,000	1.28
15.	TAN ENG SENG HOLDINGS SDN BERHAD - IN LIQUIDATION	2,590,000	1.23
16.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Golden Bay Holding Sdn Bhd</i>	1,967,500	0.94
17.	HDM NOMINEES (ASING) SDN BHD <i>Qualifier : Pledged Securities Account for Ginwah Investments Limited</i>	1,870,000	0.89
18.	GREENLAND TIMBER INDUSTRIES (PRIVATE) LIMITED	1,774,000	0.85
19.	HDM NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Wong Swee Lin</i>	1,650,000	0.79
20.	U.B. NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for A A Anthony &amp; Co Sdn Bhd</i>	1,364,000	0.65
21.	GOLDEN BAY HOLDING SDN BHD	1,350,000	0.64
22.	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pengurusan Danaharta Nasional Berhad for Raja Zainal Abidin Bin Raja Hussin</i>	1,209,000	0.58
23.	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for A A Anthony &amp; Co Sdn Bhd</i>	1,209,000	0.58
24.	CARTABAN NOMINEES (ASING) SDN BHD <i>Qualifier : Bank of Tokyo Mitsubishi Luxembourg S.A. for Osterreichische Volksbanken AG</i>	1,000,000	0.48
25.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Muhammad Marzuki Bin A. Samad</i>	968,000	0.46
26.	INTER-PACIFIC EQUITY NOMINEES (ASING) SDN BHD <i>Qualifier : Berjaya Holdings (HK) Limited (A/C 1)</i>	936,500	0.45
27.	PACIFIC & ORIENT INSURANCE CO BERHAD	900,000	0.43
28.	CASI MANAGEMENT SDN BHD	864,000	0.41



### 30 LARGEST SHAREHOLDERS

No. Name of shareholders	No. of shares held	% of shares
29. HSBC NOMINEES (ASING) SDN BHD <i>Qualifier : HSBC (M) Trustee Bhd for Surin Upapatthang'Koon @ Lau Kim Khoon</i>	788,392	0.38
30. MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Sih Lai Peng</i>	759,500	0.37
Total	121,864,314	58.09

### SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Pinjaya Sdn Bhd	24,321,227	11.59	-	-
Casi Management Sdn Bhd	23,808,695	11.35	-	-
Dato' Surin Upatkoon	786,630	0.37	23,808,695 (a)	11.35
Eastern & Oriental Berhad	11,418,000	5.44	8,200,000 (b)	3.91
Tham Ka Hon	-	-	19,618,000 (c)	9.35

#### Notes:

(a) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Casi Management Sdn Bhd.

(b) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Kamunting Corporation Berhad.

(c) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Eastern & Oriental Berhad and Kamunting Corporation Berhad.



# ANALYSIS OF ICULS HOLDINGS

AS AT 26TH APRIL 2002

Class of security	: Irredeemable Convertible Unsecured Loan Stocks (ICULS)
Issue size	: RM66,157,533 nominal amount of 5.5% ICULS 1999/2004
Amount converted in the financial year	: Nil
Amount converted to date	: RM44,399,887
Amount outstanding to date	: RM21,757,646
Voting right	: 1 vote per ICULS
Number of ICULS holders	: 3,950

Size of Holdings	No. of Holders	% of Holders	No. of ICULS	% of ICULS
Less than 1,000	324	8.20	151,185	0.69
1,000 - 10,000	3,473	87.92	7,727,461	35.52
10,001 - 100,000	142	3.60	3,105,400	14.27
100,001 - less than 5% of the total ICULS issued	8	0.20	3,469,600	15.95
5% and above of the total ICULS issued	3	0.08	7,304,000	33.57
<b>Total</b>	<b>3,950</b>	<b>100.00</b>	<b>21,757,646</b>	<b>100.00</b>

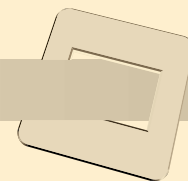
## DIRECTORS' ICULS HOLDINGS

Name	Direct	No. of ICULS held		%
		%	Indirect	
Tan Sri Datuk A. Samad bin Idris	-	-	-	-
Dato' Surin Upatkoorn	-	-	-	-
Dato' Low Hock Peng	-	-	987,000 (a)	4.54
Lawrence Lim Swee Lin	-	-	-	-
Tang King Hua	-	-	-	-
Lim Kong Yow	-	-	2,000 (b)	(c)
Dato' Ahmad Hasmini bin Hj. Hussein	-	-	-	-
Dato' Shahbudin bin Imam Mohamad	-	-	-	-
Tan Chor Teck	-	-	-	-

### Notes:

- (a) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Golden Bay Holding Sdn Bhd.
- (b) Deemed interested in 2,000 MWE ICULS held by his spouse, Madam Yap Siew Chooi.
- (c) Number of ICULS held is insignificant.





