

WOO HING

**Laporan Tahunan 2001
Year 2001 Annual Report**

**WOO HING BROTHERS (MALAYA) BERHAD (3010-D)
(Special Administrators Appointed)
(Incorporated in Malaysia)**

**WOO HING BROTHERS (MALAYA) BERHAD
(Special Administrators Appointed)
(Incorporated in Malaysia)**

ITEM	C O N T E N T S	P A G E
1	NOTICE OF ANNUAL GENERAL MEETING	2
2	STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING	3
3	CORPORATE INFORMATION	6
4	BOARD OF DIRECTORS	7
5	CHAIRMAN'S STATEMENT	9
6	ANALYSIS OF SHAREHOLDINGS	11
7	CORPORATE GOVERNANCE STATEMENT	14
8	AUDIT COMMITTEE REPORT	18
9	TERMS OF REFERENCE OF THE AUDIT COMMITTEE	20
10	STATEMENT OF DIRECTORS' RESPONSIBILITIES	21
11	DIRECTORS' REPORT	22
12	STATEMENT BY DIRECTORS	26
13	STATUTORY DECLARATION	26
14	REPORT OF THE AUDITORS	27
15	BALANCE SHEETS	29
16	INCOME STATEMENTS	30
17	STATEMENTS OF CHANGES IN EQUITY	31
18	CASH FLOW STATEMENTS	32
19	NOTES TO THE FINANCIAL STATEMENTS	34
20	PARTICULARS OF PROPERTIES	54
21	PROXY FORM	55

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Hotel Capitol, Room 3 & 4, Jalan Bulan, Off Jalan Bukit Bintang, 55100 Kuala Lumpur at 10.30 a.m. on Friday, 21 June 2002 for the following purposes: -

AGENDA

1. To table the Audited Accounts for the year ended 31 December 2001 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors who retire in accordance with the Company's Articles of Association.
2.1 Mr Low Chan Fai - Article 101 **Resolution 2**
2.2 Mr Ngiam Kee Tong - Article 106 **Resolution 3**
3. To re-appoint the following Director pursuant to Section 129 (6) of the Companies Act, 1965.
Y.A. Bhg. Tun Abdul Ghafar Bin Baba **Resolution 4**
4. To approve Directors' fees for the financial year ended 31 December 2001. **Resolution 5**
5. To re-appoint Messrs Ong Boon Bah & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS

- 6 To consider and if thought fit, to pass the following resolution as a Special Resolution:-

"That the existing Articles of Association of the Company be deleted in its entirety and that the new set of Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the year 2001 be and is hereby approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company".

Resolution 7

BY ORDER OF THE BOARD

Margaret Pelly (LS04402)
Sin May Peng (MAICSA 7018354)
Secretaries

Kuala Lumpur
Dated : 22 May 2002

Notes:-

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the member. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or in some other manner approved by its Directors. An instrument appointing a proxy executed in Malaysia need not be witnessed. The signature to an instrument appointing a proxy executed outside Malaysia shall be attested by solicitor, notary public, consul or magistrate. The instrument of proxy shall be deposited with the Company Share Registrars, Malaysian Share Registration Services Sdn. Bhd., 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur at least 48 hours before the time fixed for the meeting.

STATEMENT ON SPECIAL BUSINESS - RESOLUTION 7

The Resolution 7 proposed, if passed, will render the new Articles of Association of the Company to be consistent and compliant with the revamped Listing Requirements of Kuala Lumpur Stock Exchange, the Companies Act, 1965, the Securities Industry (Central Depositories) Act, 1991, the Rules of the Malaysian Central Depository Sdn Bhd and other statutory and regulatory requirements as well as to improve administrative efficiency.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors who are standing for election or re-election

- i. Y. A. Bhg. Tun Abdul Ghafar Bin Baba - Pursuant to Section 129 of the Companies Act 1965
- ii. Mr Low Chan Fai - Pursuant to Article 101 of the Articles of Association
- iii. Mr Ngiam Kee Tong - Pursuant to Article 106 of the Articles of Association

Details of attendance of Directors, place, date and hour of Board Meetings

On 2 March 2000, Pengurusan Danaharta Nasional Berhad appointed the Special Administrators for the Company pursuant to Section 24 of the Pengurusan Danaharta Nasional Berhad Act 1998. Consequently, the power of the Board of Directors has been suspended. There was no Board meeting held during the financial year.

Further details of Directors who are standing for election**1. Y. A. Bhg. Tun Abdul Ghafar Bin Baba.**

Age	77
Nationality	Malaysian
Position in the Company	Independent and Non-Executive Director Chairman of the Board Chairman of the Audit Committee
Qualification	Graduate of Maktab Perguruan Sultan Idris Tanjung Malim
Working Experience and Occupation	Y. A. Bhg. Tun Abdul Ghafar Bin Baba held numerous State and Cabinet appointments in the Government throughout his long political career. His portfolio of political duties included the post of Chief Minister of Malacca and Minister of Land and Rural Development. He served as Malaysia's Deputy Prime Minister for seven years from 1986 to 1993. Currently, he is the State Assemblyman for the Batu Berendam constituency in Malacca. He was appointed the Chairman of TH Group Berhad in December 1993 and subsequently, he resigned and was re-appointed independent Director and Non-Executive Chairman on 22 February 1999.
Other directorships of public companies	TH Group Berhad
Securities holdings in the Company and its subsidiaries	None
Family relationship with any director and or major 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, if any	None

2. Mr Low Chan Fai

Age	33
Nationality	Malaysian
Position in the Company	Non-Independent and Executive Director Member of the Audit Committee
Qualification	Member of the Chartered Institute of Management Accountants
Working Experience and Occupation	Mr Low has more than 10 years of experience in corporate advisory, finance and management. He was attached to a multi national oil company as an Accountant. Subsequently, he joined Arus Murni Corporation Berhad, a Main Board public listed company with interest in finance, stockbroking and property as a General Manager from 1995 to 1998. He was appointed as the Executive Director/CEO of Giltedged Options And Futures Sdn Bhd, a subsidiary company of Arus Murni Corporation Berhad, with interest in futures broking/financial derivatives business since 1998.
Other directorships of public companies	None
Securities holdings in the Company and its subsidiaries	None
Family relationship with any director and or major 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, if any	None

3. Mr Ngiam Kee Tong

Age	48
Nationality	Malaysian
Position in the Company	Independent and Non-Executive Director Member of the Audit Committee
Qualification	LLB (Hons) Degree, University of Malaya
Working Experience and Occupation	Mr Ngiam started practising law as a legal assistant in various law firms and was a partner in Messrs Nik Hussain, Ibrahim & Abdullah (now known as Messrs Hussain & Co) before setting up his own legal practice under the present firm of Messrs Khairuddin, Ngiam & Tan in 1984. In the course of his practice throughout 23 years, he has been exposed to various scope of work including litigation, banking, conveyancing, corporate and advisory work. He was also a former Director and legal adviser of Supreme Corporation Berhad (now known as Lion Land Berhad) and Everpeace Corporation Berhad (now known as Mega First Corporation Berhad) both of which are listed on the Kuala Lumpur Stock Exchange.
Other directorships of public companies	None
Securities holdings in the Company and its subsidiaries	None
Family relationship with any director and or major 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, if any	None

CORPORATE INFORMATION

SPECIAL ADMINISTRATORS

Heng Ji Keng
Bradley Dean Norman (Appointed on 10.10.2001)
Kelvin Edward Flynn (Terminated on 8.10.2001)

BOARD OF DIRECTORS

Y.A. Bhg. Tun Abdul Ghafar Bin Baba (Chairman)
Mah Weng Kee (Managing Director)
Low Chan Fai (Executive Director)
Ngiam Kee Tong (Non-Executive Director)(Appointed on 19.12. 2001)
Yip Siew Cheng (Non-Executive Director)(Resigned on 19.12. 2001)
Lin Moi Heyang (Non-Executive Director)(Resigned on 19.12. 2001)

AUDIT COMMITTEE

Y.A. Bhg. Tun Abdul Ghafar Bin Baba (Chairman)
(Independent Non-Executive Director)
Low Chan Fai (Executive Director)
Ngiam Kee Tong (Independent Non-Executive Director)

SECRETARIES

Margaret Pelly (f) – LS04402
Sin May Peng (f) – MAICSA 7018354

AUDITORS

Ong Boon Bah & Co
Public Accountants
B-10-1, Megan Phileo Promenade
189, Jalan Tun Razak
50400 Kuala Lumpur

REGISTERED OFFICE

Lot B1, 1 Floor, Block B
Kuala Lumpur Plaza
179, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 03-21441233
Fax : 03-21422228
Homepage : <http://www.woohing.com.my>

LISTING

Kuala Lumpur Stock Exchange
(Second Board)

REGISTRAR

Malaysian Share Registration Services Sdn. Bhd (378993-D)
7th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Tel : 03-2068099
Fax : 03-2063736

KLSE STOCK NO.

8672

BOARD OF DIRECTORS

Y. A. Bhg. Tun Abdul Ghafar Bin Baba *(Malaysian, aged 77)*

Independent and Non-Executive Director

Chairman of the Board

Chairman of the Audit Committee

Y. A. Bhg. Tun Abdul Ghafar Bin Baba held numerous State and Cabinet appointments in the Government throughout his long political career. His portfolio of political duties included the post of Chief Minister of Malacca and Minister of Land and Rural Development. He served as Malaysia's Deputy Prime Minister for seven years from 1986 to 1993. Currently, he is the State Assemblyman for the Batu Berendam constituency in Malacca. He was appointed the Chairman of TH Group Berhad in December 1993 and subsequently, he resigned and was reappointed independent Director and Non-Executive Chairman on 22 February 1999.

