

UH DOVE HOLDINGS BERHAD
(305530-A)

Annual Report 2001
(laporan tahunan)

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Notice of Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be held at Crystal Crown Hotel, Crown Hall 2, Level 1, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 14 June 2002 at 10.00 a.m., to transact the following ordinary business:

1. To receive and consider the Audited Accounts for the financial year ended 31 December 2001 and the Reports of Directors and Auditors thereon. (Ordinary Resolution 1)
2. To re-elect Dato' Wan Jaafar @ Wan Mohd. Bin Abdullah who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. (Ordinary Resolution 2)
3. To re-elect Puan Zaida Khalida Binte Shaari who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. (Ordinary Resolution 3)
4. To approve Directors' Fees of RM48,000.00 for the year ended 31 December 2001. (Ordinary Resolution 4)
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)
6. As Special Business: (Special Resolution)

To consider and if thought fit, pass the following resolution:

Special Resolution
- Proposed Amendments To The Articles of Association

"THAT the deletions, alterations, modifications or additions to the Articles of Association of the Company as set out in the document marked as Appendix I be and are hereby approved AND THAT the Directors be and are hereby authorised to give effect to the aforesaid Proposed Amendments to the Articles with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities."

BY ORDER OF THE BOARD

SEOW FEI SAN (MAICSA 7009732)
WONG WEI FONG (MAICSA 7006751)
Secretaries

Petaling Jaya
Date: 21st May 2002

NOTES:-

- (i) A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead and the holder shall specify the proportion of his shareholding to be represented by each proxy; a proxy need not be a member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- (ii) Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of an officer or its attorney duly authorised.
- (iii) The instrument appointing a proxy must be deposited at the registered office of the Company at Level 14, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting, i.e. on or before 10.00 a.m., Wednesday, 12 June 2002.

Explanatory Notes of Special Resolution

The Special Resolution, if passed, will amend the Company's Articles of Association to be consistent with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange and also the various amendments made to the Companies Act, 1965, the Securities Industry (Central Depository) Act, 1991 and the Rules of the Malaysian Central Depository Sdn. Bhd. in 1998.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY

DIRECTORS STANDING FOR RE-ELECTION AND REAPPOINTMENT

- (1) Dato' Wan Jaafar @ Wan Mohd Bin Abdullah
 (2) Zaida Khalida Binte Shaari

Details of Directors who are standing for Re-election and Re-appointment

Details of the above Directors who are standing for re-election are set out in the Directors' Profiles appearing on page 8 and 12 of the Annual Report.

Board of Directors' Meeting Attendance (01.01.2001 – 31.12.2001)

Date of Meeting	Hour of Meeting	Director				
		Dato' Wan Jaafar	Paisol Bin Ahmad	Ng Wan Cher @ Ng Guan Cher	Yeoh Chong Keng	Zaida Khalida Binte Shaari
+ 14/02/2001	3.10	x	x	x	x	x
# 23/02/2001	3.15	x	x	x	x	x
+ 18/04/2001	3.50	x	x	x	x	x
+ 09/05/2001	2.45	x	x	x	x	-
* 13/06/2001	2.45	x	-	x	-	x
# 25/07/2001	2.00	x	x	x	x	-
+ 15/08/2001	2.00	x	x	x	x	x
# 17/09/2001	1.15	x	-	x	x	x
# 04/10/2001	2.45	x	x	x	x	x
+ 15/11/2001	8.15	x	x	x	x	x
# 04/12/2001	2.45	x	x	x	x	x
# 21/12/2001	3.50	x	x	x	x	-
Total Attendance		12	10	12	11	9

Legend

"x" = Attended

"-" = Absent

* = AGM

= Emergency Board of Directors Meeting

+ = Scheduled Meeting

Place of Meetings Held:

Other than the Meeting held on 13/06/2001, which was held at Crystal Crown Hotel, Crown Hall 2, Level 1, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan, all meetings were held at Level 14, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown 47400 Petaling Jaya, Selangor Darul Ehsan.

Total Number of Board Meetings held in the financial year ended 31 December 2001: 12

CORPORATE INFORMATION

BOARD OF DIRECTORS	Dato' Wan Jaafar @ Wan Mohd Bin Abdullah (Non-Executive Chairman) Paisol Bin Ahamd (Non-Executive Director) Yeoh Chong Keng (Non-Executive Director) Ng Wan Cher @ Ng Guan Cher (Independent Non-Executive Director) Zaida Khalida Binte Shaari (Non-Executive Director)
AUDIT COMMITTEE	Yeoh Chong Keng (Non-Executive Director) Paisol Bin Ahmad (Non-Executive Director) Ng Wan Cher @ Ng Guan Cher (Independent Non-Executive Director)
COMPANY SECRETARIES	Seow Fei San (MAICSA 7009732) Wong Wei Fong (MAICSA 7006751)
REGISTERED OFFICE	Level 14, Uptown 1 No. 1 Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Tel: 03-7725 2888 Fax: 03-7725 7791/92/93
REGISTRAR	PFA Registration Services Sdn Bhd Level 13, Uptown 1 No. 1 Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Tel: 03-7725 4888 Fax: 03-7722 2311
AUDITORS	PricewaterhouseCoopers (AF : 1146) Public Accountants 12 th Floor, Bangunan Yayasan Melaka Jalan Hang Tuah 75300 Melaka
BUSINESS ADDRESS	Lot 68-B, Air Keroh Industrial Estate 75450 Melaka Tel: 06-2321311 Fax: 06-2320313
PRINCIPAL BANKERS	Southern Bank Berhad 37 Lorong Setia Satu Air Keroh Heights 75450 Melaka OCBC Bank (Malaysia) Bhd 6 Lorong Hang Jebat 75200 Melaka
SOLICITORS	Iza Ng Yeoh & Kit Suite 13.08, 13 th Floor, Plaza 138 No. 138 Jalan Ampang 50450 Kuala Lumpur
STOCK EXCHANGE LISTING	Kuala Lumpur Stock Exchange Second Board

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE

Chairman

Mr. Yeoh Chong Keng (Non-Executive Director)

Members

Encik Paisol Bin Ahmad (Non-Executive Director)

Mr. Ng Wan Cher @ Ng Guan Cher (Independent Non-Executive Director)

TERMS OF REFERENCE OF AUDIT COMMITTEE

Chairman

The Committee shall be elected by the Committee from among their members who shall be an independent director.

Members

The Committee shall be appointed by the Board of Directors and shall consist of not less than 3 members, the majority of whom shall be independent directors and at least one member shall be an accountant.

A quorum shall be majority of members who shall be the independent directors. In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

At present, there is only one independent non-executive Director on the Board. The composition of the Board does not comply with Paragraph 15.02 of the Kuala Lumpur Stock Exchange (KLSE) Listing Requirements which stipulates that a minimum of 2 members or 1/3 of the Board to be Independent Directors. Nevertheless, the Company has applied to the KLSE for an extension of time to comply with the said requirement and the KLSE has approved the extension until 30/8/2002.

Rights

The Committee shall:-

- (1) have authority to investigate any matter within its terms of reference;
- (2) have the resources which are required to perform its duties;
- (3) have full and unrestricted access to any information pertaining to the Company;
- (4) have direct communication channels with the external auditors and person(s) carrying out internal audit function or activity (if any);
- (5) be able to obtain independent professional or other advice ; and
- (6) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary

Functions

The Committee shall:-

- (1) review the following and report the same to the Board of Directors: -
 - (a) with the external auditors, the audit plan, his evaluation of the system of internal controls, his audit report;
 - (b) the assistance given by the employees of the Company to the external auditor;

- (c) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (e) the quarterly results and year end financial statements, prior to the approval by the Board of Directors;
 - (f) any related party transaction and conflict of interest situation that may arise within the Company or group;
 - (g) any letter of resignation from the external auditors; and
 - (h) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors.
- (3) report promptly to the Exchange where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

Attendance at Meeting

Other directors and employees may attend any particular audit committee meeting only at the Committee's invitation, specific to the relevant meeting. The Company Secretary shall act as the secretary of the Committee.

Frequency of Meetings

Meetings shall be held not less than five (5) times a year to review the quarterly results and year end financial statements. Other meetings may be held as and when required.

Audit Committee Meeting Attendance (01.01.2001 - 31.12.2001)

<u>Date of Meeting</u>	<u>Director</u>		
	Paisol Bin Ahmad	Ng Wan Cher @ Ng Guan Cher	Yeoh Chong Keng
14/02/2001	X	X	X
18/04/2001	X	X	X
09/05/2001	X	X	X
15/08/2001	X	X	X
15/11/2001	X	X	X

Legend

"x" = Attended

ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee met five times during the financial year ended 31 December 2001. The activities of the Audit Committee for the financial year were summarised as follows: -

- (1) The Committee reviewed the audit plans with the external auditors;
- (2) The Committee reviewed the audit report with the auditors;
- (3) The Committee reviewed the effectiveness of internal control systems; and in particular, review the external auditors' management letter and findings;
- (4) The Committee reviewed the financial statement of the Company and the Group and thereafter to submit them to the Board for approval;
- (5) The Committee reviewed the interim financial information and press releases relating to financial matters of importance.

