



Notes On The Accounts 31 December 1999 (continued)

14. SHORT TERM BORROWINGS

	Group	
	1999 RM	1998 RM
<u>Secured</u>		
Bank overdrafts	7,928,784	7,188,626
Trade financing	8,196,102	9,739,691
	<u>16,124,886</u>	<u>16,928,317</u>
<u>Unsecured</u>		
Bank overdrafts	18,717,317	14,889,379
Trade financing	19,960,461	16,196,802
	<u>54,802,664</u>	<u>48,014,498</u>

Certain short term borrowings of a subsidiary company are secured by charges on its land and buildings. The other short term borrowings are secured by a corporate guarantee from the company. Interest is chargeable at rates ranging from 0.75% to 3.5% (1998: 0.75% to 3.5%) above the banks' prevailing base lending rates.

During the year, certain bankers have instituted legal action against the subsidiary companies, U.H. Industries Sdn Bhd and Dove Industries Sdn Bhd for the recovery of the interest and principal sums of credit facilities amounting to RM47,576,034 as at 31 December 1999. As indicated in note 1 on the accounts, the group will be undertaking a restructuring exercise which will include the restructuring of these borrowings.

15. SHARE CAPITAL

	Group and Company	
	1999 RM	1998 RM
Ordinary shares of RM1 each		
Authorised	25,000,000	25,000,000
Issued and fully paid	<u>18,000,000</u>	<u>18,000,000</u>

16. CAPITAL RESERVES - non distributable

	Group		Company	
	1999 RM	1998 RM	1999 RM	1998 RM
Share premium	2,225,090	2,225,090	2,225,090	2,225,090
Reserve on consolidation	4,883,497	4,883,497	-	-
	<u>7,108,587</u>	<u>7,108,587</u>	<u>2,225,090</u>	<u>2,225,090</u>



Consolidated Cash Flow Statement for the year ended 31 December 1999

	Note	1999 RM	1998 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(28,995,959)	(20,861,307)
Adjustments for:			
Depreciation of fixed assets		2,747,257	3,013,270
Loss/(gain) on disposal of fixed assets		172,455	(32,895)
Interest expense		5,225,078	6,889,487
Provision for diminution in the value of long term quoted investments		868,000	11,062,090
Preliminary and pre-operating expenses amortised		157,804	157,805
Goodwill written off/amortised		569,998	24,000
		<u>(19,255,367)</u>	<u>252,450</u>
Decrease in stocks		5,419,829	1,761,499
Decrease in debtors		15,201,443	4,148,032
Decrease in creditors		(1,246,500)	(1,126,118)
Cash generated from operations		<u>119,405</u>	<u>5,035,863</u>
Interest paid		(2,602,895)	(5,543,359)
Taxation refunded/(paid)		280,632	(124,094)
Preliminary and pre-operating expenses paid		(6,711)	(2,525)
Net cash used in operating activities		<u>(2,209,569)</u>	<u>(634,115)</u>
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	19	223,868	(38,603)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	20	(643,548)	(2,281,595)
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(2,629,249)</u>	<u>(2,954,313)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>(21,205,315)</u>	<u>(18,251,002)</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21	<u>(23,834,564)</u>	<u>(21,205,315)</u>

The notes on pages 14 to 27 form part of these accounts.