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Notice Of Seventh Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of the Company will be held at Crystal Crown Hotel, Room Utara 2, Level 2, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 13 June 2001 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 2000 and the Reports of Directors and Auditors thereon. (Resolution 1)
2. To re-elect Mr. Ng Wan Cher @ Ng Guan Cher who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. (Resolution 2)
3. To re-elect Mr. Yeoh Chong Keng who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association. (Resolution 3)
4. To approve Directors' Fees of RM48,000 for the year ended 31 December 2000. (Resolution 4)
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)
6. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

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

Petaling Jaya
25 May 2001

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., Monday, 11 June 2001.*



Corporate Information

BOARD OF DIRECTORS	Dato' Wan Jaafar @ Wan Mohd Bin Abdullah (<i>Chairman</i>) Paisol Bin Ahmad (<i>Non-Executive Director</i>) Yeoh Chong Keng (<i>Independent Non-Executive Director</i>) Ng Wan Cher @ Ng Guan Cher (<i>Non-Executive Director</i>) Zaida Khalida Binte Shaari (<i>Non-Executive Director</i>)
AUDIT COMMITTEE	Yeoh Chong Keng (<i>Independent Non-Executive Director/Chairman</i>) Paisol Bin Ahmad (<i>Non-Executive Director/Member</i>) Ng Wan Cher @ Ng Guan Cher (<i>Non-Executive Director/Member</i>)
COMPANY SECRETARIES	Seow Fei San (<i>MA/CSA 7009732</i>) Wong Wei Fong (<i>MA/CSA 7006751</i>)
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 12th Floor, Bangunan Yayasan Melaka Jalan Hang Tuah 75300 Melaka
BUSINESS ADDRESS	Lot 68-B, Air Keroh Industrial Estate 75450 Melaka Tel: 06-232 1311 Fax: 06-232 0313
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	Ho & Company No. 310-A, Taman Melaka Raya 75000 Melaka
STOCK EXCHANGE LISTING	Kuala Lumpur Stock Exchange Second Board



Audit Committee

CHAIRMAN OF AUDIT COMMITTEE

Mr. Yeoh Chong Keng (Independent Non-Executive Director)

Members

Encik Paisol Bin Ahmad (Non-Executive Director)
Mr. Ng Wan Cher @ Ng Guan Cher (Non-Executive Director)

TERMS OF REFERENCE

Composition

The Board shall elect an Audit Committee comprising not fewer than 3 members of which the majority shall be non-executive directors. The quorum shall be 2 members.

The Chairman of the Committee shall be a non-executive director appointed by the Board.

Meetings and minutes

Meetings shall not be less than 3 times a year. Minutes of each meeting shall be kept and circulated to each member of the Committee and of the Board. The Chairman shall report on each meeting to the Board. The Secretary to the Committee shall be the Company Secretary.

Authority

The Committee is authorised by the Board to report any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is also authorised to obtain external legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties

The duties of the Committee shall be:

- (a) To review the audit plans with the internal and external auditors;
- (b) To review the audit report with the auditors;
- (c) To keep under review the effectiveness of internal control systems; and in particular, review the external auditors' management letter and findings;
- (d) To review the financial statements of the Company and the Group and thereafter to submit them to the Board for approval;
- (e) To review interim financial information and press releases relating to financial matters of importance;
- (f) To recommend to the Board the retention or non-retention of the external auditors; and
- (g) Any such other functions as may be agreed to by the Committee and the Board.



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 2000.

On 1 December 2000, a debt restructuring agreement was 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.

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 2000 was RM13,384,693 as compared to RM 28,995,959 for the previous year. The lower loss was mainly due to lower operational loss and lower provision made for doubtful debts.

PROSPECTS

In view of the tight liquidity position of the Group and the slowdown in the building and construction sectors, the Directors anticipate the business performance for the financial year 2001 to remain difficult.

The Directors are hopeful that the proposed restructuring exercise will gain approvals of the Securities Commission and other relevant authorities by June 2001 which is in line with the proposed time-table submitted to the latter on 28 February 2001.

DIVIDENDS

No dividend is recommended.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my thanks and appreciation 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

2 May 2001



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 2000.

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 10 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)/profit after taxation and net (loss)/profit for the financial year	<u>(13,408,901)</u>	<u>88,338</u>

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, Yeoh Chong Keng and Ng Wan Cher @ Ng Guan Cher retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.



Directors' Report (continued)

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 5 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' 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 2001.

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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision 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 provision 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.



Directors' Report (continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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.