INTERNAL AUDIT MECHANISM

The Management of the Company has formulated an Internal Control Manual whereby the operations of the Company are guided by this manual. The Audit Committee reviewed the Internal Control Manual to ensure the effectiveness of the internal control systems.

CHAIRMAN'S STATEMENT

INTRODUCTION

On behalf of the Board of Directors of UH DOVE HOLDINGS BERHAD, I wish to present the Annual Report for the year ended 31 December 2001.

FINANCIAL PERFORMANCE

The Group's turnover for the year has been affected by inadequate working capital although in terms of overall operating performance, a lower Group loss before taxation was incurred.

For the year under review, the Group loss before taxation for the year ended 31 December 2001 was RM3,751,359 as compared to RM13,408,693 for the previous year. The lower loss was mainly due to lower operational loss and interest waiver by the creditor banks as provided in the Supplemental Settlement Agreement.

RESCUE CUM DEBT RESTRUCTURING SCHEME

On 1 December 2000, Debt Settlement Agreement and Sale and Purchase Agreements on acquisition of land were executed and announced. Subsequent to that, on 28 February 2001, an application was submitted to the Securities Commission and other relevant authorities for approval of the Company's proposed rescue cum debt restructuring scheme. On 26th April 2001 and 14th August 2001, approval was obtained from the Foreign Investment Committee. On 23rd August 2001, MITI granted its approval in respect of the proposed rescue cum debt restructuring scheme. On 28th September 2001, the Securities Commission granted its conditional approval on the Company's proposed rescue cum debt restructuring scheme.

The Company has on 6 February 2002 entered into the following Supplemental agreements: -

- (a) Supplemental Settlement Agreement with the creditor banks and Miramas Development Sdn Bhd; and
- (b) Supplemental Sale and Purchase Agreements with Miramas Realty Sdn Bhd and Multiple Launch Sdn Bhd.

All parties are now working towards the implementation of the Rescue Cum Debt Restructuring scheme.

PROSPECTS

The Directors are hopeful that the proposed restructuring exercise will be completed by 2002. When the Rescue Cum Debt Restructuring Scheme is completed, the performance of the Company is expected to improve thereafter.

DIVIDENDS

No dividend is recommended.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my thanks and appreciation to the relevant authorities for their kind assistance, and to the management and staff and also to our valued clients and business associates for their continuous and invaluable support.

DATO' WAN JAAFAR @ WAN MOHD BIN ABDULLAH
Chairman

Date : 8th May 2002

DIRECTORS' PROFILE

Name	Dato' Wan Jaafar @ Wan Mohd Bin Abdullah
Age	63
Nationality/Race	Malaysian Malay
Position on the Board	Non Executive Chairman
Qualification	B. A. (Hons) Malaya, Diploma in Public Administration, ISS The Hague
Working experience and occupation	Dato' Wan Jaafar retired from the civil service in 1993. He began his career in the civil service in 1964 as Assistant District Officer with the District Office in Kuala Terengganu and later held several key positions including the posts of State Secretary Pahang and Secretary-General Ministry of Agriculture. After retirement, he was appointed as a Member and then Deputy Chairman of the Public Services Commission from October 1993 until May 1998.
Date first appointed to the board	21.05.1999
Details of any board committee to which he belongs	None
Directorships of other public companies	None
Securities holding in the Company & Its subsidiaries	None
Family relationship with any director and/or substantial shareholder of the Company	None
Conflict of interest with the Company	None
List of convictions for offences within the past 10 years other than traffic offences	None

DIRECTORS' PROFILE

Name	Paisol Bin Ahmad
Age	48
Nationality/Race	Malaysian Malay
Position on the Board	Non Executive Director
Qualification	CA(M), FCCA (UK)
Working experience and occupation	En. Paisol is currently the Executive Director of Amanah Saham Nasional Berhad, a Unit Trust Management Company which is wholly owned by Permodalan Nasional Berhad ("PNB"). various senior position in the PNB Group of Companies. He was the Senior Accountant of Pemas Charter Management Sdn. Berhad before joining PNB in 1993.
Date first appointed to the board	26.02.1997
Details of any board committee to which he belongs	Audit Committee
Directorships of other public companies	Chemical Company of Malaysia Berhad Formosa Prosonic Industries Berhad Amanah Saham Nasional Berhad
Securities holding in the Company & Its subsidiaries	None
Family relationship with any director and/or substantial shareholder of the Company	None
Conflict of interest with the Company	None
List of convictions for offences within the past 10 years other than traffic offences	None

DIRECTORS' PROFILE

Name	Ng Wan Cher @ Ng Guan Cher
Age	54
Nationality/Race	Malaysian Chinese
Position on the Board	Independent Non Executive Director
Qualification	Senior Cambridge, Diploma in Accounting
Working experience and occupation	Encik Ng Wan Cher is currently the Chief Executive Officer of South Peninsular Industries Bhd. He also holds Directorships in several other Private Companies. He has acquired a vast knowledge of the metal industry over the past 25 years. He is also very experienced in the overall management and business administration of manufacturing companies.
Date first appointed to the board	28.10.1998
Details of any board committee to which he belongs	Independent Director of Audit Committee Member
Directorships of other public companies	South Peninsular Industries Berhad
Securities holding in the Company & Its subsidiaries	None
Family relationship with any director and/or substantial shareholder of the Company	None
Conflict of interest with the Company	None
List of convictions for offences within the past 10 years other than traffic offences	None

DIRECTORS' PROFILE

Name	Yeoh Chong Keng
Age	50
Nationality/Race	Malaysian Chinese
Position on the Board	Non Executive Director
Qualification	Barrister-at-Law
Working experience and occupation	Mr. Yeoh is an Advocate and Solicitor and the Managing Partner of a legal firm in Kuala Lumpur. He was a former senior police officer. He has sat on the Board of several public listed companies.
Date first appointed to the board	28.10.1998
Details of any board committee to which he belongs	Audit Committee
Directorships of other public companies	The Store Corporation Berhad
Securities holding in the Company & Its subsidiaries	None
Family relationship with any director and/or substantial shareholder of the Company	None
Conflict of interest with the Company	None
List of convictions for offences within the past 10 years other than traffic offences	None

DIRECTORS' PROFILE

Name	Zaida Khalida Binte Shaari
Age	34
Nationality/Race	Malaysian Malay
Position on the Board	Non Executive Director
Qualification	Barrister – at - Law
Working experience and occupation	Puan Zaida is presently the Head of the Legal Department of Permodalan Nasional Berhad (PNB). She was previously in legal practice prior to joining PNB in 1997.
Date first appointed to the board	16.12.1998
Details of any board committee to which he belongs	None
Directorships of other public companies	Petaling Garden Berhad C.I. Holdings Berhad Fraser & Neave Holdings Berhad
Securities holding in the Company & Its subsidiaries	None
Family relationship with any director and/or substantial shareholder of the Company	None
Conflict of interest with the Company	None
List of convictions for offences within the past 10 years other than traffic offences	None

STATEMENT ON CORPORATE GOVERNANCE

The Code:

Pursuant to paragraph 15.26 of the Kuala Lumpur Stock Exchange (“KLSE” or “the Exchange”) Listing Requirements, a public listed company on the KLSE with financial year ending after 30 June 2001 is required to disclose in its Annual Report a narrative statement of how it has applied the Principles of Corporate Governance as set out in Part 1 of the Malaysian Code on Corporate Governance (“the Code”) and the extent of its compliance with the best practices stipulated in the Code.

The Board of Directors (“the Board”) of UH Dove Holdings Berhad (“the Company”) fully subscribes to the Principles and Best Practices of the Malaysian Codes of Corporate Governance (“the Code”). The Board is taking all necessary steps in ensuring that good governance is practiced throughout the Group and to achieve the Group’s objective of shareholders’ value.

The Principles of the Code are divided into four categories: -

- (1) The Board of Directors
- (2) Directors’ Remuneration
- (3) Relationship with Shareholders
- (4) Accountability and Audit

1. THE BOARD OF DIRECTORS

The Board has the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investments and operations of the Group. The Board of Directors are also responsible for the performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues.