He was appointed to the Board of Woo Hing Brothers (Malaya) Berhad on 23 December 1996. He has no convictions for offences within the past 10 years. He does not hold any securities in the Company or its subsidiaries, nor does he has any family relationship with any Director and /or major shareholder of the Company. He also does not have any personal interest in any business arrangement involving the Company.

Mr Mah Weng Kee *(Malaysian, aged 40)*

Non-Independent and Executive Director

Managing Director

Mr Mah Weng Kee graduated from York University, Canada with a Bachelor of Arts. He was involved in the sales and marketing of a packaging line before joining a marketing consultancy firm as a Director giving consultancy advice and design training packages for clients. His last position was Business Development Manager in Wah Chan Gold & Jewellery Sdn Bhd. He initiated the franchising concept to increase the number of Wah Chan franchised outlets.

He was appointed to the Board of Woo Hing Brothers (Malaya) Berhad on 23 December 1996. He has no convictions for offences within the past 10 years. He does not hold any securities in the Company or its subsidiaries, nor does he has any family relationship with any Director and /or major shareholder of the Company. He also does not have any personal interest in any business arrangement involving the Company.

Mr Low Chan Fai *(Malaysian, aged 33)*

Non-Independent and Executive Director

Member of the Audit Committee

Executive Director

Mr Low Chan Fai is a member of the Chartered Institute of Management Accountants ("CIMA") and has more than 10 years of experience in corporate advisory, finance and management. He was attached to a multi national oil company as an Accountant. Subsequently, he joined Arus Murni Corporation Berhad, a main Board public listed company with interest in finance, stockbroking and property as a General Manager from 1995 to 1998. He was appointed as the Executive Director/CEO of Giltedged Options And Futures Sdn Bhd, a subsidiary company of Arus Murni Corporation Berhad, with interest in futures broking/financial derivatives business since 1998.

He was appointed to the Board of Woo Hing Brothers (Malaya) Berhad on 20 October 1999. He has no convictions for offences within the past 10 years. He does not hold any securities in the Company or its subsidiaries, nor does he has any family relationship with any Director and /or major shareholder of the Company. He also does not have any personal interest in any business arrangement involving the Company.

Mr Ngiam Kee Tong (*Malaysian, aged 48*)
Independent and Non-Executive Director
Member of the Audit Committee

Mr Ngiam Kee Tong graduated from the University of Malaya in 1978 with an LLB (Hons.) degree and was called to the Malayan Bar in January 1979. He started practising law as a Legal Assistant in various law firms and was a Partner in Messrs Nik Hussain, Ibrahim & Abdullah (now known as Messrs Hussain & Co) before setting up his own legal practice under the present firm of Messrs Khairuddin, Ngiam & Tan in 1984. In the course of his practice throughout 23 years, he has been exposed to various scope of work including litigation, banking, conveyancing, corporate and advisory work. He was also a former Director and legal adviser of Supreme Corporation Berhad (now known as Lion Land Berhad) and Everpeace Corporation Berhad (now known as Mega First Corporation Berhad) both of which are listed on the Kuala Lumpur Stock Exchange.

He was appointed to the Board of Woo Hing Brothers (Malaya) Berhad on 19 December 2001. He has no convictions for offences within the past 10 years. He does not hold any securities in the Company or its subsidiaries, nor does he has any family relationship with any Director and /or major shareholder of the Company. He also does not have any personal interest in any business arrangement involving the Company.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, presented is the Annual Report and Audited Accounts of the Group and the Company for the financial year ended 31 December 2001.

FINANCIAL PERFORMANCE

For the year under review, the Group registered a turnover of RM15.6 million, a slight reduction as compared to the preceding financial year of RM15.4 million. However, the group current post-tax loss of RM56.6 million is significantly higher as compared to the preceding financial year of RM12.4 million. The significant deterioration of the post tax result is mainly attributable to the provision for development expenditure of RM26.3 million, provision for doubtful debt for deposit paid of RM12 million and the full amortisation of goodwill of RM3.3 million.

DIVIDEND

The Board does not recommend any payment of dividend in respect of the financial year ended 31 December 2001.

CORPORATE RESTRUCTURING EXERCISE

During the year, Pengurusan Danaharta Nasional Berhad ("Danaharta") appointed Mr Bradley Dean Norman as the Special Administrator ("SA") on 10 October 2001 pursuant to Section 24 of the Pengurusan Danaharta Nasional Berhad Act 1998 ("Danaharta Act") to replace Mr Kelvin Edward Flynn who ceased to be the SA on 8 October 2001.

Pursuant to Section 41 of the Danaharta Act, a twelve (12) month moratorium period took effect on the appointment of the SAs, during which no creditors may take any legal action against the Company. The moratorium period was subsequently extended to 1 March 2003. The extension is pursuant to Section 41(3) of the Danaharta Act.

The Principal Agreement dated 26 September 2001 between the Company and Jiwa Ragam Sdn Bhd ("JRBSB") was terminated on 16 January 2002 as JRBSB failed to fulfill its obligations under the same. The SAs sought expressions of interest on 28 January 2002 from interested investors for the restructuring of the Company and/or acquisition of the businesses and assets. On 9 May 2002, the Company and Kamdar Sdn Bhd ("Kamdar") executed a Principal Agreement to implement the scheme for the transfer of the listing status to a newly incorporated company, which will be acquiring Kamdar. The SAs will be making further announcements on the sale of the Company's assets and full details of the restructuring exercise in due course.

The SAs will prepare a workout proposal which will be examined by an Independent Advisor and Danaharta. Once the workout proposal is approved by Danaharta pursuant to Section 46 of the Danaharta Act, it will be submitted to the secured creditors for their consideration and approval. The workout proposal will be implemented upon obtaining approval in accordance with Sections 45 and 46 of the Danaharta Act and from the relevant regulatory authorities.

DIRECTORSHIP

On behalf of the Board, management and staff, we welcome Mr Ngiam Kee Tong as the newly appointed Director to the Board.

ACKNOWLEDGEMENTS

Company No: 3010 D

WOO HING

I take this opportunity to thank my fellow Directors and on behalf of the Board, I thank the shareholders for their support and the management and employees at all levels for their commitment, perseverance and dedication during this difficult time. I look forward to your continued loyalty and cooperation as we face greater challenges ahead.

Y.A. Bhg. Tun Abdul Ghafar Bin Baba
Chairman

Date: 20 May 2002

**ANALYSIS OF SHAREHOLDERS
AS AT 3 MAY 2002****SHARE CAPITAL**

Authorised Share Capital	: RM20, 000,000.00
Issued and Paid-up Capital	: RM15, 600,000.00
Voting Right	: One voting right for one ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Issued Capital
Less than 1,000	16	0.43	6,484	0.04
1,000 - 10,000	3,554	96.45	8,121,007	52.06
10,001 -100,000	108	2.93	2,363,701	15.15
100,001 to less than 5% of issued shares	4	0.11	1,127,015	7.23
5% and above of issued shares	3	0.08	3,981,793	25.52
Grand Total	3,685	100.00	15,600,000	100.00

**DIRECT AND INDIRECT INTERESTS OF DIRECTORS
As at 20 May 2002**

No.	Names	Number of Shares Held	%
1.	Y.A. Bhg. Tun Abdul Ghafar Bin Baba	-	-
2.	Mah Weng Kee	-	-
3.	Low Chan Fai	-	-
4.	Ngiam Kee Tong	-	-

**THIRTY LARGEST SHAREHOLDERS
As at 3 May 2002**

Rank	Name of Shareholders	Number of Shares Held	% of Issued Capital
1	Wong Siong Chee Holdings Sdn Bhd	1,755,000	11.25
2	Leasing Corporation Sdn Bhd <Pledge Securities Account for Jiwa Ragam Sdn Bhd>	1,180,000	7.56
3	BBMB Securities Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for PJB Capital Sdn Bhd>	1,046,793	6.71
4	Jiwa Ragam Sdn Bhd	601,015	3.85
5	Soh Thiam Hong	234,000	1.50
6	Kuala Lumpur City Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for Foo Kum Cheun>	165,000	1.06
7	United Overseas Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for Ha Kee Yueh>	127,000	0.81
8	Mak Ngia Ngia @ Mak Yoke Lum	95,000	0.61
9	HLG Nominee (Tempatan) Sdn Bhd <Pledge Securities Account for Siow Chin Peng>	81,000	0.52
10	Lembaga Tabung Haji	70,000	0.45
11	Tan Chee Seng	67,000	0.43
12	Yeo Khoo Kooi	63,000	0.40
13	Liew Foong Yin	53,000	0.34
14	Sunway Credit & Leasing Sdn Bhd <Pledge Securities Account for Loo Kiew Man>	53,000	0.34
15	Chew Chuon Ghee	50,000	0.32
16	Tan Chun Ming	50,000	0.32
17	Kwan Chee Tong	46,000	0.29
18	Public Nominees (Tempatan) Sdn Bhd <Fu Chee Mang>	43,000	0.28
19	Ang Foh Hing @ Ng Poh Heng	40,000	0.26
20	Citicorp Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for Yusoff Bin Mohamed>	40,000	0.26
21	Mayban Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for Lee Kum Chuan>	39,000	0.25
22	Mayban Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for Ko Ing Hie>	35,000	0.22
23	Tan Mei Fong	35,000	0.22
24	Amanah Raya Nominees (Tempatan) Sdn Bhd <PJB Capital Sdn. Bhd for Tabung Amanah Warisan Negeri Johor>	30,000	0.19
25	Chia Chu Foo	30,000	0.19
26	Elizabeth Tay Lee Hwa	30,000	0.19
27	Low Teong Keong	30,000	0.19
28	Ong Kok Cheng	30,000	0.19
29	PRB Nominees (Tempatan) Sdn Bhd <Rubber Industry Smallholders Development Authority>	30,000	0.19
30	Tee Teck Khoo	28,000	0.18
	Total	6,176,808	39.59

SUBSTANTIAL SHAREHOLDERS
As at 3 May 2002

Rank	Name of Shareholders	Number of Shares Held	% of Issued Capital
1	Wong Siong Chee Holdings Sdn. Bhd	1,755,000	11.25
2	Leasing Corporation Sdn Bhd <Pledge Securities Account for Jiwa Ragam Sdn Bhd>	1,180,000	7.56
3	BBMB Securities Nominees (Tempatan) Sdn Bhd <Pledge Securities Account for PJB Capital Sdn. Bhd>	1,046,793	6.71

CORPORATE GOVERNANCE STATEMENT

On 2 March 2000, Pengurusan Danaharta Nasional Berhad appointed Special Administrators (“SAs”) for the Company pursuant to Section 24 of the Pengurusan Danaharta Nasional Berhad Act 1998. Consequently, the power of the Board of Directors has been suspended.