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; 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 18 April 2001

DATO' WAN JAAFAR @ WAN MOHD BIN ABDULLAH
DIRECTOR

NG WAN CHER @ NG GUAN CHER
DIRECTOR

Melaka

18 April 2001



Statement By Directors Pursuant To Section 169(15) 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 12 to 32 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 2000 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 18 April 2001

DATO' WAN JAAFAR @ WAN MOHD BIN ABDULLAH
DIRECTOR

NG WAN CHER @ NG GUAN CHER
DIRECTOR

Melaka

18 April 2001

Statement By Directors Pursuant To Section 169(16) Of The Companies Act, 1965

I, **Steve Leong Choung Meng**, 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 12 to 32 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

STEVE LEONG CHOUNG MENG

18 April 2001

Subscribed and solemnly declared by the abovenamed Steve Leong Choung Meng at Melaka in Malaysia on 18 April 2001, before me.

A. SUPRAMANIAM, PIS
NO. M018
COMMISSIONER FOR OATHS



Report Of The Auditors To The Members Of UH DOVE Holdings Berhad

1. We have audited the financial statements set out on pages 12 to 32. 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 statements 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 2000 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 2 to the financial statements. The Group incurred a net loss of RM13,408,901 for the financial year ended 31 December 2000. As at that date, the Group had a deficit in shareholders' equity of RM31,550,868 and the net current liabilities of the Group amounted to RM56,434,739. As at 31 December 2000, the short term borrowings of the Group amounted to RM59,883,883. 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 proposed restructuring exercise disclosed in Note 2 to the financial statements.
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.



Report Of The Auditors To The Members Of UH DOVE Holdings Berhad (continued)

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)
Public Accountants

MOHD. DARUIS BIN ZAINUDDIN

(No. 969/3/03(J/PH))
Partner of the firm

Melaka

18 April 2001



Income Statements

for the financial year ended 31 December 2000

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
Revenue	4	10,011,406	19,744,262	74,700	249,000
Cost of sales		(11,465,337)	(23,953,612)	(45,300)	(47,950)
Gross (loss)/profit		(1,453,931)	(4,209,350)	29,400	201,050
Other operating income		139,042	144,482	288,100	-
Selling and distribution expenses		(3,407,278)	(11,889,565)	-	-
Administrative expenses		(3,032,662)	(3,782,631)	(151,460)	(353,138)
Other operating expenses		(369,938)	(4,007,444)	(77,702)	(18,692,337)
(Loss)/profit from operations	5	(8,124,767)	(23,744,508)	88,338	(18,844,425)
Finance cost	6	(5,283,926)	(5,251,451)	-	-
(Loss)/profit before taxation		(13,408,693)	(28,995,959)	88,338	(18,844,425)
Taxation	7	(208)	103,405	-	-
(Loss)/profit after taxation and net (loss)/profit for the financial year		(13,408,901)	(28,892,554)	88,338	(18,844,425)
Loss per share (sen)	8	(74)	(161)		
Dividends per share (sen)		-	-		

The notes on pages 17 to 32 form part of these financial statements.



Balance Sheets

as at 31 December 2000

	Note	Group		Company	
		2000 RM	1999 RM	2000 RM	1999 RM
Non current assets					
Property, plant and equipment	9	24,653,231	28,718,829	-	-
Investments in subsidiary companies	10	-	-	-	2
Quoted investments	11	230,640	550,560	-	-
Intangible assets	12	-	20,981	-	-
		<u>24,883,871</u>	<u>29,290,370</u>	<u>-</u>	<u>2</u>
Current assets					
Inventories	13	2,334,214	2,864,861	-	-
Trade and other receivables	14	1,854,697	4,792,338	-	-
Deferred share issue expenses	15	787,461	-	787,461	-
Fixed deposit with a licensed bank		188,000	188,000	-	-
Cash and bank balances		932,314	2,623,537	3,787	27,497
		<u>6,096,686</u>	<u>10,468,736</u>	<u>791,248</u>	<u>27,497</u>
Less: Current liabilities					
Trade and other payables	16	2,552,582	2,538,987	751,645	75,954
Hire purchase liabilities	17	59,686	65,758	-	-
Taxation		35,274	433,978	24,117	24,397
Short term borrowings	18	59,883,883	54,802,664	-	-
		<u>62,531,425</u>	<u>57,841,387</u>	<u>775,762</u>	<u>100,351</u>
Net current (liabilities)/assets		<u>(56,434,739)</u>	<u>(47,372,651)</u>	<u>15,486</u>	<u>(72,854)</u>
Less: Non current liabilities					
Hire purchase liabilities	17	-	59,686	-	-
		<u>(31,550,868)</u>	<u>(18,141,967)</u>	<u>15,486</u>	<u>(72,852)</u>
Capital and reserves					
Share capital	19	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	-	-
Accumulated losses		(56,659,455)	(43,250,554)	(20,209,604)	(20,297,942)
Shareholders' equity		<u>(31,550,868)</u>	<u>(18,141,967)</u>	<u>15,486</u>	<u>(72,852)</u>

The notes on pages 17 to 32 form part of these financial statements.