At UH Dove Holdings Berhad, the roles of the Chairman/Directors are primarily responsible for the effective functioning of the Board and related corporate affairs and for formulating general Company policies and making strategic business decisions sanctioned by the Board of Directors. The Directors are supported by the Chief Operating Officer who is responsible for the execution of these decisions and policies and the day-to-day operations at the plant. Hence, there is a clear and defined division of responsibilities between the Directors and the Chief Operating Officer of the Company. The presence of the non-executive directors on the Board is to ensure that no individual has unrestricted power or influence over any board decision.

Composition of the Board

The Board of Directors comprises five (5) Directors of which all are Non-Executive Directors. The Directors have a wide range of business, financial and technical experience. The profile of the Directors as set out on page 8 to 12 demonstrating their range of experience.

At present, there is only one independent non-executive Director on the Board. The composition of the Board does not comply with Paragraph 15.02 of the Kuala Lumpur Stock Exchange (KLSE) Listing Requirements which stipulates that a minimum of 2 members or 1/3 of the Board to be Independent Directors. Nevertheless, the Company has applied to the KLSE for an extension of time to comply with the said requirement and the KLSE has approved the extension until 31/8/2002.

Board Balance

The Company considers that its complement of non-executive directors provides an effective Board with broad business and commercial experience. The Board balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Company's strategy and performance so as to ensure that the highest standards of conduct and integrity are maintained by the Company.

Board Meetings

A total of twelve (12) Board meetings were held during the financial year ended 31 December 2001. The attendance of each Director to the Board meetings held during the year are summarized as follows: -

Directors	Number of Board Meetings	
	Held	Attended
Dato' Wan Jaafar @ Wan Mohd Bin Abdullah	12	12
Paisol Bin Ahmad	12	10
Yeoh Chong Keng	12	11
Ng Wan Cher @ Ng Guan Cher	12	12
Zaida Khalida Binte Shaari	12	9

The Board has a schedule of five (5) meetings a year and meets additionally as and when required, usually at the end of each financial quarter before the Quarterly Announcement to the Exchange. During these meetings, the Board deliberated and considered a variety of matters affecting the Group's operations including the Group's financial statements, business plans and direction of the Group.

During the financial year, the Board also resolved and approved the Company's matters through circular resolutions. Board members are provided with sufficient detailed information for approvals via circular resolutions and are given full access to senior management to clarify any matters arising.

Supply of information

All Directors have access to the advice and services of the Company Secretary. Besides this, all Directors are provided with written reports and supporting information ahead of the meetings in order for the Directors to have sufficient time to enable them to obtain further explanations where necessary before the meeting.

Appointments to the Board

The establishment of a Nomination Committee has not been undertaken as the Board is primarily responsible for making recommendations for any new appointments to the Board and assessment of Directors on an on-going basis. Nevertheless, the Board will evaluate the need to establish the Nomination Committee as soon as practicable.

Re-election of Directors

Under the provisions of the Company's Article of Association, all Directors shall retire from office at least once in every 3 years but shall be eligible to offer themselves for re-election. In this Annual Report, the relevant details pertaining to the Directors seeking re-election are set out on page 3.

2. DIRECTORS' REMUNERATION

The establishment of a Remuneration Committee has not been undertaken as the Board itself undertakes the responsibility of reviewing the suitable remuneration package for Directors. Nevertheless, the Board will evaluate the need to establish the Remuneration Committee when necessary.

The Company provides provision for reimbursement of reasonable expenses incurred by the Directors in the course of carrying out their duties as Directors.

Aggregate remuneration of Directors during the financial year ended 31 December 2001 can be categorised into the following components:-

Category	Director's Fees	Salaries	Bonus	Others	Total
	(RM)	(RM)	(RM)	(RM)	(RM)
Non-Executive Directors	48,000	-	-	20,100	68,100

Directors' remuneration are broadly categorised into the following bands:

Range of Remuneration	Number of Directors
Below RM50,000	5
RM50,001 to RM100,000	-
RM100,001 to RM800,000	-
RM800,001 to RM850,000	-

3. RELATIONSHIP WITH THE SHAREHOLDERS

Dialogue between the Company and Investors

The Board acknowledges the need for the shareholders and investors to be informed of Group's performance, corporate strategy and other matters that are affecting shareholders' interest. This is achieved through announcements via the KLSE LINK, annual reports and circular to shareholders.

Annual General Meeting (AGM)

The Annual General Meeting is the principal forum for dialogue with shareholders. Besides the usual agenda for the Annual General Meeting, the Board presents the progress and performance of the business as contained in the annual report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All directors are available to provide responses to questions from the shareholders during the meeting.

4. ACCOUNTABILITY AND AUDIT

Financial Report

The Board aims to present a balanced and understandable assessment of the Group's position and prospects in all its financial report.

The Directors have a responsibility to give a fair assessment of the Group's position and prospects through quarterly reporting to Kuala Lumpur Stock Exchange and the Annual Report to the shareholders. The quarterly results announcements also reflects the Board's commitment to give regular updated assessments on the Company's performance.

Responsibility Statement by Directors on Annual Audited Accounts

The Directors are responsible to ensure that the Annual Financial Statements of the Company and the Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965, and the Listing Requirement of the Kuala Lumpur Stock Exchange. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group to prevent fraud and other irregularities.

Internal Controls

The Board acknowledges the overall responsibility to maintain a good system of internal controls to safeguard the Group's assets and consequently, the shareholders' investment in the Company. However, it should be noted that the system, by its nature, is designed to manage rather than eliminate risk of failure to achieve business objective.

The key management personnel are responsible to monitor and manage, and to provide regular reports to the Board to permit reasonable assessment of the state of financial health of the business activities.

Relationships With Auditors

The role of the Audit Committee in relation to the external auditors is presented in the Report on Audit Committee set out on page 5 to 6. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards.

Statement of Compliance With the Best Practices of the Code

The Company will continuously review its principles and practices in corporate governance in achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

OTHER INFORMATION

Share Buy-backs

During the financial year ended 31 December 2001, there was no share buyback by the Company.

Options, Warrants or Convertible Securities

The Company issued no options, warrants or convertible securities during the financial year ended 31 December 2001.

American Depository Receipt (ADR) or Global Depository Receipt (GDR)

During the financial year ended 31 December 2001, the Company did not sponsor any ADR or GDR programme.

Sanctions and/or Penalties

There was no sanction or penalty imposed in the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

Non-audit Fees

The Group did not pay any non-audit fees to the External Auditors during the financial year ended 31 December 2001.

Profit Guarantee

During the financial year ended 31 December 2001, there were no profit guarantees given to the Company.

Material Contracts

There was no material contract other than in the ordinary course of business entered into by the Company or its subsidiaries either still subsiding at the end of the financial year ended 31 December 2001 or entered into since the end of the previous financial year involving Directors' and major shareholders' interests.

Revaluation Policy

There was no revaluation done on landed properties for the financial year ended 31 December 2001.

RECURRENT RELATED PARTY TRANSACTIONS

<i>Date</i>	Description	Parties	Relationship	Rationale	Consideration	Commercial Terms
22.02.01	Professional Legal Services	U.H. Trading (Johore) Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit, Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees & disbursements payable to Iza Ng Yeoh & Kit to proceed with winding –up of one (1) Judgment Debtor	RM3,100.00	Ordinary course of business
22.02.01	Professional Legal Services	U.H. Trading (Ipoh) Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees & disbursements payable to Iza Ng Yeoh & Kit to proceed with winding –up of one (1) Judgment Debtor	RM3,100.00	Ordinary course of business
22.02.01	Professional Legal Services	U.H. Industries Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees & disbursements payable to Iza Ng Yeoh & Kit to proceed with winding –up of one (1) Judgment Debtor	RM3,100.00	Ordinary course of business
08.03.01	Professional Legal Services	U.H. Industries Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees & disbursements payable to Iza Ng Yeoh & Kit to proceed with executing bankruptcy proceedings against two (2) personal guarantors guaranteeing trade debts by a Judgment Debtor	RM6,200.00	Ordinary course of business

RECURRENT RELATED PARTY TRANSACTIONS (continued)

<i>Date</i>	Description	Parties	Relationship	Rationale	Consideration	Commercial Terms
13.06.01	Professional Legal Services	U.H. Trading (Ipoh) Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed Initial disbursements payable to Iza Ng Yeoh & Kit to attend full trial against a defendant	RM1,500.00	Ordinary course of business
03.09.01	Professional Legal Services	U.H. Trading (Ipoh) Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees payable to Iza Ng Yeoh & Kit to facilitate filing of the Notice of change of solicitors against a Debtor	RM1,000.00	Ordinary course of business
06.09.01	Professional Legal Services	U.H. Trading (KL) Sdn Bhd, Subsidiary of UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees payable to Iza Ng Yeoh & Kit to proceed with Winding Up Petition against a Debtor	RM1,649.50	Ordinary course of business
29.11.01	Professional Legal Services	UH Dove Holdings Berhad Iza Ng Yeoh & Kit Solicitors & Advocates	Mr. Yeoh Chong Keng, Non Executive Director of UH Dove Holdings Berhad Mr. Yeoh Chong Keng, Partner of Iza Ng Yeoh & Kit	Agreed fees payable to Iza Ng Yeoh & Kit towards payment of disbursements to enable them to conduct land searches, company searches in view of Due Diligence Review Exercise on UH Dove	RM10,000	Ordinary course of business

DIRECTORS REPORT

The directors hereby submit their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

Principal activities

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Note 11 to the financial statements. There have been no significant changes in these activities during the financial year.