### 30 LARGEST ICULS HOLDERS

No.	Name of shareholders	No. of ICULS held	% of ICULS
1.	AAA NOMINEES (ASING) SDN BHD <i>Qualifier : Pledged Securities Account for Greenland Timber Industries Pte Ltd</i>	3,004,000	13.81
2.	GREENLAND TIMBER INDUSTRIES (PRIVATE) LIMITED	3,000,000	13.79
3.	BIZURAI BIJAK (M) SDN BHD	1,300,000	5.97
4.	TAN ENG SENG HOLDINGS SDN BHD - IN LIQUIDATION	1,036,000	4.76
5.	GOLDEN BAY HOLDING SDN BHD	987,000	4.54
6.	GREENLAND TIMBER INDUSTRIES (PRIVATE) LIMITED	530,000	2.43
7.	EASTERN & ORIENTAL BERHAD	368,000	1.69
8.	LA COSTA SDN BHD	173,000	0.80
9.	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Lau Kwai</i>	147,000	0.68
10.	LIM KOK HOCK	122,000	0.56
11.	MD NOOR BIN NORDIN	106,600	0.49
12.	M.I.T NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : DBS Vickers Secs (S) Pte Ltd for Kuang Eng Kong @ Kuan Yong Kuan</i>	80,000	0.37
13.	CITICORP NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Akbar Khan Bin Hj Mohamed Khan</i>	72,000	0.33
14.	LIEW YEW MENG	65,000	0.30
15.	FANG PERN KOK	60,000	0.28
16.	LAI KEK CHAU	60,000	0.28
17.	TAN CHIN MING	60,000	0.28
18.	HDM NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : OUB Securities Pte Ltd for Teoh Kim Eng</i>	50,400	0.23
19.	CASI MANAGEMENT SDN BHD	50,000	0.23
20.	MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Chooi Wan Yuet</i>	50,000	0.23
21.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Kwong Keng Wai</i>	50,000	0.23
22.	PUSHPA MALAR A/P YOGALINGAM	50,000	0.23
23.	CHIEW LONG @ CHEW PUAN SWEE	47,000	0.22
24.	GAN ANG KIM	42,000	0.19
25.	CHOW CHONG	40,000	0.18
26.	KAF NOMINEES (ASING) SDN BHD <i>Qualifier : DBS Vickers Secs (S) Pte Ltd for Yang Siew</i>	40,000	0.18
27.	LEE KONG KIAN	40,000	0.18
28.	NA BON BEE	40,000	0.18
29.	RGB SYSTEM SDN BHD	40,000	0.18
30.	SRI KINAB SDN BHD	40,000	0.18
Total		11,750,000	54.00



# ANALYSIS OF WARRANT HOLDINGS

AS AT 26TH APRIL 2002

Class of security	: Warrants 1999/2004
Issue size	: 66,157,533
Amount converted in the financial year	: None
Amount converted to date	: 250
Amount outstanding to date	: 66,157,283
Voting right	: 1 vote per Warrant
Number of warrant holders	: 5,677

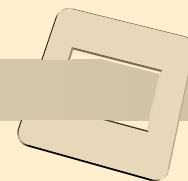
Size of Holdings	No. of Holders	% of Holders	No. of Warrants	% of Warrants
Less than 1,000	323	5.69	150,937	0.23
1,000 - 10,000	4,855	85.52	13,690,091	20.69
10,001 - 100,000	451	7.94	11,462,948	17.33
100,001 - less than 5% of the total Warrants issued	47	0.83	32,643,466	49.34
5% and above of total Warrants issued	1	0.02	8,209,841	12.41
<b>Total</b>	<b>5,677</b>	<b>100.00</b>	<b>66,157,283</b>	<b>100.00</b>

## DIRECTORS WARRANT HOLDINGS

Name	Direct	No. of Warrants held		%
		%	Indirect	
Tan Sri Datuk A. Samad bin Idris	-	-	-	-
Dato' Surin Upatkoorn	-	-	10,501,341 (a)	15.87
Dato' Low Hock Peng	-	-	337,000 (b)	0.51
Lawrence Lim Swee Lin	30,000	0.05	-	-
Tang King Hua	-	-	-	-
Lim Kong Yow	27,000	0.04	2,000 (c)	(d)
Dato' Ahmad Hasmuni bin Hj. Hussein	-	-	-	-
Dato' Shahbudin bin Imam Mohamad	-	-	-	-
Tan Chor Teck	-	-	2,262,500 (e)	3.42

### Notes:

- (a) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Casi Management Sdn Bhd.
- (b) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Golden Bay Holding Sdn Bhd.
- (c) Deemed interested in 2,000 MWE Warrants held by his spouse, Madam Yap Siew Chooi.
- (d) Number of warrants held is insignificant.
- (e) Deemed interested by virtue of Section 6A(4) of the Companies Act, 1965 held through Simansu Sdn Bhd.