Statements of Changes in Equity

for the financial year ended 31 December 2000

	<u>Share capital</u> RM	<u>Non-distributable Share premium</u> RM	<u>Reserve on consolidation</u> RM	<u>Accumulated losses</u> RM	<u>Total</u> RM
Group					
2000					
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	<u>18,000,000</u>	<u>2,225,090</u>	<u>4,883,497</u>	<u>(56,659,455)</u>	<u>(31,550,868)</u>
1999					
At 1 January 1999	18,000,000	2,225,090	4,883,497	(14,358,000)	10,750,587
Net loss for the financial year	-	-	-	(28,892,554)	(28,892,554)
At 31 December 1999	<u>18,000,000</u>	<u>2,225,090</u>	<u>4,883,497</u>	<u>(43,250,554)</u>	<u>(18,141,967)</u>
Company					
2000					
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	<u>18,000,000</u>	<u>2,225,090</u>	<u>-</u>	<u>(20,209,604)</u>	<u>15,486</u>
1999					
At 1 January 1999	18,000,000	2,225,090	-	(1,453,517)	18,771,573
Net loss for the financial year	-	-	-	(18,844,425)	(18,844,425)
At 31 December 1999	<u>18,000,000</u>	<u>2,225,090</u>	<u>-</u>	<u>(20,297,942)</u>	<u>(72,852)</u>

The notes on pages 17 to 32 form part of these financial statements.



Cash Flow Statements

for the financial year ended 31 December 2000

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Cash flows from operating activities				
Net (loss)/profit	(13,408,901)	(28,892,554)	88,338	(18,844,425)
Adjustments for:				
Provision for diminution in value of investments in subsidiary companies	-	-	2	11,047,990
Provision for doubtful debts	3,052,125	11,067,821	77,700	5,254,347
Depreciation of property, plant and equipment	2,531,072	2,747,257	-	-
Loss on disposal of property	49,446	-	-	-
Loss on disposal of plant and equipment	573	172,455	-	-
Interest expense	5,267,310	5,225,078	-	-
Provision for diminution in the value of long term quoted investments written back/ made	(8,416,535)	868,000	-	-
Preliminary and pre-operating expenses written off /amortised	25,073	157,804	-	157,804
Long term quoted investments written off due to capital reduction	8,736,455	-	-	-
Property, plant and equipment written off	702	-	-	-
Goodwill written off/amortised	-	569,998	-	-
Interest income	(5,016)	-	-	-
Taxation charge	208	(103,405)	-	-
Operating (loss)/profit before working capital changes	(2,167,488)	(8,187,546)	166,040	(2,384,284)
Decrease in inventories	530,647	5,419,829	-	-
(Increase)/decrease in receivables	(122,686)	4,133,622	(77,700)	2,528,252
(Decrease)/increase in payables	(582,216)	(1,246,500)	79,880	(119,538)
Net cash (used in)/generated from operations	(2,341,742)	119,405	168,220	24,430
Interest received	5,016	-	-	-
Interest paid	(2,642,307)	(2,602,895)	-	-
Taxation (paid)/refunded	(390,710)	280,632	(280)	-
Preliminary and pre-operating expenses paid	(4,092)	(6,711)	-	-
Share issue expenses paid	(191,650)	-	(191,650)	-
Net cash (used in)/generated from operating activities	(5,565,485)	(2,209,569)	(23,710)	24,430

The notes on pages 17 to 32 form part of these financial statements.



Cash Flow Statements

for the financial year ended 31 December 2000 (Continued)

		Group		Company	
	<u>Note</u>	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Net cash inflow from investing activities	21	1,483,805	35,868	-	-
Net cash outflow from financing activities	22	(235,994)	(643,548)	-	-
Net (decrease)/increase in cash and cash equivalents		(4,317,674)	(2,817,249)	(23,710)	24,430
Cash and cash equivalents at beginning of the financial year		(24,022,564)	(21,205,315)	27,497	3,067
Cash and cash equivalents at end of the financial year	23	(28,340,238)	(24,022,564)	3,787	27,497

The notes on pages 17 to 32 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 10 to the financial statements.

The number of employees at the end of the financial year was 153 (1999: 175) for the Group and Nil (1999: 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. 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 3 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 preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act requires 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 incurred a net loss of RM13,408,901 for the financial year ended 31 December 2000. As at that date, the Group had a deficit in shareholders' equity of RM31,550,868 and the net current liabilities of the Group amounted to RM56,434,739. As at 31 December 2000, the short term borrowings of the Group amounted to RM59,883,883. 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 is undertaking a rescue cum debt restructuring exercise which includes the possibility of a proposed Rights Issue, restructuring of its bank borrowings and the acquisition of certain assets to mitigate its cash flow constraints and improve its financial position.

The directors are of the opinion that the restructuring exercise, subject to the approval of the relevant authorities, will 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 the Company on a 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.



Notes To The Financial Statements (continued)

3. 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 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. Goodwill is amortised over a period of 25 years from the date of acquisition, and where it is assessed that any amount is permanently impaired, such an amount is written off.

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.

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).