Financial results

	<u>Group</u> RM	<u>Company</u> RM
Loss after taxation and net loss for the financial year	(3,752,320)	(90,281)

Restructuring exercise

As at 30 November 2001, the Company's ("UHDB") rescue cum debt restructuring exercise involving the following has been approved by the relevant authorities:

- (a) a proposed Rights Issue of 27,000,000 new ordinary shares of RM1 each in the Company on the basis of three (3) shares for every two (2) existing ordinary shares held at an issue price of RM1 each per share;
- (b) a proposed issue of 32,488,497 new ordinary shares of RM1 each in the Company to the respective bank creditors of its two (2) wholly-owned subsidiary companies for the settlement of bank borrowings pursuant to a debt restructuring exercise;
- (c) the proposed acquisitions of the following:
 - (i) the entire issued and paid-up share capital of Bertam Development Sdn Bhd comprising 4,991,274 shares (together with the rights to allotment of 233,937 new shares in Bertam) for a total purchase consideration of up to RM70,000,000 to be satisfied by the issue of 70,000,000 new UHDB shares at an issue price of RM1 per share;
 - (ii) the entire issued and paid-up share capital of Budaya Identiti Sdn Bhd comprising 5,000,000 shares for a total purchase consideration of up to RM15,659,000 to be satisfied by the issue of 15,659,000 new UHDB shares at an issue price of RM1 per share;
 - (iii) the entire issued and paid-up share capital of Syarikat Sungei Buan Sdn Bhd comprising 2,000,000 shares for a total purchase consideration of RM14,000,000 to be satisfied by the issue of 14,000,000 new UHDB shares at an issue price of RM1 per share; and
 - (iv) eight (8) parcels of freehold land in Muar, Johor with a total acreage of approximately 270 acres for a total purchase consideration of RM43,100,000 to be satisfied by the issue of 43,100,000 new UHDB shares at an issue price of RM1 per share.

DIRECTORS REPORT (CONTINUED)

Restructuring exercise (continued)

On 6 February 2002, the Company has entered into supplemental settlement agreement with the bank creditors in respect of the above debt restructuring exercise. Miramas Development Sdn Bhd ("MDSB"), the holding company of Miramas Realty Sdn Bhd (one of the vendors of the Muar land) will grant a put option to the bank creditors, wherein their shares in UHDB may be purchased by MDSB at a purchase price of not less than RM1.10 per share during a 24 month period prior to the expiry of the option, failing which, the bank creditors can put to MDSB to purchase the shares at RM1.10 per share at the end of the 24 months.

At this juncture, all the relevant parties are working towards the implementation of the exercise. The completion of the exercise is subject to the approval of the relevant authorities and the shareholders. The Directors are of the opinion that the exercise will be successfully implemented.

Dividends

The directors do not recommend that any dividend be paid. No dividends have been paid or declared by the Company since the end of the previous financial year.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Directors

The directors who have held office during the period since the date of the last report are:

Dato' Wan Jaafar @ Wan Mohd bin Abdullah
Paisol bin Ahmad
Yeoh Chong Keng
Ng Wan Cher @ Ng Guan Cher
Zaida Khalida binte Shaari

In accordance with Article 91 of the company's Articles of Association, Dato' Wan Jaafar @ Wan Mohd bin Abdullah and Zaida Khalida binte Shaari retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration in Note 6 to 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 he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS REPORT (CONTINUED)

Directors' interests in shares

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year held any interest in shares in the Company and its related corporations.

According to the register of directors' shareholdings, none of the directors held any interest in shares in the Company and its related corporations as at 21 January 2002.

Statutory information on the financial statements

Before the income statements and balance sheets were made out, the directors took reasonable steps:

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS REPORT (CONTINUED)

Other statutory information

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 which would render any amount stated in the financial statements misleading.

In the opinion of the directors,

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the interest waived by certain bank creditors as disclosed in Note 7 to the financial statements; and
- (b) 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 Group or of the Company for the financial year in which this report is made.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 10 APR 2002

DATO' WAN JAAFAR @ WAN MOHD
BIN ABDULLAH
DIRECTOR

NG WAN CHER @ NG GUAN CHER
DIRECTOR

Melaka

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

SECTION 169(16) OF THE COMPANIES ACT, 1965

We, Dato' Wan Jaafar @ Wan Mohd bin Abdullah and Ng Wan Cher @ Ng Guan Cher, two of the directors of UH Dove Holdings Berhad., state that in the opinion of the directors, the financial statements set out on pages 27 to 45 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2001 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 10 APR 2002

DATO' WAN JAAFAR @ WAN MOHD BIN
ABDULLAH
DIRECTOR

NG WAN CHER @ NG GUAN CHER
DIRECTOR

Melaka

SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Seow Kan Hin, the officer responsible for the financial management of UH Dove Holdings Berhad., do solemnly and sincerely declare that the financial statements set out on pages 27 to 45 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SEOW KAN HIN

Subscribed and solemnly declared by the abovenamed Seow Kan Hin at Melaka in Malaysia on 10 APR 2002, before me.

COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS TO THE MEMBER OF UH DOVE HOLDINGS BERHAD

1. We have audited the financial statements set out on pages 8 to 26. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

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

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

3. Without qualifying our opinion, we draw attention to Note 3 to the financial statements. The Group and the Company incurred a net loss of RM3,752,320 and RM90,281 respectively for the financial year ended 31 December 2001. As at that date, the Group and the Company had a deficit in shareholders' equity of RM35,303,188 and RM74,795 respectively and the net current liabilities of the Group and the Company amounted to RM57,654,380 and RM74,795 respectively. As at 31 December 2001, the short term borrowings of the Group amounted to RM60,267,092.

Cash flows from the existing activities of the Group and of the Company may not be sufficient to meet financial obligations as they fall due. In view of these factors, the validity of preparing the financial statements on the going concern basis depends on successful completion of the restructuring exercise disclosed in Note 2 to the financial statements.

REPORT OF THE AUDITORS TO THE MEMBER OF UH DOVE HOLDINGS BERHAD (CONTINUED)

4. We are satisfied that the financial statements of the subsidiary companies 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.

5. Our audit reports on the financial statements of the subsidiary companies were not subject to any qualification or any adverse comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF-1146)
Chartered Accountants

MOHD. DARUIS BIN ZAINUDDIN
(No. 969/3/03(J/PH))
Partner of the firm

Melaka

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

	Note	Group		Company	
		<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Revenue	5	10,411,364	10,011,406	74,700	74,700
Cost of sales		(11,630,334)	(11,465,337)	(68,100)	(45,300)
	
Gross (loss)/profit		(1,218,970)	(1,453,931)	6,600	(29,400)
Other operating income		376,982	139,042	155,357	288,100
Selling and distribution expenses		(413,394)	(3,407,278)	-	-
Administrative expenses		(2,363,030)	(3,049,278)	(180,558)	(151,460)
Other operating expenses		(678)	(369,938)	(71,680)	(77,702)
	
(Loss)/profit from operations	6	(3,619,090)	(8,141,383)	(90,281)	88,338
Finance cost	7	(132,269)	(5,267,310)	-	-
	
(Loss)/profit from ordinary activities before taxation		(3,751,359)	(13,408,693)	(90,281)	88,338
Taxation	8	(961)	(208)	-	-
	
(Loss)/profit after taxation and net (loss)/profit for the financial year		(3,752,320)	(13,408,901)	(90,281)	88,338
	
Loss per share (sen)	9	(21)	(74)		
Dividends per share (sen)		-	-		
			

The notes on pages 32 to 45 form part of these financial statements.