Since then, the Board of Directors of the Company together with the SAs have initiated moves to ensure that the principles of corporate governance and best practices as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance (“the Code”) are observed and practised throughout the Group.

1. DIRECTORS**(a) The Board**

The SAs work in close consultation with the Board in an effort to preserve the assets of the Company and to formulate a corporate and debt restructuring scheme for the Company.

(b) Board Balance

The Board currently has four members, comprising two Independent Non-Executive Directors, one Managing Director and one Executive Director which is in compliance with Paragraph 15.02 of the Listing Requirements of the Kuala Lumpur Stock Exchange (“KLSE Listing Requirements”) that at least two Directors or one-third of the Board, whichever is the higher, are Independent Directors.

There is a clear accepted division of responsibility between the Chairman and the Managing Director to ensure balance of power and authority. The Independent Non-Executive Directors are independent from management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement.

The profiles of the members of the Board are presented on pages 7 to 8.

(c) Supply of Information

The Board is supplied with sufficient and timely information to enable it to discharge its statutory duty.

(d) Appointment and Re-election of Directors

There is a formal and transparent procedure for the appointment of a new Director to the Board.

Under the existing provision of the Company’s Articles of Association, at least one-third of the Directors (except for Managing Director) are required to retire from office by rotation annually and subject to re-election at each Annual General Meeting. As this represents a departure from the Code, the Company will be amending its Articles of Association in accordance with the requirements of paragraph 7.28 of the KLSE Listing Requirements to provide for all Directors to submit for re-election once at least every three years in compliance with the Code.

The Managing Director, Mr Mah Weng Kee, however, does not retire in accordance with paragraph 7.28 by virtue of his service contract with the Company for a period of 5 years commencing on 1 November 1999 and expiring on 31 October 2004. As such, the said Director is only subject to re-election upon the expiry of the service contract.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with section 129 (6) of the Companies Act, 1965.

2. DIRECTORS' REMUNERATION

The Board together with the SAs as a whole reviews the remuneration structure for the Directors, except for the remuneration of the Managing Director and Executive Director, which are governed by the service contracts. The Board and SAs review the remuneration of the Non-Executive Directors taking into consideration of the experience and level of responsibilities. Fees payable to the Directors would be proposed at the Annual General Meeting for the shareholders' approval.

The number of Directors of the Company who served during the financial year and whose income from the Group falling within the following bands is: -

Remuneration Bands RM	Executive Directors Number	Non-Executive Directors Number
50,000 and below	-	1
50,001 to 100,000	-	1
100,001 to 150,000	-	-
150,001 to 200,000	1	-
200,001 to 250,000	1	-

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company who served during the financial year is as follows: -

Category	Fees RM	Salaries & Other Emoluments RM	Bonus RM	Contractual Bonus RM	Benefits-in -Kind RM	Total RM
Executive Directors						
- Mah Weng Kee	-	240,000	-	-	21,054	261,054
- Low Chan Fai	-	180,000	-	-	8,567	188,568
Non-Executive Directors						
- Y.A. Bhg. Tun Abdul Ghafar Bin Baba	-	72,000	-	-	-	72,000
- Ngiam Kee Tong	9,600	-	-	-	-	9,600
- Yip Siew Cheng (Resigned on 19.12.2001)	9,600	-	-	-	-	9,600
- Lin Moi Heyang (Resigned on 19.12.2001)						

3. SHAREHOLDERS' AND INVESTORS' RELATIONS

The Board recognises the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders and investors. The Board is prepared

where applicable, to enter into a dialogue with institutional shareholders, based on the mutual understanding of objectives.

To ensure that shareholders and investors are well informed of major developments of the Company, information is disseminated to shareholders and investors through various disclosures and announcements made to the Kuala Lumpur Stock Exchange which includes the quarterly results announcements, as well as through the distribution of Annual Reports and where appropriate, press releases.

The Annual General Meeting is the principal forum for dialogue with shareholders. Extraordinary General Meetings are held as and when required. At the Annual General Meeting, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group.

4. **ACCOUNTABILITY AND AUDIT**

(a) **Financial Reporting**

It is the Board's aim to present a balanced and understandable assessment of the Group's position and prospects.

The financial reporting includes Annual Reports, quarterly announcements and other regulatory reporting.

(b) **Internal Control**

The Directors acknowledge their responsibilities for maintaining a sound system of internal controls of the Group. This system covers the financial, operational and compliance controls. Such systems of internal control are designed to meet the Group's particular needs and to manage rather than eliminate the risk of failure to achieve business objectives. Therefore, the system, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss. In the course of discharging their duties, the Board and SAs continuously identify and manage the risk faced by the Group.

(c) **Relationship with Auditors**

The appointment of the external auditors and their remuneration are recommended by the Audit Committee. Through the Audit Committee, the Company has established transparent and appropriate relationship with the external auditors.

5. **COMPLIANCE WITH BEST PRACTICES**

The Group has complied in full with the Best Practices set out in Part 2 of the Code except as stated below: -

- The Group has yet to implement a succession plan for senior management.

- The internal audit function was established in April 2002. Prior to this, the Executive Directors and the management conducted showroom visits and periodic stock checks.
- A Senior Independent Non-Executive Director to be identified.
- There is neither Nomination nor Remuneration Committees. The duties of these committees are assumed by the SAs and the Board members as a whole.
- The annual review of the competence of the Non-Executive Directors will be performed in year 2002.
- During the year, all the Directors except for Y.A. Bhg. Tun Abdul Ghafar Bin Baba have successfully completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analysis Malaysia, an affiliate company of the Kuala Lumpur Stock Exchange.
- The Audit Committee will meet with the external auditors without executive Board members present.
- No Board meeting was held during the financial year 31 December 2001. However, the Directors' circular resolutions duly recommended by the SAs, are circulated for Directors' deliberation and approval. The Directors shall meet regularly in year 2002.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 December 2001.

1. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee presently comprises two Independent Non-Executive Directors and one Executive Director. The members are:

Y.A. Bhg. Tun Abdul Ghafar Bin Baba (Chairman)	Independent Non-Executive Director
Ngiam Kee Tong (Member)	Independent Non-Executive Director
Low Chan Fai (Member)	Non-Independent Executive Director

2. TERMS OF REFERENCE

On 22 April 2002, the Board approved the proposed amendments to the terms of reference of the Audit Committee, in compliance with the Listing Requirements of Kuala Lumpur Stock Exchange ("KLSE Listing Requirements").

The terms of reference of the Audit Committee are set out on page 20.

3. AUTHORITY

The Audit Committee is authorised by the Board to investigate 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 co-operate with any request made by the Audit Committee. The Audit Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise where it considers necessary, at the Company's expense.

4. MEETINGS

During the financial year under review, the Audit Committee, with the consent of the Special Administrators, held two meetings. Details of the attendance of each member of the committee are tabulated below: -

Name of Audit Committee Members	Attendance to Audit Committee Meeting held on		Date of appointment	Date of resignation
	25-Apr-01	27-Jun-01		
Y.A. Bhg. Tun Abdul Ghafar Bin Baba	☺	☺	18-Nov-98	N/A
Yip Siew Cheng	☑	☑	28-Mar-01	19-Dec-01
Lin Moi Heyang	☑	☑	28-Mar-01	19-Dec-01
Low Chan Fai	N/A	N/A	19-Dec-01	N/A
Ngiam Kee Tong	N/A	N/A	19-Dec-01	N/A

N/A – Not Applicable

☑ Present

☺ - Absent with apologies

5. ACTIVITIES UNDERTAKEN BY AUDIT COMMITTEE

The Audit Committee carried out limited activities during the financial year. As the Group was facing cash flow constraints with reduced activities and the Audit Committee meetings held on 25th April 2001 and 27th June 2001 were to: -

- review the draft audited results and financial statements of the Company and Group for the last financial year 2000 and unaudited first quarter 2001 financial results of the Group prior to submission to the Board of Directors for consideration and approval;
- review the auditors' report and the audit qualifications for the financial year ended 31 December 2000;
- review the external auditors' audit plan;
- discuss the KLSE Listing Requirements pertaining to the internal control of the Company and Group; and
- discuss the Revamped KLSE Listing Requirements in relation to Audit Committee.

6. INTERNAL AUDIT FUNCTION

The Group does not have an internal audit department during the financial year 2001. The audit functions were carried out by senior management during showroom visits and periodic stock checks to ensure those adequate controls are in place in the key process areas.

The Group however had decided to outsource its internal audit function through the appointment of a professional consulting firm in April 2002.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

COMPOSITION

Member of the Committee shall be determined by the Board of Directors and shall be composed by no fewer than three members with the majority of whom independent Directors. The Chairman of the Committee shall also be an independent Director.

At least one member of the Committee shall be a member of the Malaysian Institute of Accountants or a person who possess the necessary experience and qualification that meets the prescribed requirements.

No Alternate Director shall be appointed as a member of the audit Committee.

MEETINGS

The Committee shall meet at least 4 times a year with a majority of the members in attendance must be independent Directors in order to form a quorum for the meeting of the Committee.