Long leasehold land is amortised over leasehold periods ranging between 50 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%



Notes To The Financial Statements (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments in subsidiary companies

Investments in subsidiary companies are stated at cost. Provision 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 provision 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 comprises 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 the costs of completion and selling expenses.

(f) Receivables

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

(g) Deferred taxation

Provision is made using the liability method for taxation deferred by timing differences except where the tax effects of such timing differences are expected to be deferred indefinitely.

Deferred tax benefits are recognised only if there is a reasonable expectation of their realisation.

(h) Hire purchase

Property, plant and equipment acquired under hire purchase are capitalised in the financial statements and the corresponding obligations treated as a liability. Finance charges are allocated to the income statement over the period of the hire purchase to give a constant periodic rate of interest on the remaining hire purchase liabilities.

(i) Deferred expenditure

Preliminary and pre-operating expenses are expensed off to the income statement when incurred.

Share issue expenses incurred pursuant to the restructuring exercise as set out in Note 28 to the financial statements will be set off against the share premium account upon completion of the restructuring exercise.



Notes To The Financial Statements (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Income recognition

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

(k) Cash and cash equivalents

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.

(l) Comparatives

Comparatives have been extended to comply with the additional disclosure requirements of the 13 new MASB Standards that are applicable for the financial year ended 31 December 2000.

There are no changes in accounting policy that affect the loss or profit from operations resulting from 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.

4. REVENUE

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Sale of goods	10,011,406	19,744,262	-	-
Management fees from a subsidiary company	-	-	74,700	249,000
	<u>10,011,406</u>	<u>19,744,262</u>	<u>74,700</u>	<u>249,000</u>

5. (LOSS)/PROFIT FROM OPERATIONS

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

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Depreciation of property, plant and equipment	2,531,072	2,747,257	-	-
Directors' remuneration				
- fees	48,000	21,250	48,000	21,250
- other emoluments	85,711	294,291	21,300	26,700
Auditors' remuneration				
- current year	60,500	61,150	18,000	18,000
- prior year's overprovision	(3,100)	(600)	-	-
Provision for diminution in the value of long term quoted investments written back/made	(8,416,535)	868,000	-	-



Notes To The Financial Statements (continued)

5. (LOSS)/PROFIT FROM OPERATIONS (CONTINUED)

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Rental of buildings	110,267	125,573	-	-
Preliminary and pre-operating expenses written off	25,073	157,804	-	157,804
Goodwill written off	-	569,998	-	-
Provision for doubtful debts on trade debts	3,052,125	11,067,821	-	-
Provision for doubtful debts on amounts due from subsidiary companies	-	-	77,700	5,254,347
Provision for diminution in value of investments in subsidiary companies	-	-	2	11,047,990
Long term quoted investments written off due to capital reduction	8,736,455	-	-	-
Deposit paid for the proposed acquisition of investee companies written off	-	2,390,000	-	2,390,000
Loss on disposal of property	49,446	-	-	-
Loss on disposal of plant and equipment	573	172,455	-	-
Property, plant and equipment written off	702	-	-	-
Doubtful debts recovered				
- on trade debts	(272,552)	-	-	-
- on amounts due from subsidiary companies	-	-	(288,100)	-
Rental income	(16,400)	(29,500)	-	-
Interest income	(5,016)	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The cost of inventories recognised as an expense during the financial year for the Group amounted to RM11,420,037 (1999: RM23,905,662). Staff cost incurred for the financial year amounted to RM2,602,995 (1999: RM3,170,900) for the Group and Nil (1999: Nil) for the Company respectively.

The estimated monetary value of non-cash benefits provided to a director of the Company during the financial year amounted to Nil (1999: RM6,000).

6. FINANCE COST

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Interest expense	5,267,310	5,225,078	-	-
Bank charges	16,616	26,373	-	-
	<u>5,283,926</u>	<u>5,251,451</u>	<u> </u>	<u> </u>



Notes To The Financial Statements (continued)

7. TAXATION

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
The taxation credit/(charge) comprises:				
Deferred taxation (Note 20)	-	563,000	-	-
Prior year's underprovision of income tax	(208)	(459,595)	-	-
	<u>(208)</u>	<u>103,405</u>	<u>-</u>	<u>-</u>

There are unutilised tax losses amounting to RM55,826,000 (1999: RM35,928,000) and RM Nil (1999: 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 derives future assessable income of a nature and of amounts sufficient for the tax losses to be utilised.

8. LOSS PER SHARE

The loss per share has been calculated based on the Group's net loss for the financial year of RM13,408,901 (1999: RM28,892,554) and on the weighted number of ordinary shares in issue during the financial year of 18,000,000 (1999: 18,000,000).