BALANCE SHEETS – 31 DECEMBER 2001

	Note	Group		Company	
		<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Non current assets					
Property, plant and equipment	10	22,292,368	24,653,231	-	-
Investments in subsidiary companies	11	-	-	-	-
Quoted investments	12	58,824	230,640	-	-
	
		22,351,192	24,883,871	-	-
	
Current assets					
Inventories	13	2,197,218	2,334,214	-	-
Receivables	14	2,131,395	1,854,697	1,000	-
Prepaid share issue expenses		1,207,307	787,461	1,207,307	787,461
Fixed deposit with a licensed bank		188,000	188,000	-	-
Cash and bank balances		641,898	932,314	4,977	3,787
	
		6,365,818	6,096,686	1,213,284	791,248
	
Less: Current liabilities					
Payables	15	3,717,832	2,552,582	1,263,962	751,645
Hire purchase liabilities	16	-	59,686	-	-
Current tax liabilities		35,274	35,274	24,117	24,117
Short term borrowings	17	60,267,092	59,883,883	-	-
	
		64,020,198	62,531,425	1,288,079	775,762
	
Net current (liabilities)/assets		(57,654,380)	(56,434,739)	(74,795)	15,486
	
		(35,303,188)	(31,550,868)	(74,795)	15,486
	
Capital and reserves					
Share capital	18	18,000,000	18,000,000	18,000,000	18,000,000
Share premium		2,225,090	2,225,090	2,225,090	2,225,090
Reserve on consolidation		4,883,497	4,883,497	-	4,883,497
Accumulated losses		(60,411,775)	(56,659,455)	(20,299,885)	(20,209,604)
	
Shareholders' equity		(35,303,188)	(31,550,868)	(74,795)	15,486
	

The notes on pages 32 to 45 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

	<u>Share capital</u> RM	<u>Share premium</u> RM	<u>Non-distributable</u> <u>Share consolidation</u> RM	<u>Share losses</u> RM	<u>Total</u> RM
Group					
<u>2001</u>					
At 1 January 2001	18,000,000	2,225,090	4,883,497	(56,659,455)	(31,550,868)
Net loss for the financial year	-	-	-	(3,752,320)	(3,752,320)

At 31 December 2001	18,000,000	2,225,090	4,883,497	(60,411,775)	(35,303,188)

<u>2002</u>					
At 1 January 2000	18,000,000	2,225,090	4,883,497	(43,250,554)	(18,141,967)
Net loss for the financial year	-	-	-	(13,408,901)	(13,384,901)

At 31 December 2000	18,000,000	2,225,090	4,883,497	(56,659,455)	(31,550,868)

Company					
<u>2001</u>					
At 1 January 2001	18,000,000	2,225,090	-	(20,209,604)	15,486
Net loss for the financial year	-	-	-	(90,281)	(90,281)

At 31 December 2001	18,000,000	2,225,090	-	(20,299,885)	(74,795)

<u>2002</u>					
At 1 January 2000	18,000,000	2,225,090	-	(20,297,942)	(72,852)
Net profit for the financial year	-	-	-	88,338	88,338

At 31 December 2000	18,000,000	2,225,090	-	(20,209,604)	15,486

The notes on pages 32 to 45 form part of these financial statements.

CASH FLOW STATEMENTS – FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

	Group		Company	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Cash flows from operating activities				
Net (loss)/profit for the financial year	(3,752,320)	(13,408,901)	(90,281)	88,338
Adjustments for:				
Allowance for diminution in value of investments in subsidiary companies	-	-	-	2
Allowance for doubtful debts	14,885	3,052,125	71,680	77,700
Depreciation of property, plant and equipment	2,371,965	2,531,072	-	-
Loss on disposal of property	-	49,446	-	-
Loss on disposal of plant and equipment	270	573	-	-
Interest expense	132,269	5,267,310	-	-
Allowance for diminution in the value of long term quoted investments written back	(74,122)	(8,416,535)	-	-
Preliminary and pre-operating expenses written off	-	25,073	-	-
Long term quoted investments written off due to capital reduction	-	8,736,455	-	-
Plant and equipment written off	8,686	702	-	-
Interest income	-	(5,016)	-	-
Gain on disposal of long term quoted investments	(31,997)	-	-	-
Taxation charge	961	208	-	-

Operating (loss)/profit before working capital changes	(1,329,403)	(2,167,488)	(18,601)	166,040
Decrease in inventories	136,996	530,647	-	-
Increase in receivables	(302,916)	(122,685)	(72,680)	77,700
Increase/(decrease) in payables	796,433	(582,216)	143,500	79,880

Net cash (used in)/generated from operations	(698,890)	(2,341,742)	52,219	168,220
Taxation refunded/(paid)	10,372	(390,710)	-	(280)

Net cash (used in)/generated from operating activities	(688,518)	(2,732,452)	52,219	167,940

The notes on pages 32 to 45 form part of these financial statements.

CASH FLOW STATEMENTS – FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001 – (CONTINUED)

	Note	Group		Company	
		<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Net cash inflow from investing activities	19(a)	257,877	1,484,729	-	-
Net cash inflow/(outflow) from financing activities	19(b)	162,061	(3,069,951)	(51,029)	(191,650)
	
Net (decrease)/increase in cash and cash equivalents		(268,580)	(4,317,674)	1,190	(23,710)
Cash and cash equivalents at beginning of the financial year		(28,340,238)	(24,022,564)	3,787	27,497
	
Cash and cash equivalents at end of the financial year	19(c)	(28,608,818)	(28,340,238)	4,977	3,787
	

The notes on pages 32 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiary companies are set out in Note 11 to the financial statements.

The number of employees at the end of the financial year was 148 (2000: 153) for the Group and Nil (2000: Nil) for the Company.

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the Second Board of the Kuala Lumpur Stock Exchange.

The address of the registered office of the Company is Level 14, Uptown 1, No. 1, Jalan SS 21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is Lot 68-B, Air Keroh Industrial Estate, 75450 Melaka.

2. Restructuring exercise

As at 30 November 2001, the Company's ("UHDB") rescue cum debt restructuring exercise involving the following has been approved by the relevant authorities:

- (a) a proposed Rights Issue of 27,000,000 new ordinary shares of RM1 each in the Company on the basis of three (3) shares for every two (2) existing ordinary shares held at an issue price of RM1 each per share;
- (b) a proposed issue of 32,488,497 new ordinary shares of RM1 each in the Company to the respective bank creditors of its two (2) wholly-owned subsidiary companies for the settlement of bank borrowings pursuant to a debt restructuring exercise;
- (c) the proposed acquisitions of the following:
 - (i) the entire issued and paid-up share capital of Bertam Development Sdn Bhd ("Bertam") comprising 4,991,274 shares (together with the rights to allotment of 233,937 new shares in Bertam) for a total purchase consideration of up to RM70,000,000 to be satisfied by the issue of 70,000,000 new UHDB shares at an issue price of RM1 per share;
 - (ii) the entire issued and paid-up share capital of Budaya Identiti Sdn Bhd comprising 5,000,000 shares for a total purchase consideration of up to RM15,659,000 to be satisfied by the issue of 15,659,000 new UHDB shares at an issue price of RM1 per share;
 - (iii) the entire issued and paid-up share capital of Syarikat Sungei Buan Sdn Bhd comprising 2,000,000 shares for a total purchase consideration of RM14,000,000 to be satisfied by the issue of 14,000,000 new UHDB shares at an issue price of RM1 per share; and

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

2. Restructuring exercise (continued)

(c) the proposed acquisitions of the following:

- (iv) eight (8) parcels of freehold land in Muar, Johor with a total acreage of approximately 270 acres for a total purchase consideration of RM43,100,000 to be satisfied by the issue of 43,100,000 new UHDB shares at an issue price of RM1 per share.

On 6 February 2002, the Company has entered into supplemental settlement agreement with the bank creditors in respect of the above debt restructuring exercise. Miramas Development Sdn Bhd (“MDSB”), the holding company of Miramas Realty Sdn Bhd (one of the vendors of the Muar land) will grant a put option to the bank creditors, wherein their shares in UHDB may be purchased by MDSB at a purchase price of not less than RM1.10 per share during a 24 month period prior to the expiry of the option, failing which, the bank creditors can put to MDSB to purchase the shares at RM1.10 per share at the end of the 24 months.

At this juncture, all the relevant parties are working towards the relevant authorities and the implementation of the exercise. The completion of the exercise is subject to the approval of the relevant authorities and the shareholders.

3. Basis of preparation

The financial statements are prepared under the historical cost convention (as modified for the revaluation of land and buildings), unless otherwise indicated in the individual policy statements in Note 4 to the financial statements.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The new applicable approved accounting standards adopted in these financial statements are as follows:

- MASB Standard 14 “Depreciation Accounting”
- MASB Standard 15 “Property, Plant and Equipment”

There are no changes in accounting policy that affect net loss for the financial year as a result of the adoption of the above standards in these financial statements as the Group and the Company were already following the recognition and measurement principles in those standards.