AUTHORITY

The Committee is authorised by the Board to investigate any matter within its terms of reference.

The Committee shall have the resources and shall be allowed to obtain independent professional or other advice as necessary to assist the Committee in fulfilling its responsibilities.

The Committee shall have full and unrestricted access to any information pertaining to the Company and shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity. Whenever necessary, the Committee may also convene meetings with the external auditors, excluding the attendance of the executive members of the Committee.

DUTIES

The duties of the Audit Committee are: -

- to report to the Board of Directors after review the following :-
- the audit plan, the evaluation of the system of internal controls, the audit report with the external auditors;
- the assistance given by the employees of the Company to the external auditor and the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- the process and 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;
- the quarterly, half-yearly and year end consolidated financial statements of the Company which focus on changes in or implementation of major accounting policy changes; significant and unusual events and compliance with accounting standards and other legal requirements; and
- any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity ; and
- to recommend to the Board the nomination, appointment or reappointment of the external auditors and any question of their resignation and termination; and
- to perform any other duties as may be agreed by the Committee and the Board of Directors.
- to promptly report matters which has not been satisfactorily resolved resulting in a breach of Listing Requirements of the Kuala Lumpur Stock Exchange.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements which are in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured that applicable accounting standards have been followed; and
- prepared the financial statements on the going concern basis, unless they consider that inappropriate.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MATERIAL CONTRACTS

There is no material contract of the Company and its subsidiaries involving Directors' and major shareholders' interest pursuant to paragraph 20, Part A, Appendix 9C of the Listing Requirements of the Kuala Lumpur Stock Exchange still subsisting at the end of the financial year or entered into since the end of the previous financial year.

WOO HING BROTHERS (MALAYA) BERHAD**(Special Administrators Appointed)****(Incorporated in Malaysia)****DIRECTORS' REPORT**

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is retailing in watches. The principal activities of its subsidiary companies are shown in Note 3 to the financial statements.

There have been no significant changes in the activities of the Company and of its subsidiary companies during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Loss after taxation	(56,559,830)	(73,726,253)
Minority interests	98,750	-
Loss after taxation and minority interests	<u>(56,461,080)</u>	<u>(73,726,253)</u>

RESERVES AND PROVISIONS

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

SPECIAL ADMINISTRATORS

The Special Administrators appointed by Pengurusan Danaharta Nasional Berhad are:

Heng Ji Keng	
Bradley Dean Norman	(Appointed on 10.10.2001)
Kelvin Edward Flynn	(Terminated on 8.10.2001)

DIRECTORS

The Directors who have held office since the date of the last report are:

Y. A. Bhg. Tun Abdul Ghafar Bin Baba
Mah Weng Kee
Low Chan Fai
Ngiam Kee Tong (Appointed on 19.12.2001)
Yip Siew Cheng (Resigned on 19.12.2001)
Lin Moi Heyang (Resigned on 19.12.2001)

The Director due to retire by rotation in accordance with Article 101 of the Articles of Association of the Company is Low Chan Fai and, being eligible, offers himself for re-election.

Ngiam Kee Tong retires in accordance with Article 106 of the Articles of Association of the Company and, being eligible, offers himself for re-election.

Y. A. Bhg. Tun Abdul Ghafar Bin Baba being over the age of seventy years, retires pursuant to Section 129(2) of the Companies Act, 1965 and seeks re-appointment as a Director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Directors of the Company has received or become entitled to receive any benefit (other than those disclosed as Directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest.

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

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, none of the Directors holding office at the end of the financial year held any shares in the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain the action 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 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 the 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; or
- (d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

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 liabilities of any other person; or
- (b) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

Other than as disclosed in the financial statements, 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 as and when they fall due.

In the opinion of the Directors:-

- (a) other than as disclosed in the financial statements, 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 and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ong Boon Bah & Co, have indicated their willingness to continue in office.

Company No: 3010 D

WOO HING

On behalf of the Board

MAH WENG KEE
Director

LOW CHAN FAI
Director

Kuala Lumpur
29 April 2002

WOO HING BROTHERS (MALAYA) BERHAD
(Special Administrators Appointed)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, MAH WENG KEE and LOW CHAN FAI, being two of the Directors of WOO HING BROTHERS (MALAYA) BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 29 to 53 are drawn up in accordance with applicable approved accounting standards in Malaysia 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 its results, changes in equity and cash flows of the Group and of the Company for the financial year ended on that date.

On behalf of the Board

MAH WENG KEE
Director

LOW CHAN FAI
Director

Kuala Lumpur
29 April 2002

STATUTORY DECLARATION

I, MAH WENG KEE, the Director primarily responsible for the financial management of WOO HING BROTHERS (MALAYA) BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 29 to 53 are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named MAH WENG KEE at Kuala Lumpur in the Federal Territory on 29 April 2002

MAH WENG KEE

Before me

Gan Hiang Heng
NO: W 062
Commissioner for Oaths
Kuala Lumpur

**REPORT OF THE AUDITORS TO THE MEMBERS OF
WOO HING BROTHERS (MALAYA) BERHAD**

(Special Administrators Appointed)

We have audited the financial statements set out on pages 29 to 53. The preparation of 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.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary, to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

As at 31 December 2001, the Group and the Company have net current liabilities of RM117,673,564 and RM118,983,505 respectively and accumulated loss of RM113,835,199 and RM114,422,627 respectively. The accumulated loss resulted in a capital deficiency of RM96,610,199 for the Group.

Included in property, plant and equipment of the Group and of the Company is an amount of RM6,312,283 relating to capital work in progress as disclosed in Note 2 to financial statements. We are unable to determine with any reasonable accuracy the recoverability of the amount or the amount of provision where necessary.

The above together with the matters set out in Note 27 to the financial statements may result in the going concern basis of preparing the financial statements of the Group and of the Company inappropriate. The continuation of the Group and of the Company as a going concern will be dependent on future profitable operations and the support of shareholders, bankers and creditors. If these are not forthcoming, adjustments may have to be made to the carrying values of the assets to their realisable amounts, to provide for any further liabilities which may arise and the reclassification of non-current assets and long term liabilities as current assets and current liabilities where appropriate.

Subject to the above, 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 of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2001 and of the results, changes in equity 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 Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
WOO HING BROTHERS (MALAYA) BERHAD
(Special Administrators Appointed)**

We have considered the financial statements of the subsidiary company, Soon Hee Goldsmith Jewellery Sdn Bhd, of which we have not acted as auditors and the auditors' report thereon.

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 as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification other than as disclosed in Note 3 and did not include any comment under Subsection (3) of Section 174 of the Companies Act, 1965.

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

WONG SOO THIAM
1315/11/02(J)
Partner of the Firm

Kuala Lumpur
29 April 2002

WOO HING BROTHERS (MALAYA) BERHAD

(Special Administrators Appointed)

(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2001

	NOTE	GROUP		COMPANY	
		2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	2	21,065,551	21,628,245	20,965,871	21,369,754
SUBSIDIARY COMPANIES	3	-	-	820,007	7,420,011
ASSOCIATED COMPANY	4	-	-	-	530,292
DEVELOPMENT EXPENDITURE	5	-	26,296,333	-	23,685,765
INTANGIBLE ASSETS	6	-	3,452,360	-	-
CURRENT ASSETS					
Inventories	7	4,891,827	6,577,626	3,461,380	3,783,606
Trade receivables	8	473,654	605,876	332,726	420,981
Other receivables, deposits and prepayments	9	575,398	12,944,840	389,816	426,683
Amount due from subsidiary companies	10	-	-	-	30,656,120
Short term deposit with a licensed bank		200,000	-	200,000	-
Fixed deposit with a licensed bank		995,158	-	995,158	-
Cash and bank balances		1,183,935	1,208,111	1,023,516	379,078
		<u>8,319,972</u>	<u>21,336,453</u>	<u>6,402,596</u>	<u>35,666,468</u>
CURRENT LIABILITIES					
Trade payables		1,810,907	1,765,221	1,750,128	1,696,905
Other payables and accruals	11	4,608,817	2,760,880	4,076,532	2,263,405
Hire purchase liabilities	16	105,063	219,214	90,692	173,218
Short term borrowings	12	119,404,976	107,946,363	119,404,976	107,946,363
Taxation		63,773	69,896	63,773	63,773
		<u>125,993,536</u>	<u>112,761,574</u>	<u>125,386,101</u>	<u>112,143,664</u>
NET CURRENT LIABILITIES		(117,673,564)	(91,425,121)	(118,983,505)	(76,477,196)
		<u>(96,608,013)</u>	<u>(40,048,183)</u>	<u>(97,197,627)</u>	<u>(23,471,374)</u>
Financed by:					
SHARE CAPITAL	13	15,600,000	15,600,000	15,600,000	15,600,000
RESERVES	14	(112,210,199)	(55,749,119)	(112,797,627)	(39,071,374)
SHAREHOLDERS' FUNDS		<u>(96,610,199)</u>	<u>(40,149,119)</u>	<u>(97,197,627)</u>	<u>(23,471,374)</u>
MINORITY INTERESTS		-	98,750	-	-
TERM LOANS	15	-	-	-	-
HIRE PURCHASE LIABILITIES	16	2,186	2,186	-	-
		<u>(96,608,013)</u>	<u>(40,048,183)</u>	<u>(97,197,627)</u>	<u>(23,471,374)</u>
Net tangible liabilities per share (sen)	22	<u>(619.3)</u>	<u>(279.5)</u>		