Notes To The Financial Statements (continued)

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Long leasehold land	Short leasehold land	Buildings	Plant and machinery	Factory equipment	Electrical installation	Furniture, fittings and equipment	Motor vehicles	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group - 2000										
Balance as at 1.1.2000										
- valuation	390,000	6,980,000	-	4,420,000	-	-	-	-	-	11,790,000
- cost	963,994	463,166	-	6,504,718	17,203,657	909,979	2,857,779	655,340	3,739,525	33,298,158
	1,353,994	7,443,166	-	10,924,718	17,203,657	909,979	2,857,779	655,340	3,739,525	45,088,158
Additions	-	-	-	-	-	1,500	-	40,771	-	42,271
Disposals	-	(250,000)	-	(1,370,909)	-	-	-	(11,369)	-	(1,632,278)
Transfers	-	(200,736)	200,736	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	(900)	-	(900)
Balance as at 31.12.2000	390,000	6,730,000	200,736	4,420,000	17,203,657	911,479	2,857,779	683,842	3,739,525	31,957,251
- valuation	963,994	262,430	200,736	5,133,809	-	-	-	-	-	11,540,000
- cost	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation										
Balance as at 1.1.2000	-	425,527	-	955,608	9,289,696	512,340	1,658,118	390,775	3,137,265	16,369,329
Depreciation charge	-	66,154	22,846	196,553	1,523,363	87,514	244,193	56,560	333,889	2,531,072
Disposals	-	(23,881)	-	(29,105)	-	-	-	(3,197)	-	(56,183)
Write offs	-	-	-	-	-	-	-	(198)	-	(198)
Balance as at 31.12.2000	-	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 as at 31.12.2000	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)

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM	Long leasehold land RM	Buildings RM	Plant and machinery RM	Factory equipment RM	Electrical installation RM	Furniture, fittings and equipment RM	Motor vehicles RM	Total RM
Group - 1992									
Balance as at 1.1.1999	390,000	6,980,000	4,420,000	-	-	-	-	-	11,790,000
- valuation	963,994	463,166	6,504,718	17,469,123	903,379	2,857,779	610,081	4,319,328	34,091,568
- cost									
Additions	1,353,994	7,443,166	10,924,718	17,469,123	903,379	2,857,779	610,081	4,319,328	45,881,568
Disposals	-	-	-	(265,466)	6,600	-	47,809	-	54,409
Write offs	-	-	-	-	-	-	(200)	(579,803)	(845,469)
									(2,350)
Balance as at 31.12.1999	390,000	6,980,000	4,420,000	-	-	-	-	-	11,790,000
- valuation	963,994	463,166	6,504,718	17,203,657	909,979	2,857,779	655,340	3,739,525	33,298,158
- cost									
Accumulated depreciation									
Balance as at 1.1.1999	-	334,533	753,234	7,946,039	424,618	1,412,402	337,049	2,811,284	14,019,159
Depreciation charge	-	90,994	202,374	1,606,597	87,722	245,716	56,274	457,580	2,747,257
Disposals	-	-	-	(262,940)	-	-	(199)	(131,599)	(394,738)
Write offs	-	-	-	-	-	-	(2,349)	-	(2,349)
Balance as at 31.12.1999	-	425,527	955,608	9,289,696	512,340	1,658,118	390,775	3,137,265	16,369,329
Net book value as at 31.12.1999	1,353,994	7,017,639	9,969,110	7,913,961	397,639	1,199,661	264,565	602,260	28,718,829



Notes To The Financial Statements (continued)

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The landed properties were revalued by an independent firm of professional valuers in 1995 and are stated at valuation on the open market basis as approved by the Securities Commission.

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

	<u>2000</u> RM	Group <u>1999</u> RM
Freehold land	374,826	374,826
Long leasehold land	3,742,942	4,068,607
Buildings	<u>3,458,321</u>	<u>3,581,687</u>

The net book value of property, plant and equipment of the Group acquired under hire purchase agreements for the Group amounted to RM99,219 (1999: RM148,077).

Long leasehold land and buildings with a net book value of RM6,963,470 (1999: RM7,086,791) have been charged as security for bank borrowings of the Group.

10. INVESTMENT IN SUBSIDIARY COMPANIES

	<u>2000</u> RM	Company <u>1999</u> RM
Unquoted shares at cost	11,047,992	11,047,992
Less: Provision for diminution in value	<u>(11,047,992)</u>	<u>(11,047,990)</u>
	-	2

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

<u>Name of company</u>	<u>Principal activities</u>	<u>Group's equity interest</u>	
		<u>2000</u> %	<u>1999</u> %
U.H. Industries Sdn Bhd	) Manufacturing) of) industrial materials) and hardware	100	100
+ Dove Industries Sdn Bhd	) products	100	100
U.H. Trading (Johore) Sdn Bhd	) Marketing of	100	100
U.H. Trading (Melaka) Sdn Bhd	) industrial materials	100	100
U.H. Trading (K.L.) Sdn Bhd	) and hardware	100	100
U.H. Trading (Ipoh) Sdn Bhd	) products	100	100
UH Capital Sdn Bhd	Dormant	100	100

+ Manufacturing operations were suspended in 1999.