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act require the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The Group and the Company incurred a net loss of RM3,752,320 and RM90,281 respectively for the financial year ended 31 December 2001. As at that date, the Group and the Company had a deficit in shareholders’ equity of RM35,303,188 and RM74,795 respectively and the net current liabilities of the Group and the Company amounted to RM57,654,380 and RM74,795 respectively. As at 31 December 2001, the short term borrowings of the Group amounted to RM60,267,092. Cash flows from the existing activities of the Group and of the Company may not be sufficient to meet financial obligations as they fall due. The Group’s rescue cum debt restructuring exercise (refer details in Note 2 to the financial statements) which includes a Rights Issue, restructuring of its bank borrowings and the acquisition of certain assets to mitigate its cash flow constraints and improve its financial position has been approved by relevant authorities as at 30 November 2001.

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

3. Basis of preparation (continued)

The directors are of the opinion that the restructuring exercise, subject to the approval of the shareholders, will be successful and have a positive impact on the profits and cash flows of the Group. Accordingly, the directors consider it appropriate to prepare the financial statements of the Group and of the Company on the going concern basis. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities if the Group and the Company are unable to continue as going concerns.

4. Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date control ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation. Reserve on consolidation is treated as a permanent item in the financial statements.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

(b) Property, plant and equipment

Land and buildings are stated at cost or directors' valuation which is based on a valuation by an independent firm of professional valuers in 1995 less accumulated depreciation except for freehold land which is not depreciated. The other property, plant and equipment are stated at cost less accumulated depreciation. The land and buildings have not been revalued since the last valuation exercise as the directors have not adopted a policy of regular revaluations of such assets.

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

4. Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Accordingly, the valuation of the revalued assets has not been updated and they continue to be stated at their last revalued amounts less depreciation as allowed under the transitional provisions issued by Malaysian Accounting Standards Board on adoption of International Accounting Standard No. 16 (revised).

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

Long and short leasehold land is amortised over leasehold periods ranging between 44 to 99 years. Depreciation of the other property, plant and equipment is provided on the straight line basis to write off the cost or valuation amount over their estimated useful lives. The principal annual depreciation rates used for this purpose are as follows:

Buildings	2%
Plant and machinery	12%
Factory equipment	10%
Electrical installation	10%
Furniture, fittings and equipment	8 - 12%
Motor vehicles	16%, 20%

(c) Investments in subsidiary companies

Investments in subsidiary companies are stated at cost. Allowance for diminution in value of investments is only made when the board of directors consider that there has been a permanent diminution in their values.

(d) Investments

Long term investments are stated at cost less allowance for any permanent diminution in value.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and selling expenses.

(f) Trade receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the financial year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

4. Summary of significant accounting policies (continued)

(g) Deferred taxation

Deferred taxation is recorded using the liability method on all material timing differences between taxable and accounting profits. Debit balances on the deferred taxation account are not recognised unless there is reasonable expectation of their recovery.

(h) Prepaid share issue expenses

Prepaid share issue expenses incurred pursuant to the restructuring exercise as set out in Note 2 to the financial statements will be set off against the share premium account upon completion of the restructuring exercise. Where such prepaid share issue expenses exceed the anticipated share premium account, the expenses are recognised immediately in the income statement.

(i) Income recognition

Sales are recognised upon delivery of goods and services and customer acceptance.

(j) Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5. Revenue

	Group		Company	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Sale of goods	10,411,364	10,011,406	-	-
Management fees from a subsidiary company	-	-	74,700	74,700

	10,411,364	10,011,406	74,700	10,411,364

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

6. (Loss)/profit from operations

The following items have been charged/(credited) in arriving at (loss)/profit from operations:

	Group		Company	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Depreciation of property, plant and equipment	2,371,965	2,531,072	-	-
Directors' fees	48,000	48,000	48,000	48,000
Staff costs				
- directors' remuneration other than fees	20,100	85,711	20,100	21,300
- other staff costs	2,150,382	2,602,995	-	-
Auditors' remuneration				
- current year	61,150	60,500	18,000	18,000
- prior year's adjustment	-	(3,100)	-	-
Allowance for diminution in the value of long term quoted investments written back	(74,122)	(8,416,535)	-	-
Rental of buildings	93,267	110,267	-	-
Preliminary and pre-operating expenses written off	-	25,073	-	-
Allowance for doubtful debts on trade debts	14,885	3,052,125	-	-
Allowance for doubtful debts on amounts due from subsidiary companies	-	-	71,680	77,700
Allowance for diminution in value of investments in subsidiary companies	-	-	-	2
Long term quoted investments written off due to capital reduction	-	8,736,455	-	-
Loss on disposal of property	-	49,446	-	-
Loss on disposal of plant and equipment	270	573	-	-
Property, plant and equipment written off	8,686	702	-	-
Doubtful debts recovered				
- on trade debts	(242,154)	(272,552)	-	-
- on amounts due from subsidiary companies	-	-	-	(288,100)
Rental income	(6,400)	(16,400)	-	-
Interest income	-	(5,016)	-	-
Gain on disposal of long term quoted investments	(31,997)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

7. Finance cost

	Group	
	<u>2001</u> RM	<u>2000</u> RM
Interest expense on:		
- overdrafts	36,291	2,586,188
- trust receipts	56,664	2,672,228
- hire purchase	2,471	8,894
- financing of long term quoted investments	36,843	-
	132,269	5,267,310

In relation to the Group's restructuring exercise and pursuant to the Settlement Agreements dated 1 December 2000 and 6 February 2002 between the Company, UH Dove Holdings Berhad and certain of the Group's bank creditors, interest has been waived for the financial year ended 31 December 2001 on the bank borrowings extended by these banks. The amount of interest waived for the Group amounted to RM5,405,986 (2000: Nil).

8. Taxation

	Group	
	<u>2001</u> RM	<u>2000</u> RM
The taxation charge comprise:		
Prior year's adjustment of income tax	(961)	(208)

There are unutilised tax losses amounting to approximately RM57,791,000 (2000: RM54,489,000) and RM98,000 (2000: Nil) for the Group and the Company respectively, available for set-off against future taxable profits for which the tax effects have not been accounted for in the financial statements. The benefits of the tax losses will only be obtained when the Group and the Company derive future assessable income of a nature and of amounts sufficient for the tax losses to be utilised.

9. Loss per share

The loss per share has been calculated based on the Group's net loss for the financial year of RM3,752,320 (2000: RM13,408,901) and on the weighted number of ordinary shares in issue during the financial year of 18,000,000 (2000: 18,000,000).

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

10. Property, plant and equipment

	<u>Freehold land</u> RM	<u>Long leasehold land</u> RM	<u>Short leasehold land</u> RM	<u>Buildings</u> RM	<u>Plant and machinery</u> RM	<u>Factory equipment</u> RM	<u>Electrical installation</u> RM	<u>Furniture, fittings and equipment</u> RM	<u>Motor vehicles</u> RM	<u>Total</u> RM
Net book value										
At 1.1.2001	1,353,994	6,524,630	177,890	8,430,753	6,390,598	311,625	955,468	239,902	268,371	24,653,231
Additions	-	-	-	-	17,000	-	-	3,958	-	20,958
Disposals	-	-	-	-	-	-	-	(1,170)	-	(1,170)
Written off	-	-	-	-	-	-	-	(8,686)	-	(8,686)
Depreciation charge	-	(83,765)	(4,097)	(190,732)	(1,541,654)	(85,428)	(237,142)	(51,114)	(178,033)	(2,371,965)

At 31.12.2001	1,353,994	6,440,865	173,793	8,240,021	4,865,944	226,197	718,326	182,890	90,338	22,292,368

At 31.12.2001										
Cost	963,994	262,430	200,736	5,133,809	17,220,657	911,479	2,857,779	640,569	3,739,525	31,930,978
Valuation	390,000	6,730,000	-	4,420,000	-	-	-	-	-	11,540,000
Accumulated depreciation	-	(551,565)	(26,943)	(1,313,788)	(12,354,713)	(685,282)	(2,139,453)	(457,679)	(3,649,187)	(21,178,610)

Net book value	1,353,994	6,440,865	173,793	8,240,021	4,865,944	226,197	718,326	182,890	90,338	22,292,368

At 31.12.2000										
Cost	963,994	262,430	200,736	5,133,809	17,203,657	911,479	2,857,779	683,842	3,739,525	31,957,251
Valuation	390,000	6,730,000	-	4,420,000	-	-	-	-	-	11,540,000
Accumulated depreciation	-	(467,800)	(22,846)	(1,123,056)	(10,813,059)	(599,854)	(1,902,311)	(443,940)	(3,471,154)	(18,844,020)

Net book value	1,353,994	6,524,630	177,890	8,430,753	6,390,598	311,625	955,468	239,902	268,371	24,653,231

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

10. Property, plant and equipment (continued)

The landed properties were last revalued in 1995 by an independent firm of professional valuers.