The accompanying notes form an integral part of the financial statements

WOO HING BROTHERS (MALAYA) BERHAD**(Special Administrators Appointed)****(Incorporated in Malaysia)****INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	NOTE	GROUP		COMPANY	
		2001 RM	2000 RM	2001 RM	2000 RM
Revenue	17	15,574,801	15,380,068	14,802,828	11,567,526
Cost of sales		(13,243,706)	(12,591,104)	(12,709,625)	(9,288,350)
Gross profit		<u>2,331,095</u>	<u>2,788,964</u>	<u>2,093,203</u>	<u>2,279,176</u>
Other operating income		1,359,363	1,338,440	1,581,614	1,596,407
Distribution costs		(483,203)	(357,173)	(402,736)	(279,479)
Administration expenses		(9,982,892)	(6,632,614)	(43,694,621)	(4,475,157)
Loss from operations		<u>(6,775,637)</u>	<u>(2,862,383)</u>	<u>(40,422,540)</u>	<u>(879,053)</u>
Finance costs	18	(11,484,835)	(9,570,451)	(9,617,948)	(8,321,474)
Exceptional items	19	(38,300,333)	-	(23,685,765)	-
Loss before taxation	20	<u>(56,560,805)</u>	<u>(12,432,834)</u>	<u>(73,726,253)</u>	<u>(9,200,527)</u>
Taxation	21	975	(6,293)	-	-
Loss after taxation		<u>(56,559,830)</u>	<u>(12,439,127)</u>	<u>(73,726,253)</u>	<u>(9,200,527)</u>
Minority interests		98,750	76,737	-	-
Loss after taxation and minority interests		<u>(56,461,080)</u>	<u>(12,362,390)</u>	<u>(73,726,253)</u>	<u>(9,200,527)</u>
Loss per share (sen)	22	<u>(361.9)</u>	<u>(79.2)</u>		

The accompanying notes form an integral part of the financial statements

WOO HING BROTHERS (MALAYA) BERHAD

(Special Administrators Appointed)

(Incorporated in Malaysia)

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

GROUP	Share Capital RM	Share Premium RM	Accumulated Loss RM	Total RM
Balance at 31 December 1999	15,600,000	1,625,000	(45,011,729)	(27,786,729)
Loss for the financial year	-	-	(12,362,390)	(12,362,390)
Balance at 31 December 2000	15,600,000	1,625,000	(57,374,119)	(40,149,119)
Loss for the financial year	-	-	(56,461,080)	(56,461,080)
Balance at 31 December 2001	<u>15,600,000</u>	<u>1,625,000</u>	<u>(113,835,199)</u>	<u>(96,610,199)</u>

COMPANY	Share Capital RM	Share Premium RM	Accumulated Loss RM	Total RM
Balance at 31 December 1999	15,600,000	1,625,000	(31,495,847)	(14,270,847)
Loss for the financial year	-	-	(9,200,527)	(9,200,527)
Balance at 31 December 2000	15,600,000	1,625,000	(40,696,374)	(23,471,374)
Loss for the financial year	-	-	(73,726,253)	(73,726,253)
Balance at 31 December 2001	<u>15,600,000</u>	<u>1,625,000</u>	<u>(114,422,627)</u>	<u>(97,197,627)</u>

The accompanying notes form an integral part of the financial statements

WOO HING BROTHERS (MALAYA) BERHAD

(Special Administrators Appointed)

(Incorporated in Malaysia)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER, 2001**

	NOTE	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(56,560,805)	(12,432,834)
Adjustments for non-cash items and interests	23(a)	54,544,266	10,710,303
Operating loss before working capital changes		(2,016,539)	(1,722,531)
Decrease in inventories		1,112,891	1,502,749
Decrease/(increase) in trade and other receivables		219,407	(887,206)
Increase/(decrease) in trade and other payables		1,893,623	(1,546,017)
Cash generated from/(used in) operations		1,209,382	(2,653,005)
Interest paid		(3,389,643)	(66,006)
Tax paid		(6,123)	(2,570)
Interest received		7,069	-
Net cash outflow from operating activities		(2,179,315)	(2,721,581)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		120,864	16,250
Purchase of property, plant and equipment		(24,414)	(173,942)
Deferred expenditure incurred		-	(22,691)
Net cash inflow/(outflow) from investing activities		96,450	(180,383)
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment of hire purchase liabilities		(114,151)	(22,331)
Net cash outflow from financing activity		(114,151)	(22,331)
Net decrease in cash and cash equivalents		(2,197,016)	(2,924,295)
Cash and cash equivalents at beginning of the financial year		(35,608,125)	(32,683,830)
Cash and cash equivalents at end of the financial year	23(b)	(37,805,141)	(35,608,125)

The accompanying notes form an integral part of the financial statements

WOO HING BROTHERS (MALAYA) BERHAD
(Special Administrators Appointed)

(Incorporated in Malaysia)

**CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER, 2001**

	NOTE	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(73,726,253)	(9,200,527)
Adjustments for non-cash items and interests	23(a)	72,615,443	8,646,980
Operating loss before working capital changes		(1,110,810)	(553,547)
(Increase)/decrease in inventories		(185,314)	383,416
Increase in trade and other receivables		(51,394)	(861,882)
Increase in trade and other payables		1,866,350	371,868
Cash generated from/(used in) operations		518,832	(660,145)
Interest paid		(1,523,317)	(45,666)
Interest received		1,445	-
Net cash outflow from operating activities		(1,003,040)	(705,811)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		108,520	-
Purchase of property, plant and equipment		(16,914)	(173,942)
Advances to subsidiary companies		(534,442)	(1,649,173)
Net cash outflow from investing activities		(442,836)	(1,823,115)
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment of hire purchase liabilities		(82,526)	(20,165)
Net cash outflow from financing activity		(82,526)	(20,165)
Net decrease in cash and cash equivalents		(1,528,402)	(2,549,091)
Cash and cash equivalents at beginning of the financial year		(36,437,158)	(33,888,067)
Cash and cash equivalents at end of the financial year	23(b)	(37,965,560)	(36,437,158)

The accompanying notes form an integral part of the financial statements

WOO HING BROTHERS (MALAYA) BERHAD

(Special Administrators Appointed)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2001

1. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment, unless otherwise indicated in this summary of significant accounting policies and on a going concern basis.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

(b) 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 as to obtain benefits from their activities. Subsidiary companies are consolidated based on the acquisition method of accounting. All inter-company balances and transactions and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

Goodwill on consolidation represents the difference between the purchase price and the fair value of the net assets of subsidiary at the date of acquisition. Goodwill on consolidation are amortised over a period of twenty five years. Goodwill is written down immediately through the income statement if there is a permanent diminution in its value.

(c) ASSOCIATED COMPANY

A company, other than a subsidiary company, in which the Group has a long term equity investment of between 20% and 50% and where the Group has representation on the Board and is in a position to exercise significant influence is accounted for as an associated company.

The Group's investment in associated company is accounted for under the equity method of accounting based on the management financial statements of the associated company made up to the Group's financial year end. The equity method of accounting involves recognising in the income statement the Group's share of the results of associated company for the period. The Group's investment in associated company is carried in the balance sheet at an amount that reflects its share of the net assets of the associated company and includes premium on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(d) PROPERTY, PLANT AND EQUIPMENT

Freehold land, buildings and other property, plant and equipment are stated at cost or valuation less accumulated depreciation.

Freehold land and capital work-in-progress are not depreciated. Depreciation of the other property, plant and equipment is provided on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual depreciation rates used are:-

Buildings	2%
Furniture and equipment	10% - 33 1/3%
Motor vehicles	20%

(e) INVESTMENTS

Investment in subsidiary companies and associated company in the Company's financial statements are stated at cost and provision is made where, in the opinion of the Directors, there is a permanent diminution in value.

(f) INTANGIBLE ASSETS

Intangible assets consist of goodwill on consolidation and deferred expenditure. Deferred expenditure comprises preliminary and pre-operating expenses at cost. Intangible assets are written off during the financial year.

(g) DEVELOPMENT EXPENDITURE

Development expenditure is stated at cost. Interest cost incurred on the development of property projects are capitalised and included as part of development expenditure. However, capitalisation of interest costs is suspended during extended periods in which active development is interrupted.

Provision for development expenditure is made when the Directors are of the opinion that the amount is not recoverable.

(h) INVENTORIES

Inventories are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete and slow-moving items. The cost comprises the original purchase plus cost incurred in bringing the inventories to their present locations and conditions.

Cost is determined principally on the weighted average basis.

(i) RECEIVABLES

Specific provisions are made for doubtful debts, which have been individually reviewed and identified, as bad or doubtful. In addition, general provisions are made to cover possible losses, which are not specifically identified.

(j) HIRE PURCHASE

Property, plant and equipment acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 1 (d) above. The corresponding outstanding obligations due under hire purchase after deducting finance charges are included as liabilities in the financial statements. Finance charges are allocated to the income statements over the periods of the respective agreements.

(k) DEFERRED TAXATION

Provision is made, on the liability method, for taxation deferred by capital allowances and other timing differences, except where the tax effects of such timing differences are not expected to reverse in the foreseeable future.

Deferred tax benefit is only recognised when there is a reasonable expectation of realisation.

(l) FOREIGN CURRENCIES

The financial statements are stated in Ringgit Malaysia.

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or contracted rates where applicable. Monetary assets and liabilities in foreign currencies at the financial year end are translated into Ringgit Malaysia at the rates of exchange ruling at that date or at contracted rate, where applicable. All exchange differences are included in the income statements.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	2001 RM	2000 RM
1 SGD	2.077	2.182
1 HKD	0.492	0.492

(m) REVENUE RECOGNITION

Revenue from sale of goods of the Group and of the Company is recognised when the goods are delivered.