Notes To The Financial Statements (continued)

11. QUOTED INVESTMENTS

	<u>2000</u> RM	Group	<u>1999</u> RM
Shares in a corporation quoted in Malaysia			
At cost	12,480,650		12,480,650
Written off due to capital reduction	(8,736,455)		-
	<u>3,744,195</u>		<u>12,480,650</u>
Provision for diminution in value	(3,513,555)		(11,930,090)
	<u>230,640</u>		<u>550,560</u>
Market value	<u>230,640</u>		<u>550,560</u>

Provision has been made for diminution in the value of the long term quoted investments held by a subsidiary company, U.H. Industries Sdn Bhd, as the directors are of the opinion that the diminution may be permanent in nature.

12. INTANGIBLE ASSETS

<u>Group</u> <u>2000</u>	<u>Preliminary and pre-operating expenses</u> RM	<u>Goodwill</u> RM	<u>Total</u> RM
Balance at 1 January	20,981	-	20,981
Preliminary and pre-operating expenses of a subsidiary company	4,092	-	4,092
Preliminary and pre-operating expenses written off	(25,073)	-	(25,073)
Balance at 31 December	<u>-</u>	<u>-</u>	<u>-</u>
 <u>1999</u>			
Balance at 1 January	172,074	569,998	742,072
Preliminary and pre-operating expenses of a subsidiary company	6,711	-	6,711
Goodwill written off	-	(569,998)	(569,998)
Amortisation of preliminary and pre-operating expenses	(157,804)	-	(157,804)
Balance at 31 December	<u>20,981</u>	<u>-</u>	<u>20,981</u>



Notes To The Financial Statements (continued)

12. INTANGIBLE ASSETS (CONTINUED)

<u>Company</u> <u>1999</u>	<u>Preliminary and pre-operating expenses</u> RM	<u>Goodwill</u> RM	<u>Total</u> RM
Balance at 1 January	157,804	-	157,804
Amortisation of preliminary and pre-operating expenses	(157,804)	-	(157,804)
Balance at 31 December	-	-	-

13. INVENTORIES

At cost	<u>2000</u> RM	<u>Group</u> <u>1999</u> RM
Raw materials	443,011	560,004
Work-in-progress	80,434	85,199
Finished goods	1,784,421	2,207,380
Stores and supplies	26,348	12,278
	<u>2,334,214</u>	<u>2,864,861</u>

14. TRADE AND OTHER RECEIVABLES

	<u>2000</u> RM	<u>Group</u> <u>1999</u> RM	<u>2000</u> RM	<u>Company</u> <u>1999</u> RM
Trade receivables	20,027,228	20,210,711	-	-
Less: Provision for doubtful debts	(18,492,806)	(15,713,233)	-	-
	<u>1,534,422</u>	<u>4,497,478</u>	-	-
Amounts due from subsidiary companies	-	-	5,043,947	5,254,347
Less: Provision for doubtful debts	-	-	(5,043,947)	(5,254,347)
	-	-	-	-
Other receivables	39,659	54,630	-	-
Deposits	199,573	143,335	-	-
Prepayments	69,710	77,360	-	-
Tax refundable	11,333	19,535	-	-
	<u>1,854,697</u>	<u>4,792,338</u>	-	-



Notes To The Financial Statements (continued)

15. DEFERRED SHARE ISSUE EXPENSES

Share issue expenses incurred of RM787,461 pursuant to the restructuring exercise as set out in Note 28 to the financial statements will be set off against the share premium account upon completion of the exercise.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Trade payables	1,382,388	1,592,588	-	-
Trade accruals	523,883	922,649	107,834	54,704
Share issue expenses payable	595,811	-	595,811	-
Amount due to a director	2,500	2,500	-	-
Proposed directors' fees	48,000	21,250	48,000	21,250
	<u>2,552,582</u>	<u>2,538,987</u>	<u>751,645</u>	<u>75,954</u>

17. HIRE PURCHASE LIABILITIES

	Group	
	<u>2000</u> RM	<u>1999</u> RM
Analysis of hire purchase commitments:		
Not later than one year	62,157	74,652
Later than one year and not later than five years	-	62,157
	<u>62,157</u>	<u>136,809</u>
Less: Finance charges	(2,471)	(11,365)
	<u>59,686</u>	<u>125,444</u>
Representing hire purchase liabilities:		
Current	59,686	65,758
Long term	-	59,686
	<u>59,686</u>	<u>125,444</u>



Notes To The Financial Statements (continued)

18. SHORT TERM BORROWINGS

	<u>2000</u> RM	Group <u>1999</u> RM
<u>Secured</u>		
Bank overdrafts	8,701,334	7,928,784
Trade financing	8,887,799	8,196,102
	<u>17,589,133</u>	<u>16,124,886</u>
<u>Unsecured</u>		
Bank overdrafts	20,571,218	18,717,317
Trade financing	21,723,532	19,960,461
	<u>59,883,883</u>	<u>54,802,664</u>

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 0.75% to 3.5% (1999: 0.75% to 3.5%) above the banks' prevailing base lending rates.