### 30 LARGEST WARRANT HOLDERS

No. Name of Warrant holders	No. of Warrants held	% of Warrants
1. CASI MANAGEMENT SDN BHD	8,209,841	12.41
2. MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd</i>	4,188,000	6.33
3. PINJAYA SDN BHD	4,001,466	6.05
4. SOUTHERN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Pinjaya Sdn Bhd</i>	3,490,000	5.28
5. EASTERN & ORIENTAL BERHAD	3,368,000	5.09
6. GREENLAND TIMBER INDUSTRIES (PRIVATE) LIMITED	2,500,000	3.78
7. SIMANSU SDN BHD	2,242,500	3.39
8. SOUTHERN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Casi Management Sdn Bhd</i>	2,006,000	3.03
9. AAA NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Tan Geok Lan</i>	1,343,000	2.03
10. BIZURAI BIJAK (M) SDN BHD	1,300,000	1.97
11. TAN ENG SENG HOLDINGS SDN BERHAD - IN LIQUIDATION	1,036,000	1.57
12. AMSEC NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Sim Kay Huan</i>	550,000	0.83
13. CHOOI WAN YUET	490,000	0.74
14. GOLDEN BAY HOLDING SDN BHD	337,000	0.51
15. HDM NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Lau Kwai</i>	318,000	0.48
16. ONG LOO CHOON	298,000	0.45
17. CASI MANAGEMENT SDN BHD	285,500	0.43
18. AAA NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Chong You Chun</i>	280,000	0.42
19. CHEN LAI FUN	234,000	0.35
20. TENG CHENG SENG	217,000	0.33
21. FOO PAK KHEAN	210,000	0.32
22. IBRAHIM BIN HJ SAPEH	200,000	0.30
23. CHEONG KEE WAH	190,000	0.29
24. GOH KIM SUA	190,000	0.29
25. F.I.T NOMINEES (ASING) SDN BHD <i>Qualifier : DBS Vickers Secs (S) Pte Ltd for Wong Poh Leng</i>	184,000	0.28
26. MAYBAN NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Fua Kia Pha</i>	184,000	0.28
27. AMSEC NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Woo Chon Fatt</i>	173,000	0.26
28. CHANG LEE LEE	164,400	0.25
29. KHAW AH HEOH	160,000	0.24
30. M.I.T NOMINEES (TEMPATAN) SDN BHD <i>Qualifier : Pledged Securities Account for Wong Mei Yoke</i>	158,000	0.23
Total	38,507,707	58.21

# FORM OF PROXY



**MWE HOLDINGS BERHAD**

(Company No. 5713-D)  
(Incorporated in Malaysia)

Registered Office:  
846, Jalan Raya  
14209 Sungei Bakap  
Seberang Perai Selatan  
Pulau Pinang

**NO. OF SHARES HELD**

I/We, \_\_\_\_\_ NRIC No: \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_

being a member/members of MWE HOLDINGS BERHAD, hereby appoint \_\_\_\_\_  
(FULL NAME)

NRIC No: \_\_\_\_\_

of \_\_\_\_\_

or failing whom \_\_\_\_\_ NRIC No: \_\_\_\_\_  
(FULL NAME)

of \_\_\_\_\_

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang on Monday, 24 June 2002 at 10.30 a.m. and at any adjournment thereof.

	RESOLUTIONS	*FOR	*AGAINST
1.	Adoption of Accounts and Reports		
2.	Re-election of Mr Lawrence Lim Swee Lin as Director		
3.	Re-election of Dato' Ahmad Hasnuni bin Hj. Hussein as Director		
4.	Re-election of Mr Lim Kong Yow as Director		
5.	Re-appointment of Tan Sri Datuk A. Samad bin Idris as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965		
6.	Approval of Directors' fees		
7.	Re-appointment of Auditors		
8.	To authorise Directors to grant options and to allot and issue shares pursuant to the Employees' Share Option Scheme		
9.	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
10.	Proposed Renewal of Shareholders' Mandate and Proposed Further Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature		

\*Please indicate with an "X" in the spaces provided how you wish your vote to be cast. (If you do not do so, the Proxy will vote or abstain from voting at his discretion)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2002.

\_\_\_\_\_  
Signature of Shareholder(s)

**Notes:**

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy or two proxies to attend and vote instead of him. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy need not be a member of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, must be executed under seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at the Company's Registered Office at 846, Jalan Raya, 14209 Sungei Bakap, Seberang Perai Selatan, Pulau Pinang not less than 48 hours before the time appointed for holding the Meeting.

Fold this flap for sealing

Then Fold Here

Affix  
Stamp

The Company Secretary  
MWE HOLDINGS BERHAD (5713-D)  
846, Jalan Raya  
14209 Sungei Bakap  
Seberang Perai Selatan  
Pulau Pinang

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