(n) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts, demand deposits and other short-term and highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

2. PROPERTY, PLANT AND EQUIPMENT

Freehold	Furniture	Capital
-----------------	------------------	----------------

	land and buildings RM	and equipment RM	Motor vehicles RM	work-in- progress RM	Total RM
GROUP					
AT COST OR VALUATION					
NET BOOK VALUE					
At 1 January 2001	9,822,290	968,877	98,288	10,738,790	21,628,245
Additions	-	19,561	4,853	-	24,414
Disposals	-	(77,365)	(371)	-	(77,736)
Written off	-	(15,827)	-	-	(15,827)
Reclassification	4,426,507	-	-	(4,426,507)	-
Depreciation charge	(55,070)	(340,400)	(98,075)	-	(493,545)
NET BOOK VALUE					
At 31 December 2001	<u>14,193,727</u>	<u>554,846</u>	<u>4,695</u>	<u>6,312,283</u>	<u>21,065,551</u>
At 31 December 2001					
At cost	13,906,299	3,868,195	793,645	6,312,283	24,880,422
At valuation	830,000	-	-	-	830,000
Accumulated depreciation	(542,572)	(3,313,349)	(788,950)	-	(4,644,871)
Net book value	<u>14,193,727</u>	<u>554,846</u>	<u>4,695</u>	<u>6,312,283</u>	<u>21,065,551</u>
At 31 December 2000					
At cost	9,479,792	3,902,594	1,099,739	10,738,790	25,220,915
At valuation	830,000	-	-	-	830,000
Accumulated depreciation	(487,502)	(2,933,717)	(1,001,451)	-	(4,422,670)
Net book value	<u>9,822,290</u>	<u>968,877</u>	<u>98,288</u>	<u>10,738,790</u>	<u>21,628,245</u>

Freehold land and buildings RM	Furniture and equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
---	---	----------------------------------	---	---------------------

COMPANY**AT COST OR VALUATION**

NET BOOK VALUE

At 1 January 2001	9,822,290	735,975	72,699	10,738,790	21,369,754
Additions	-	12,061	4,853	-	16,914
Disposals	-	(63,939)	(371)	-	(64,310)
Written off	-	-	-	-	-
Reclassification	4,426,507	-	-	(4,426,507)	-
Depreciation charge	(55,070)	(228,927)	(72,490)	-	(356,487)

NET BOOK VALUE

At 31 December 2001	<u>14,193,727</u>	<u>455,170</u>	<u>4,691</u>	<u>6,312,283</u>	<u>20,965,871</u>
---------------------	-------------------	----------------	--------------	------------------	-------------------

At 31 December 2001

At cost	13,906,299	2,677,819	532,953	6,312,283	23,429,354
At valuation	830,000	-	-	-	830,000
Accumulated depreciation	(542,572)	(2,222,649)	(528,262)	-	(3,293,483)

Net book value

	<u>14,193,727</u>	<u>455,170</u>	<u>4,691</u>	<u>6,312,283</u>	<u>20,965,871</u>
--	-------------------	----------------	--------------	------------------	-------------------

At 31 December 2000

At cost	9,479,792	2,893,571	884,861	10,738,790	23,997,014
At valuation	830,000	-	-	-	830,000
Disposals	(487,502)	(2,157,596)	(812,162)	-	(3,457,260)

Net book value

	<u>9,822,290</u>	<u>735,975</u>	<u>72,699</u>	<u>10,738,790</u>	<u>21,369,754</u>
--	------------------	----------------	---------------	-------------------	-------------------

The valuations were made by the Directors based on independent valuation reports carried out by a firm of professional valuers and surveyors on an open market value basis.

The Directors have applied the transitional provisions of International Accounting Standards No. 16 (Revised) Property, Plant and Equipments as adopted by Malaysian Accounting Standards Board which allow the freehold land and buildings to be stated at their 1992 valuations less depreciation. Accordingly, these valuations have not been updated. The freehold land and buildings if stated at cost less depreciation would amount to RM781,950 (2000: RM786,100).

The land titles of the freehold land and buildings of the Company with carrying amount of RM9,767,220 (2000: RM9,822,290) have been charged to financial institutions as securities for credit facilities granted to the Group and the Company.

3. SUBSIDIARY COMPANIES

	COMPANY	
	2001 RM	2000 RM
Unquoted shares at cost	7,420,011	7,420,011
Provision for diminution in value	(6,600,004)	-

820,007

7,420,011

The subsidiary companies are:

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2001 %	2000 %	
The Brown Boutique Sdn Bhd	Malaysia	100	100	Temporarily ceased operation
The Watch Gallery Sdn Bhd	Malaysia	100	100	Temporarily ceased operation
Victorian Deluxe Sdn Bhd	Malaysia	100	100	Temporarily ceased operation
Luxury Graph Sdn Bhd	Malaysia	100	100	Wholesales of watches, leather goods, pen and accessories
Variawati Corporation Sdn Bhd	Malaysia	100	100	Temporarily ceased operation
Golden Linear Marketing Sdn Bhd	Malaysia	60	60	Temporarily ceased operation
Alfamaxi Sdn Bhd	Malaysia	100	100	Temporarily ceased operation
Media Direction Sdn Bhd	Malaysia	100	100	Temporarily ceased operation
Pan Viva Sdn Bhd	Malaysia	100	100	Dormant
Philippe Charriol (M) Sdn Bhd	Malaysia	51	51	Dealer in watches, pens, lighters and leather accessories

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2001 %	2000 %	
Seroja Nagasari Sdn Bhd	Malaysia	100	100	# Dormant

Soon Hee Goldsmith Jewellery Sdn Bhd	Malaysia	88.57	88.57	* Manufacturing and sale of gold platinum, silver ornaments and jewelleryes of every description
--------------------------------------	----------	-------	-------	--

Note: * Financial statements of subsidiary company as at 31 December 2001 not audited by Ong Boon Bah & Co.
Holding in equity by a subsidiary company.

The financial statements of subsidiary companies for the financial year 31 December 2001 were commented on by their auditors as follows :

- a) The Brown Boutique Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM852,593 resulting in a capital deficiency of RM852,589.
- b) Luxury Graph Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM764,240 resulting in a capital deficiency of RM664,240.
- c) Variawati Corporation Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM20,960,610 resulting in a capital deficiency of RM20,460,610.
- d) Media Direction Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM263,662 resulting in a capital deficiency of RM263,660.
- e) Golden Linear Marketing Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM4,856,308 resulting in a capital deficiency of RM4,356,308.
- f) Victorian Deluxe Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM3,382,450 resulting in a capital deficiency of RM3,282,450.
- g) Alfamaxi Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM780,409 resulting in a capital deficiency of RM780,407.
- h) Philippe Charriol (M) Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM1,701,555 resulting in a capital deficiency of RM101,555.
- i) Pan Viva Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM90,856 resulting in a capital deficiency of RM90,854.
- j) Seroja Nagasari Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM57,839 resulting in a capital deficiency of RM57,837.

- k) The Watch Gallery Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM605,713 resulting in a capital deficiency of RM405,713.
- l) Soon Hee Goldsmith Jewellery Sdn Bhd - a "subject to" qualification in respect of the ability of this subsidiary company to continue as a going concern due to accumulated loss of RM1,399,907 resulting in a capital deficiency of RM1,049,907.

4. ASSOCIATED COMPANY

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares at cost	530,292	530,292	530,292	530,292
Share of post acquisition loss	(530,292)	(530,292)	-	-
Provision for diminution in value	-	-	(530,292)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,292</u>

The Group's interest in an associated company is analysed as follows:

	GROUP	
	2001 RM	2000 RM
Share of net assets at date of acquisition	341,864	341,864
Premium on acquisition	188,428	188,428
	<u>530,292</u>	<u>530,292</u>
Share of post acquisition loss and premium on acquisition written off	(530,292)	(530,292)
	<u>-</u>	<u>-</u>

The associated company is:

Name of Company	Country of Incorporation	Holding In Equity		Accounting Year End	Principal Activities
		2001 %	2000 %		
NTH, Nouvelles Techniques Horlogeres SA	Switzerland	49.2	49.2	31 December	Assembler and trader of watches

5. DEVELOPMENT EXPENDITURE

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Development expenditure	26,296,333	26,296,333	23,685,765	23,685,765
Provision for development expenditure (Note 19)	(26,296,333)	-	(23,685,765)	-

-	26,296,333	-	23,685,765
---	------------	---	------------

The Group considers as non-current asset where development work is not expected to be completed within the normal operating cycle of one to two years.

Included in the development expenditure is an amount of RM2,610,568 (2000: RM2,610,568) relating to the development of a parcel of land as disclosed in Note 9 to the financial statements.

6. INTANGIBLE ASSETS

	GROUP	
	2001 RM	2000 RM
Goodwill on consolidation	4,150,721	4,150,721
Accumulated amortisation	(838,239)	(838,239)
	3,312,482	3,312,482
Written off during the financial year	(3,312,482)	-
	-	3,312,482
Deferred expenditure:		
Preliminary expenses	5,200	5,200
Pre-operating expenses	134,678	134,678
	139,878	139,878
Written off during the financial year	(139,878)	-
	-	139,878
Total	-	3,452,360

7. INVENTORIES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Merchandise:				
- At cost	4,480,762	6,309,788	3,108,269	3,557,380
- At net realisable value	411,065	267,838	353,111	226,226

4,891,827 6,577,626 3,461,380 3,783,606

The carrying amount of inventories carried at net realisable value of the Group and of the Company are RM2,055,323 (2000: RM1,339,188) and RM1,765,553 (2000: RM1,131,129) respectively.

8. TRADE RECEIVABLES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	649,409	657,621	455,251	443,992
Provision for doubtful debts	(175,755)	(51,745)	(122,525)	(23,011)
	<u>473,654</u>	<u>605,876</u>	<u>332,726</u>	<u>420,981</u>

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Other receivables	247,825	204,115	93,323	71,910
Provision for doubtful debts	(130,012)	(58,415)	-	(1,738)
	<u>117,813</u>	<u>145,700</u>	<u>93,324</u>	<u>70,172</u>
Deposits	12,425,712	12,740,028	275,963	321,198
Tax recoverables	15,219	14,244	-	-
Prepayments	20,654	44,868	20,530	35,313
Provision for deposits paid	(12,004,000)	-	-	-
	<u>575,398</u>	<u>12,944,840</u>	<u>389,816</u>	<u>426,683</u>

Deposits paid by the Group amounting to RM12,004,000 pursuant to a Sale and Purchase Agreement to acquire a parcel of land for development has been provided for during the financial year as disclosed in Note 19. Development expenditure incurred amounting to RM2,610,568 as disclosed in Note 5 has been provided for during the financial year.

10. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	COMPANY	
	2001 RM	2000 RM
Amount due from subsidiary companies	31,511,182	30,656,120
Provision for doubtful debts	(31,511,182)	-
	<u>-</u>	<u>30,656,120</u>

The amount due from subsidiary companies which arose mainly from advances and payments on behalf are unsecured, interest bearing and have no fixed repayment terms.

11. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Other payables	4,480,157	2,623,313	4,050,957	2,236,248
Accruals	128,660	137,567	25,575	27,157
	<u>4,608,817</u>	<u>2,760,880</u>	<u>4,076,532</u>	<u>2,263,405</u>

12. SHORT TERM BORROWINGS

	GROUP AND COMPANY	
	2001 RM	2000 RM
Bank overdrafts:		
- secured	27,943,024	25,527,893
- unsecured	12,241,210	11,288,343
Revolving credits:		
- unsecured	44,590,781	40,712,354
Term loans:		
- Portion repayable within one year (Note 15)	34,629,961	30,417,773
	<u>119,404,976</u>	<u>107,946,363</u>

Since the financial year ended 31 December 1999 , the Group and the Company have temporarily ceased servicing its short-term borrowings.

The unsecured bank overdrafts and unsecured revolving credit of the Group and the Company amounted to RM56,831,991 (2000: RM52,000,697) had been acquired by Pengurusan Danaharta Nasional Berhad from the respective banks. The interest rate charged ranged from 8.4% to 9.4% per annum.

The bank overdrafts are secured by way of fixed charges over landed properties of the Company. The interest rates charged ranged from 1% and 1.5% per annum above the respective licensed bank's prevailing based lending rate.

13. SHARE CAPITAL

	GROUP AND COMPANY	
	2001 RM	2000 RM
Authorised:		
20,000,000 Ordinary shares of RM1.00 each	20,000,000	20,000,000

Issued and fully paid:		
15,600,000 Ordinary shares of RM1.00 each	<u>15,600,000</u>	<u>15,600,000</u>

14. RESERVES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Non distributable:				
Share premium	1,625,000	1,625,000	1,625,000	1,625,000
Distributable:				
Accumulated loss	(113,835,199)	(57,374,119)	(114,422,627)	(40,696,374)
	<u>(112,210,199)</u>	<u>(55,749,119)</u>	<u>(112,797,627)</u>	<u>(39,071,374)</u>

15. TERM LOANS

	GROUP AND COMPANY	
	2001 RM	2000 RM
Term loans:		
- Secured	1,399,231	1,299,577
- Unsecured	33,230,730	29,118,196
	<u>34,629,961</u>	<u>30,417,773</u>
Portion repayable within one year and included under short term borrowings (Note 12)	(34,629,961)	(30,417,773)
	<u>-</u>	<u>-</u>

Since the financial year ended 31 December 1999, the Group and the Company have temporarily ceased servicing its term loans.

The term loans are secured on the Company's landed properties. Interest rates charged ranging from 1% to 1.5% per annum above the respective licensed bank's prevailing base lending rate.

16. HIRE PURCHASE LIABILITIES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Hire purchase obligations	139,306	291,051	117,037	226,876
Interest in suspense	(32,057)	(69,651)	(26,345)	(53,658)
	<u>107,249</u>	<u>221,400</u>	<u>90,692</u>	<u>173,218</u>
Portion due within one year	(105,063)	(219,214)	(90,692)	(173,218)

2,186	2,186	-	-
-------	-------	---	---

The hire purchase obligations are repayable as follows:

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Within one year	105,063	219,214	90,692	173,218
From two to five years	2,186	2,186	-	-
	<u>107,249</u>	<u>221,400</u>	<u>90,692</u>	<u>173,218</u>

17. REVENUE

The revenue of the Group and of the Company represents the invoiced value of goods sold net of returns and allowances.

18. FINANCE COSTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest expenses on:				
- hire purchase	38,836	5,552	28,555,792	
- term loans	4,212,188	3,459,818	4,212,188	3,459,818
- bank overdrafts	3,160,081	2,727,528	2,807,705	2,454,635
- revolving credits	3,878,426	3,247,263	2,412,048	2,301,679
- others	190,727	69,836	153,436	40,874
Bank charges	4,577	60,454	4,016	59,676
	<u>11,484,835</u>	<u>9,570,451</u>	<u>9,617,948</u>	<u>8,321,474</u>

19. EXCEPTIONAL ITEMS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Provision for deposits paid (Note 9)	12,004,000	-	-	-
Provision for development expenditure (Note 5)	26,296,333	-	23,685,765	-
	<u>38,300,333</u>	<u>-</u>	<u>23,685,765</u>	<u>-</u>

20. LOSS BEFORE TAXATION

Loss before taxation is arrived at:

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
After charging:				
Directors' remuneration:				
- fees	19,200	-	19,200	-
- other emoluments	562,000	512,000	492,000	512,000
- benefit in kind	40,827	-	38,815	-
Auditors' remuneration:				
- current provision	46,163	39,000	21,963	16,000
- underprovision in prior years	2,478	2,000	-	-
Depreciation	493,545	838,294	356,487	601,130
Rental of premises	1,273,663	1,617,453	857,714	915,287
Goodwill on consolidation written off	3,312,482	-	-	-
Amortisation of goodwill on consolidation	-	166,020	-	-
Provision for inventories obsolescence	587,434	16,066	507,539	-
Provision for doubtful debts:				
- trade	147,022	36,192	122,525	23,011
- non-trade	104,618	1,748	31,283	1,738
- subsidiary companies	-	-	31,511,182	-
Intangible assets written off	139,878	-	-	-
Property, plant and equipment written off	15,827	144,378	-	54,185
Provision for diminution in value of investment	-	-	7,130,296	-
Staff costs	<u>1,587,108</u>	<u>1,725,468</u>	<u>1,118,625</u>	<u>1,283,418</u>
And crediting:				
Rental income	847,428	895,289	847,428	895,289
Interest income from:				
- fixed deposits	7,069	-	1,445	-
- subsidiary companies	-	-	320,620	294,882
Gain on disposal of property, plant and equipment	<u>52,771</u>	<u>2,392</u>	<u>44,210</u>	<u>-</u>

21. TAXATION

	GROUP	
	2001 RM	2000 RM
(Over)/underprovision in prior years	<u>(975)</u>	<u>6,293</u>

22. NET TANGIBLE LIABILITIES PER SHARE AND LOSS PER SHARE

The net tangible liabilities per share is calculated by dividing the Group's net tangible liabilities of RM96,610,199 (2000: RM43,601,479) by 15,600,000 (2000: 15,600,000) ordinary share in issued during the financial year.

Loss per share is calculated by dividing the Group's loss after taxation and minority interests of RM56,461,080 (2000: RM12,362,390) by 15,600,000 (2000: 15,600,000) ordinary shares in issued during the financial year.

23. CASH FLOW STATEMENTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
a) Adjustments for non-cash items and interests				
Property, plant and equipment written off	15,827	144,378	-	54,185
Depreciation	493,545	838,294	356,487	601,130
Amortisation of goodwill on consolidation	-	166,020	-	-
Interest expense	11,480,258	9,509,997	9,613,932	8,261,798
Interest income	(7,069)	-	(322,065)	(294,882)
Intangible assets written off	139,878	-	-	-
Provision for inventories obsolescence	587,434	16,066	507,539	-
Provision for doubtful debts:				
- trade receivables	147,022	36,192	122,525	23,011
- other receivables	104,618	1,748	31,283	1,738
- subsidiary companies	-	-	31,511,182	-
Provision for development expenditure	26,296,333	-	23,685,765	-
Provision for deposits paid	12,004,000	-	-	-
Provision for diminution in value of investment	-	-	7,130,296	-
Other receivables and deposits written off	22,709	-	22,709	-
Goodwill on consolidation written off	3,312,482	-	-	-
Gain on disposal of property, plant and equipment	(52,771)	(2,392)	(44,210)	-
	<u>54,544,266</u>	<u>10,710,303</u>	<u>72,615,443</u>	<u>8,646,980</u>

b) Cash and cash equivalents at end of the financial year

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash and bank balances	1,183,935	1,208,111	1,023,516	379,078
Short term deposit	200,000	-	200,000	-
Fixed deposits	995,158	-	995,158	-
Bank overdrafts	(40,184,234)	(36,816,236)	(40,184,234)	(36,816,236)
	<u>(37,805,141)</u>	<u>(35,608,125)</u>	<u>(37,965,560)</u>	<u>(36,437,158)</u>

24. DEFERRED TAXATION

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Amount of timing differences of deferred tax benefit/ (deferred tax liabilities) not accounted for:				
- Excess of tax allowances over book depreciation of property, plant and equipment	(140,000)	157,000	(140,000)	157,000
- Unutilised tax losses	50,608,000	38,748,000	38,045,000	27,800,000
- Unabsorbed capital allowances	3,581,000	3,556,000	2,161,000	2,129,000
	<u>54,049,000</u>	<u>42,461,000</u>	<u>40,066,000</u>	<u>30,086,000</u>
 The tax effect of these timing differences	 <u>15,133,720</u>	 <u>11,889,080</u>	 <u>11,218,480</u>	 <u>8,424,080</u>

The unutilised tax losses and unabsorbed capital allowances carried forward are subject to agreement with the tax authorities.