Certain bankers had 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 RM58,854,234 as at 31 December 2000. As indicated in Note 2 to the financial statements, the Group is undertaking a restructuring exercise which includes the restructuring of these borrowings. The bankers have agreed to stay the legal action pending completion of the restructuring exercise.

19. SHARE CAPITAL

	<u>2000</u> RM	Group and Company <u>1999</u> RM
Ordinary shares of RM1 each		
Authorised	25,000,000	25,000,000
Issued and fully paid	18,000,000	18,000,000

20. DEFERRED TAXATION

	<u>2000</u> RM	Group <u>1999</u> RM
Balance at 1 January	-	563,000
Credited to income statement (Note 7)	-	(563,000)
Balance at 31 December	<u>-</u>	<u>-</u>

Deferred taxation is not provided on the surplus arising from the revaluation of landed properties as it is not the intention of the directors to dispose these properties in the foreseeable future.



Notes To The Financial Statements (continued)

21. NET CASH INFLOW FROM INVESTING ACTIVITIES

	Group	
	<u>2000</u> RM	<u>1999</u> RM
Purchase of property, plant and equipment	(42,271)	(54,409)
Proceeds from disposal of property	1,518,477	-
Proceeds from disposal of plant and equipment	7,599	278,277
Fixed deposit pledged	-	(188,000)
	<u>1,483,805</u>	<u>35,868</u>

22. NET CASH OUTFLOW FROM FINANCING ACTIVITIES

Repayment of hire purchase liabilities	(65,759)	(241,444)
Repayment of trade financing activities	(170,235)	(402,104)
	<u>(235,994)</u>	<u>(643,548)</u>

23. CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR

	Group		Company	
	<u>2000</u> RM	<u>1999</u> RM	<u>2000</u> RM	<u>1999</u> RM
Cash and bank balances	932,314	2,623,537	3,787	27,497
Bank overdrafts	(29,272,552)	(26,646,101)	-	-
Fixed deposit with a licensed bank	188,000	188,000	-	-
	<u>(28,152,238)</u>	<u>(23,834,564)</u>	<u>3,787</u>	<u>27,497</u>
Fixed deposit pledged	(188,000)	(188,000)	-	-
	<u>(28,340,238)</u>	<u>(24,022,564)</u>	<u>3,787</u>	<u>27,497</u>

Fixed deposit amounting to RM188,000 has been pledged by a subsidiary company to a bank for bank guarantee facilities.

24. TAX EXEMPT INCOME

As at 31 December 2000, the Group has the following tax exempt income available for the distribution of tax exempt dividends as follows:

	Group	
	<u>2000</u> RM	<u>1999</u> RM
Tax exempt income agreed with the tax authorities	10,290,000	10,290,000
Estimated tax exempt income which is subject to agreement with the tax authorities	1,303,000	1,303,000
	<u>11,593,000</u>	<u>11,593,000</u>



Notes To The Financial Statements (continued)

25. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	<u>2000</u> RM	<u>1999</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	-
	<u>79,191,000</u>	<u>77,191,000</u>

26. 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.

27. COMPARATIVE FIGURES

The following comparative figures of 1999 have been reclassified to conform with current year's presentation:

	Group	
	<u>As restated</u> RM	<u>As previously reported</u> RM
Cash and bank balances	2,623,537	2,811,537
Fixed deposit with a licensed bank	188,000	-
	<u>2,811,537</u>	<u>2,811,537</u>

28. RESTRUCTURING EXERCISE

On 1 December 2000, the Company ("UHDB") announced that it is proposing to undertake a rescue cum debt restructuring exercise which will involve the following:

- 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;
- a proposed issue of approximately 32,489,000 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 proposed debt restructuring exercise;



Notes To The Financial Statements (continued)

28. RESTRUCTURING EXERCISE (CONTINUED)

- (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 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 RM21,418,000 to be satisfied by the issue of 21,418,000 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 RM49,000,000 to be satisfied by the issue of 49,000,000 new UHDB shares at an issue price of RM1 per share.; and
- (d) the proposed transfer of the enlarged issued and paid-up share capital of UHDB to the Main Board of the Kuala Lumpur Stock Exchange after the completion of the above restructuring exercise.

The Company has entered into a settlement agreement with the bank creditors in respect of the above proposed debt restructuring exercise. Miramas Development Sdn Bhd, the holding company of Miramas Realty Sdn Bhd (one of the vendors of the Muar land) will purchase approximately 24,272,000 new UHDB shares of the 32,489,000 shares to be issued to the bank creditors.

The above proposals are subject to the approvals of the relevant authorities and the shareholders of the Company.