The net book values of revalued land and buildings of the Group had these assets been carried at cost would have been as follows:

	Group	
	<u>2001</u>	<u>2000</u>
	RM	RM
Freehold land	374,826	374,826
Long leasehold land	3,695,518	3,742,942
Buildings	3,373,431	3,458,321

The net book value of motor vehicles of the Group acquired under hire purchase agreements amounted to Nil (2000: RM99,210).

Long leasehold land and buildings with net book values of RM6,839,765 (2000: RM6,963,470) have been charged as security for bank borrowings of the Group (Note 17).

11. Investments in subsidiary companies

	Company	
	<u>2001</u>	<u>2000</u>
	RM	RM
Unquoted shares at cost	11,047,992	11,047,992
Allowance for diminution in value	(11,047,992)	(11,047,992)

	-	-

Details of the subsidiary companies which are unquoted and incorporated in Malaysia are as follows:

<u>Name of company</u>	<u>Principal activities</u>	Group's	
		equity interest	
		<u>2001</u>	<u>2000</u>
		%	%
U.H. Industries Sdn Bhd	Manufacturing of industrial materials and hardware products	100	100
		100	100
Dove Industries Sdn Bhd)			
U.H. Trading (Johore) Sdn Bhd)	Marketing of industrial materials	100	100
U.H. Trading (Melaka) Sdn Bhd)	and hardware	100	100
U.H. Trading (K.L.) Sdn Bhd)	products	100	100
U.H. Trading (Ipoh) Sdn Bhd)			
UH Capital Sdn Bhd	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

12. Quoted investments

	Group	
	<u>2001</u>	<u>2000</u>
	RM	RM
Shares in a corporation quoted in Malaysia:		
At cost	649,128	12,480,650
Written off due to capital reduction	-	(8,736,455)
	••••••••	••••••••
	649,128	3,744,195
Allowance for diminution in value	(590,304)	(3,513,555)
	••••••••	••••••••
	58,824	230,640
	••••••••	••••••••
Market value	58,824	230,640
	••••••••	••••••••

Allowance has been made for diminution in the value of the long term quoted investments held by a subsidiary company, U.H. Industries Sdn Bhd.

13. Inventories

	Group	
	<u>2001</u>	<u>2000</u>
	RM	RM
At cost		
Raw materials	624,183	443,011
Work-in-progress	187,386	80,434
Finished goods	1,367,869	1,784,421
Stores and supplies	17,780	26,348
	••••••••	••••••••
	2,197,218	2,334,214
	••••••••	••••••••

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

14. Receivables

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	20,091,927	20,027,228	-	-
Allowance for doubtful debts	(18,265,537)	(18,492,806)	-	-
	••••••••	••••••••	••••••••	••••••••
	1,826,390	1,534,422	-	-
	••••••••	••••••••	••••••••	••••~•••
Amounts due from fellow subsidiary companies	-	-	5,115,627	5,043,947
Allowance for doubtful debts	-	-	(5,115,627)	(5,043,947)
	••••••••	••••~•••	••••~•••	••••~•••
	-	-	-	-
	••••~•••	••••~•••	••••~•~•	••••~•~•
Non-trade receivables	17,689	39,659	-	-
Deposits	190,444	199,573	1,000	-
Prepayments	96,872	69,710	-	-
Tax refund receivable	-	11,333	-	-
	••••~•••	••••~•~•	••••~•~•	••••~•~•
	2,131,395	1,854,697	1,000	-
	••••~•~•	••••~•~•	••••~•~•	••••~•~•

15. Payables

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade payables	1,884,806	1,382,388	-	-
Trade accruals	799,898	523,883	233,334	107,834
Share issue expenses payable	964,628	595,811	964,628	595,811
Amount due to a director	2,500	2,500	-	-
Proposed directors' fees	66,000	48,000	66,000	48,000
	••••~•~•	••••~•~•	••••~•~•	••••~•~•
	3,717,832	2,552,582	1,263,962	751,645
	••••~•~•	••••~•~•	••••~•~•	••••~•~•

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

16. Hire purchase liabilities

	<u>2001</u> RM	Group <u>2000</u> RM
Analysis of hire purchase commitments:		
Not later than one year	-	62,157
Less: Future finance charges	-	(2,471)

	-	59,686

Representing hire purchase liabilities:		
Current	-	59,686

17. Short term borrowings

Secured

Bank overdrafts	8,701,334	8,701,334
Trade financing facilities	8,887,799	8,887,799

	17,589,133	17,589,133

Unsecured

Bank overdrafts	20,549,382	20,571,218
Trade financing facilities	22,128,577	21,723,532

	60,267,092	59,883,883

The secured short term borrowings of a subsidiary company are secured by charges on its land and buildings. Interest is chargeable at rates ranging from 5.25% to 6.40% (2000: 7.55% to 9.80%) per annum.

18. Share capital

	Group and Company	
	<u>2001</u> RM	<u>2000</u> RM
<u>Ordinary shares of RM1 each</u>		
Authorised	25,000,000	25,000,000

Issued and fully paid	18,000,000	18,000,000

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

19. Cash flow statements notes

(a) Net cash inflow from investing activities

	Group	
	2001	2000
	RM	RM
Purchase of property, plant and equipment	(20,958)	(42,271)
Proceeds on disposal of property	-	1,518,477
Proceeds on disposal of plant and equipment	900	7,599
Proceeds on disposal of long term quoted investments	277,935	-
Interest received	-	5,016
Preliminary and pre-operating expenses paid	-	(4,092)
	257,877	1,484,729

(b) Net cash inflow/(outflow) from financing activities

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Repayment of hire purchase liabilities	(59,686)	(65,759)	-	-
Trade financing facilities raised/(paid)	405,045	(170,235)	-	-
Interest paid	(132,269)	(2,642,307)	-	-
Share issue expenses paid	(51,029)	(191,650)	(51,029)	(191,650)
	162,061	(3,069,951)	(51,029)	(191,650)

(c) Cash and cash equivalents at end of the financial year

	Group		Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Cash and bank balances	641,898	932,314	4,977	3,787
Bank overdrafts	(29,250,716)	(29,272,552)	-	-
Fixed deposit with a licensed bank	188,000	188,000	-	-
	(28,420,818)	(28,152,238)	4,977	3,787
Fixed deposit pledged	(188,000)	(188,000)	-	-
	(28,608,818)	(28,340,238)	4,977	3,787

Fixed deposit amounting to RM188,000 (2000: RM188,000) has been pledged by a subsidiary company to a licensed bank for bank guarantee facilities.

NOTES TO THE FINANCIAL STATEMENTS – (CONTINUED)

20. Contingent liabilities (unsecured)

	Group		Company	
	<u>2001</u> RM	<u>2000</u> RM	<u>2001</u> RM	<u>2000</u> RM
Guarantees on the borrowings of subsidiary companies	-	-	77,191,000	77,191,000
Guarantee for the supply of raw materials	2,000,000	2,000,000	2,000,000	2,000,000

21. Capital commitments

Capital expenditure not provided for in the financial statements are as follows:

	Group and Company	
	<u>2001</u> RM	<u>2000</u> RM
Authorised and contracted for (refer Note 2):		
- purchase of property	43,100,000	-
- acquisitions of Bertam Development Sdn Bhd, Budaya Identiti Sdn Bhd and Syarikat Sungei Buan Sdn Bhd	36,659,000	-

22. Tax exempt income

As at 31 December 2001, the Group has the following tax exempt income available for distribution of tax exempt dividends as follows:

	Group and Company	
	<u>2001</u> RM	<u>2000</u> RM
Tax exempt income agreed with the tax authorities	1,972,000	1,355,000
Estimated tax exempt income which is subject to agreement with the tax authorities	9,929,000	10,546,000

23. Segmental information

Segmental information is not provided as the activities of the Group comprise principally manufacturing and marketing of industrial materials and hardware products in Malaysia.