25. SEGMENT ANALYSIS - GROUP

2001	Revenue RM	Loss before taxation RM	Total assets employed RM
By Industry			
Watch	14,096,978	(41,195,202)	28,032,178
Gold	1,477,823	(572,863)	1,343,865
Others	-	-	9,480
	<u>15,574,801</u>	<u>(41,768,065)</u>	<u>29,385,523</u>
 Net interest expenses		(11,480,258)	-
Goodwill on consolidation written off		(3,312,482)	-
		<u>(14,792,740)</u>	<u>-</u>

		(56,560,805)	29,385,523
2000	Revenue	Loss before	Total assets
	RM	taxation	employed
By Industry		RM	RM
Watch	11,802,175	(2,019,994)	55,363,273
Gold	3,577,893	(736,823)	2,678,885
Others	-	-	14,671,233
	<u>15,380,068</u>	<u>(2,756,817)</u>	<u>72,713,391</u>
Net interest expenses		(9,509,997)	-
Amortisation of goodwill on consolidation		(166,020)	-
		<u>(12,432,834)</u>	<u>72,713,391</u>

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

26. DIRECTORS' SERVICE CONTRACTS

The Company has existing service contracts with two of the Directors for an aggregate annual Directors' emoluments of approximately RM420,000.

The service contracts are for a term of five years with effect from 1 November 1999 with an option to be renewed for a further three years.

27. MATERIAL LITIGATION

The following legal suits against the Company are subject to Section 41 of the Pengurusan Danaharta Nasional Berhad Act 1998 wherein a moratorium is in existence wherein on proceedings and execution or other legal process may be commenced or continued except with the prior consent of Pengurusan Danaharta Nasional Berhad. Certain financial institutions have demanded the repayment of outstanding facilities amounting to RM63.5 million from the Company.

Details of suits brought against the Company are as follows:

1. Ipoh High Court Suit No: 22-482-98 (note 1)
Malaysian Building Society Berhad vs WHB
Claimed Amount: RM22,919,615.46
2. Kuala Lumpur High Court Originating Summons No: S2-24-815-1998
Maybank Berhad vs WHB

Claimed Amount: RM3,413,369.42

3. Kuala Lumpur High Court Originating Summons No: S2-24-816-1998
Maybank Berhad vs WHB
Claimed Amount: RM3,164,816.61
4. Kuantan High Court Originating Summons No: S2-24-166-1998
Maybank Berhad vs WHB
Claimed Amount: RM141,000.15
5. Kuala Lumpur High Court Originating Summons No: S2-24-817-1998
Maybank Berhad vs WHB
Claimed Amount: a. RM10,834,189.51
b. RM1,008,842.35
6. Kuala Lumpur High Court Originating Summons No: S2-24-1279-1998
Maybank Berhad vs WHB
Claimed Amount: RM3,282,142.47
7. Kuala Lumpur High Court Writ No: D4-22-2401-1998
Maybank Berhad vs WHB
Claimed Amount: RM18,430,020.26

Note 1

Ipoh High Court Suit No: 22-482-98

Judgement in default has been recorded against the Company and the Company has obtained a consent from MBSB not to proceed with the legal action in order to facilitate the proposed restructuring exercise currently in progress.

Note 2

In the suits relating to Maybank Berhad, the Company has entered appearance in the High Court and is currently involved in negotiations with Maybank to settle the matter amicably.

28. MATERIAL EVENTS

The Special Administrators ("SAs") terminated the Principal Agreement dated 26 September 2001 ("the PA") between the Company and Jiwa Ragam Sdn Bhd ("JRSB") on 16 January 2002 as JRSB failed to fulfill its obligations under the PA. The SAs sought expressions of interest on 28 January 2002 from interested investors for the restructuring of the Company and/or acquisition of businesses and assets. The proposals submitted by the interested investors are currently under evaluation.

The moratorium under Section 41 of the Pengurusan Danaharta Nasional Berhad Act 1998 ("Danaharta Act"), which took effect from 2 March 2000 and subsequently extended to 1 March 2002, has been extended for a further period to 1 March 2003. The extension is pursuant to Section 41(3) of the Danaharta Act.

The Kuala Lumpur Stock Exchange has allowed the Company until 31 December 2002 to regularise its financial condition in accordance with the requirements of Paragraph 8.14 of the Listing Requirements and Practice Note 4/2001.

29. CORPORATE INFORMATION

- a. The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Second Board of the Kuala Lumpur Stock Exchange.
- b. Registered office and principal place of business

The registered office of the Company and its principal place of business is located at Lot B1, 1 Floor, Block B, KL Plaza, 179, Jalan Bukit Bintang 55100 Kuala Lumpur.

- c. Number of employees

	GROUP		COMPANY	
	2001	2000	2001	2000
Total number of employees as at the end of the financial year	<u>61</u>	<u>65</u>	<u>40</u>	<u>44</u>

30. COMPARATIVE FIGURES

Certain comparative figures are reclassified where necessary to conform with the current financial year's presentation which included the following:

- i) The amount due from subsidiary companies has been reclassified to receivables to conform with the requirements of MASB Standard 1 - Presentation of Financial Statements.
- ii) The restatement of inventories in Note 7 to show separately the amount stated at net realisable value in compliance with MASB Standard 2 - Inventories.
- iii) Certain comparative figures in the consolidated cash flow statement have been restated to reflect the appropriate classification by activities in accordance to MASB Standard 5 - Cash Flow Statements.
- iv) The presentation of hire purchase liabilities in Note 16 has been changed to conform with the requirements of MASB Standard 10 – Leases.
- v) The presentation of property, plant and equipment in Note 2 has been changed to conform with the requirements of MASB Standard 15 - Property, Plant and Equipment.

- vi) The presentation of deferred taxation in Note 24 has been changed to conform with the requirements of MASB Standard 25 – Income Taxes.

PARTICULARS OF PROPERTIES

	Tenure	Area (square metres)	Description of properties Approx. age of buildings	Existing use	Date of Acquisition	Net book value RM'000
Lot B-1, Block B Kuala Lumpur Plaza 179, Jalan Bukit Bintang Kuala Lumpur	Freehold	707.81	A 4 ½ storey shop and office (21 ½ years)	Part owner occupied and part tenanted	16.06.1992	1,646
Shoplots G066 & G067 Ground Floor, Sg Wang Plaza, Section 67 Town of Kuala Lumpur	Freehold	64.10	Two adjoining shoplots (26 years)	Owner occupied	31.12.1991	782
Lot 658, Section 67, Town & District Kuala Lumpur 110 & 112 Jalan Imbi, Kuala Lumpur	Freehold	1156.79	Two units 4 ½ storey shops/office building (11 years)	Tenanted	04.06.1991	4,028
Lot Nos. 43480 & 43841 Town of Kuala Lumpur 38 & 40 Jalan Telawi, Bangsar Baru Kuala Lumpur	Freehold	431.06	Two units 3 storey shophouses (11 ½ years)	Tenanted	03.10.1991	3,109
Unit D1.16.01 Genting View Resort Lot 9724, Mukim of Bentong (Phase 4) Pahang Darul Makmur	Freehold	98.94	Apartment (10 ½ years)	Owner occupied	25.10.1995	202
Lots 445 to 448 Section 46 Town of Kuala Lumpur Mukim Wilayah Persekutuan	Freehold	743.20	A 4 adjoining shoplots land (7 ½ years)	Vacant land	06.02.1995	6,312
Nos. 25, 27, 29 Jalan Changkat Bukit Bintang, (Jalan Hicks) Kuala Lumpur	Freehold	640.17	A 3 adjoining freehold land with vacant building (7 ½ years)	Vacant	03.05.1995	4,426

STATEMENT ON REVALUATION POLICY

The landed properties have been stated at cost less accumulated depreciation. There has not been any revaluation of landed properties undertaken for the financial year under review.

WOO HING BROTHERS (MALAYA) BERHAD
(Special Administrators Appointed)
(Incorporated in Malaysia)

Lot B1, 1 Floor, Block B, Kuala Lumpur, 179 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia
 Tel: 03-21441233 Fax: 03-21422228

FORM OF PROXY
(Page 1 of 2)

I/We _____ NRIC No. _____
 (FULL NAME IN BLOCK CAPITALS)

of _____

being a Member/ Members of WOO HING BROTHERS (MALAYA) BERHAD (Special Administrators Appointed), hereby appoint the Chairman of meeting or failing him,

 (FULL NAME IN BLOCK CAPITALS)

as my / our proxy to vote for me/us and on my/our behalf, at the Annual General Meeting of the Company to be held at Hotel Capitol, Room 3 & 4, Jalan Bulan, Off Jalan Bukit Bintang, 55100 Kuala Lumpur at 10.30 a.m. on Friday, 21 June 2002 and at any adjournment thereof.

No	RESOLUTION	FOR	AGAINST
1.	Adoption of Reports and Accounts		
2.	To re-elect the following Directors:- Low Chan Fai, and Ngiam Kee Tong		
3.	To re-appoint Y.A. Bhg. Tun Abdul Ghafar Bin Baba		
4.	To approve Directors' fees for the financial year ended 31 December 2001.		
5.	To re-appoint Messrs Ong Boon Bah & Co. as Company Auditors		
6.	SPECIAL BUSINESS To consider and if thought fit, to pass the following resolution as a Special Resolution:- "That the existing Articles of Association of the Company be deleted in its entirety and that the new set of Articles of Association of the Company as set out in Appendix I attached with the Annual Report for the year 2001 be and is hereby approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company"		

As witness my hand this _____ day of _____ 2002.

Signed _____

In the presence of _____

FORM OF PROXY
(Page 2 of 2)

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the member. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or in some other manner approved by its Directors.

An instrument appointing a proxy executed in Malaysia need not be witnessed. The signature to an instrument appointing a proxy executed outside Malaysia shall be by solicitor, notary public, consul or magistrate.

The instrument of proxy shall be deposited with the Company Share Registrars, Malaysian Share Registration Services Sdn. Bhd., 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur at least forty-eight (48) hours before the time fixed for the meeting.