List Of Properties

Properties & Locations	Description	Area/ (Built-Up)	Tenure	Age of Building	Net Book Value RM'000
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	16	1,733
Plot No. 33, 34, PT No. 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	24	1,691
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	5	6,963
Lot PTB 18736, Township of Johor Bahru, District of Johor Bahru, Johor Darul Takzim	1 1/2 Storey Terrace Industrial (Store & Branch Office)	2,797/2,239 sq. feet	99 years lease expiring on January 2042	13	246
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	10	235
Plot No 9 - 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	6	187
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	5	419
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	8	626



List Of Properties

Properties & Locations	Description	Area/ (Built-Up)	Tenure	Age of Building	Net Book Value RM'000
Lot No. H.S.(D) 801, H.S.(M) 820, PT No. 2750, 2743, Mukim 7, District of Seberang Perai Selantan, Penang	Vacant Industrial Land	1,563/3,065 sq. metre	Freehold	-	431
Petak No. F3 (KPT II), Kawasan Perusahaan Pengkalan, Chepa II, Kelantan	Vacant Industrial Land	10,000 sq. feet	66 years lease	-	42
H.S.(M) 37316, PT 44787, Mukim of Kuala Kuantan, District of Kuantan, Pahang	Vacant Industrial Land	2,957 sq. metre	66 years lease expiring on 05/03/2062	-	373
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	20	1,773
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	20	1,361
Plot No. 759 & 3171, Mukim of Kesang District of Jasin, Melaka.	Agricultural Land	7.82 ha.	Freehold	-	406



Analysis Of Shareholdings As At 4 May 2001

Authorised Share Capital : RM 25,000,000.00
 Issued and Paid-up Capital : RM 18,000,000.00 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	FOREIGN	MALAYSIAN	FOREIGN	MALAYSIAN	FOREIGN
1 - 1000	636	2	634,231	2,000	3.52	0.01
1001 - 5000	467	15	1,306,767	40,000	7.26	0.22
5001 - 10000	71	3	569,431	27,000	3.16	0.15
10001 - 100000	47	2	1,151,572	44,000	6.40	0.25
100001 - 1000000	8	0	4,421,999	0	24.57	0.00
over 1000000	3	0	9,803,000	0	54.46	0.00
Total	1,232	22	17,887,000	113,000	99.37	0.63

TWENTY 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
Kenangan Gemerlap Sdn. Bhd.	747,000	4.15
Soh Teck Ghee	705,999	3.92
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
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
M.I.T. Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account For Lim Tee Cheow (ZZ508-009)	99,000	0.55
Lim Phang Boo @ Lim Soon	76,457	0.42
Tan Poo Lan @ Tan Keok Kee	54,000	0.30
Alliedban Nominees (Tempatan) Sdn. Bhd. Qualifier : Pledged Securities Account For Chow Chee Keong (338AB0Z46)	40,000	0.22
Tan Kim Oh	36,000	0.20
Leong & Company Sdn. Bhd. Qualifier ; IVT (002) For Anne Leong Sau Leng	36,000	0.20
Lew Lay Keng	35,000	0.19
Lau Kok Seng	35,000	0.19
Khor Dan Qing	34,000	0.19
	<u>14,670,456</u>	<u>81.48</u>



Analysis Of Shareholdings As At 4 May 2001 (continued)

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Shares Held	%
Permodalan Nasional Berhad	6,275,000	34.86
Yayasan Pelaburan Bumiputra	6,275,000	34.86
Soh Tik Siew	2,534,004	14.08
Destiny View Sdn. Bhd.	1,215,000	6.75
Lew Chee Seng	1,215,000	6.75
Tan Yen Ping	1,215,000	6.75
Goh Geok Tiah @ Goh Yew Chee	1,008,825	5.60
Kenangan Gemerlap Sdn. Bhd.	747,000	4.15
Soh Teck Ghee	705,999	3.92
Sim Beck Khong	702,215	3.90
Goh Yu Tian	689,984	3.83
Chua Neo Lai	570,305	3.17
Erh Koon Tee	570,305	3.17

As Bare Trustees

Name	Shares Held	%
Amsec Nominees (Tempatan) Sdn. Bhd.	5,674,000	31.52

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 21 JANUARY 2001

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. Mr. Yeoh Chong Keng	-	-
4. Mr. Ng Wah Cher @ Ng Guan Cher	-	-
5. Puan Zaida Khalida Binte Shaari	-	-



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

PROXY FORM

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 Seventh Annual General Meeting of the Company to be held at Crystal Crown Hotel, Room Utara 2, Level 2, 12, Lorong Utara A, Off Jalan Utara, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 13 June 2001 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 2000 and the Reports of Directors and Auditors thereon		
2.	To re-elect Mr. Ng Wan Cher @ Ng Guan Cher who retires as a Director of the Company pursuant to Article 91 of the Company's Articles of Association.		
3.	To re-elect Mr. Yeoh Chong Keng 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 for the year ended 31 December 2000.		
5.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to determine their remuneration.		

Signed this.....day of.....2001.

Number of shares held	
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 Signature

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., Monday, 11 June 2001.