LIST OF PROPERTIES

Properties & Locations	Description	Area / (Built-up)	Tenure	Age of Building	Net Book Value RM'000	Date of Acquisition or (Last revaluation)
Plot No. 68B, Mukim of Bukit Katil, District of Melaka Tengah, Melaka	1 1/2 Storey Industrial (Factory)	45,585 / 36,580 sq. feet	99 years lease expiring on 13/01/2080	17	1,700	(14/04/1994)
Plot No. 33, 34, PT . 3675, Mukim of Bukit Katil, District of Melaka Tengah, Melaka	Single Storey Semi-Detached Industrial (Factory) Vacant Industrial Land	Plot 33,34 53,098 / 37,095 sq. feet PT 3675 906.835 m2	99 years lease expiring as:- Plot 33,34 on 30/05/2072 PT 3675 on 06/12/2091	25	1,660	(14/04/1994)
Plot No. 3693 & 3694, Mukim of Bukit Katil, District of Melaka Tengah, Melaka	1 1/2 Storey Industrial (Factory & Office)	222,845 / 117,000 sq. feet	99 years lease expiring on 19/01/2092	6	6,840	(14/04/1994)
Lot PTB 18736, Township of Johor Bahru, District of Johor Bahru, Johore Darul Takzim	1 1/2 Storey Terrace Industrial (Store & Branch Office)	2,797 / 2,239 sq. feet	99 years lease expiring on January 2042	14	214	(15/04/1994)
Lot PT 113798 & 113799, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	1 1/2 Storey Semi-Detached Industrial (Factory)	8,008 / 4,004 sq. feet	99 years lease expiring on 17/07/2090	11	230	(20/04/1994)
Plot No. 8 - 11, Selandar Light Ind. Estate, District of Jasin, Melaka	Single storey Terrace Industrial (Factory)	6,051 / 5,600 sq. feet	99 years lease expiring on 2094	7	183	(12/04/1994)
Lot PT 38870, Mukim of Ulu Kinta, District of Kinta, Perak Darul Ridzuan	Single Storey Industrial (Store & Branch Office)	18,732 & 5,850 sq. feet	60 years lease expiring on 27/08/2044	6	409	(20/04/1994)

LIST OF PROPERTIES

Properties & Locations	Description	Area / (Built-up)	Tenure	Age of Building	Net Book Value RM'000	Date of Acquisition or (Last revaluation)
PT No. 14200 (Plot 69), Mukim Sungai Pasir, Daerah Kuala Muda, Kedah Darul Aman	1 1/2 Storey Terrace Industrial (Store & Branch Office)	13,610 / 7,436 sq. feet	Freehold	9	624	19/05/1995
Lot No. H.S.(D) 801, H.S.(M) 820, PT No. 2750, 2743, Mukim 7, District of Seberang Perai Selatan, Penang	Vacant Industrial Land	1,563 / 3,065 sq. meter	Freehold	-	431	18/11/1994
Petak No. F3 (KPT II), Kawasan Perusahaan Pengkalan, Chepa II, Kelantan	Vacant Industrial Land	10,000 sq. feet	66 years lease	-	42	10/06/1995
H.S. (M) 37316, PT 44787, Mukim of Kuala Kuantan, District of Kuantan, Pahang	Vacant Industrial Land	2,957 sq. meter	66 years lease expiring on 05/03/2062	-	367	26/06/1996
Lot 2346, (Lot 68A), Mukim of Bukit Katil, District of Melaka Tengah, Melaka	1 1/2 Storey Industrial (Factory & Office)	47,415 / 33,199 sq. feet	99 years lease expiring on 06/09/2080	21	1,740	(14/04/1994)
Lot No. 78B. Mukim of Bukit Katil, District of Melaka Tengah, Melaka	Single Storey Industrial (Factory & Office)	51,118 / 23,200 sq. feet	99 years lease expiring on 13/01/2080	21	1,337	(14/04/1994)
Plot No. 759 & 3171, Mukim of Kesang, District of Jasin, Melaka	Agricultural Land	7.82 ha.	Freehold	-	406	(20/04/1994)

Authorised Share Capital : RM25,000,000.00
 Issued and Paid-Up Capital : RM18,000,000.00 comprising 18,000,000 Ordinary Shares of RM1.00 each
 Class of Shares : Ordinary shares of RM1.00 each
 Voting Rights : One vote per ordinary share

CATEGORY	NO. OF HOLDERS	NO. OF SHARES	%
	MALAYSIAN	MALAYSIAN	MALAYSIAN
1 - 999	3	1,231	0.01
1,000 - 10,000	1,099	2,397,198	13.32
10,001 - 100,000	62	1,224,572	6.80
100,001 - 899,999	10	4,573,999	25.41
900,000 and above	3	9,803,000	54.46
Total	1,177	18,000,000	100.00

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name	Shares Held	%
Permodalan Nasional Berhad	6,275,000	34.86
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Soh Tik Siew	2,520,000	14.00
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Goh Geok Tiah @ Goh Yew Chee	1,008,000	5.60
S'ng Soo Eng	827,000	4.59
Soh Teck Ghee	635,999	3.53
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Goh Yu Tian	567,000	3.15
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Sim Beck Khong	466,200	2.59
Leong Oi See	405,000	2.25
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Chua Neo Lai	378,000	2.10
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Erh Koon Tee	378,000	2.10
Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier : Fulcrum Capital Sdn Bhd for Lim Phang Boo	352,800	1.96
Chai Yee Wah	271,000	1.51
Kenangan Gemerlap Sdn. Bhd.	223,000	1.24
Soh Teck Ghee	70,000	0.39
Chew Seek Mei	52,000	0.29
Chan Kah Fai	52,000	0.29
Mayban Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account for Chow Chee Keong (338AB0246)	40,000	0.22
Tan Sui Eya	37,000	0.21
Leong & Company Sdn. Bhd. Qualifier : IVT (002) for Anne Leong Sau Leng	36,000	0.20

Analysis of Shareholdings As At 19 April 2002 (continued)

Khor Dan Qing	34,000	0.19
Tan Kim Oh	31,000	0.17
Chin Yok Weng	30,000	0.17
Viacap Holdings Sdn Bhd	29,000	0.16
Huang Jen Soong	28,000	0.16
Citicorp Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Chai Shiak Chai (470810)	27,000	0.15
Lim Phang Boo @ Lim Soon	26,457	0.15
Leong Yoke Leong & Chan Yoke Lan	26,000	0.14
Cimsec Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Goh Eng Hang (MM0588)	26,000	0.14
Su Kwee Chee	25,000	0.14
Colin Garfield Macdonald	25,000	0.14
	<u>14,901,456</u>	<u>82.79</u>

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 19 APRIL 2002

Name	Nature of Interest	Shares Held	%
Permodalan Nasional Berhad	Direct	6,275,000	34.86
Yayasan Pelaburan Bumiputra (a)	Indirect	6,285,000	34.86
Soh Tik Siew	Direct	2,534,004	14.08
Goh Geok Tiah @ Goh Yew Chee	Direct	1,008,825	5.60

Note: (a) Deemed interest by virtue of its shareholding of 100% less one of PNB by virtue of Section 6A(4) of the Companies Act, 1965.

STATEMENT OF DIRECTORS' SHAREHOLDING AS AT 19 APRIL 2002

Interests of Directors of the Company in the share capital of the Company and its related corporations: -

Name	No. of Shares of RM1.00 each	
	Direct	Indirect
1. Dato' Wan Jaafar @ Wan Mohd Bin Abdullah	-	-
2. Encik Paisol Bin Ahmad	-	-
3. Puan Zaida Khalida Binte Shaari	-	-
4. Mr. Ng Wan Cher @ Ng Guan Cher	-	-
5. Mr. Yeoh Chong Keng	-	-

UH DOVE HOLDINGS BERHAD (305530-A)
(Incorporated in Malaysia)

FORM OF PROXY

I/We NRIC No.....
(Full Name in Capital Letters)

of.....
(Full Address)

being a member(s) of **UH DOVE HOLDINGS BERHAD** (Company No.: 305530-A) hereby appoint.....
(Full Name in Capital Letters)

of.....
(Full Address)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Eight Annual General Meeting of the Company to be held at Crystal Crown Hotel, Room Crown Hall 1, Level 1, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Friday, 14 June 2002 at 10.00 a.m. and at any adjournment thereof. The proxy is to vote in the manner indicated below, with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive and consider the Audited Accounts for the financial year ended 31 December 2001 and the Reports of Directors and Auditors thereon.		
2.	To re-elect Dato' Wan Jaafar @ Wan Mohd. Bin Abdullah who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.		
3.	To re-elect Puan Zaida Khalida Binte Shaari who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.		
4.	To approve Directors' Fees of RM48,000.00 for the year ended 31 December 2001.		
5.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to determine their remuneration.		
6.	<p>Special Resolution - Proposed Amendments To The Articles Of Association</p> <p>"THAT the deletions, alterations, modifications or additions to the Articles of Association of the Company as set out in the document marked as Appendix I be and are hereby approved AND THAT the Directors be and are hereby authorised to give effect to the aforesaid Proposed Amendments to the Articles with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities."</p>		

Signed thisday of 2002.

Number of shares held	
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Signature
First or Sole Shareholder or Common Seal

Notes:-

- i. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead and the holder shall specify the proportion of his shareholding to be represented by each proxy; a proxy need not be a member and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
- ii. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of an officer or its attorney duly authorised.
- iii. The instrument appointing a proxy must be deposited at the registered office of the Company at Level 14, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting, i.e. on or before 10.00 a.m., Wednesday, 12 June 2002.