

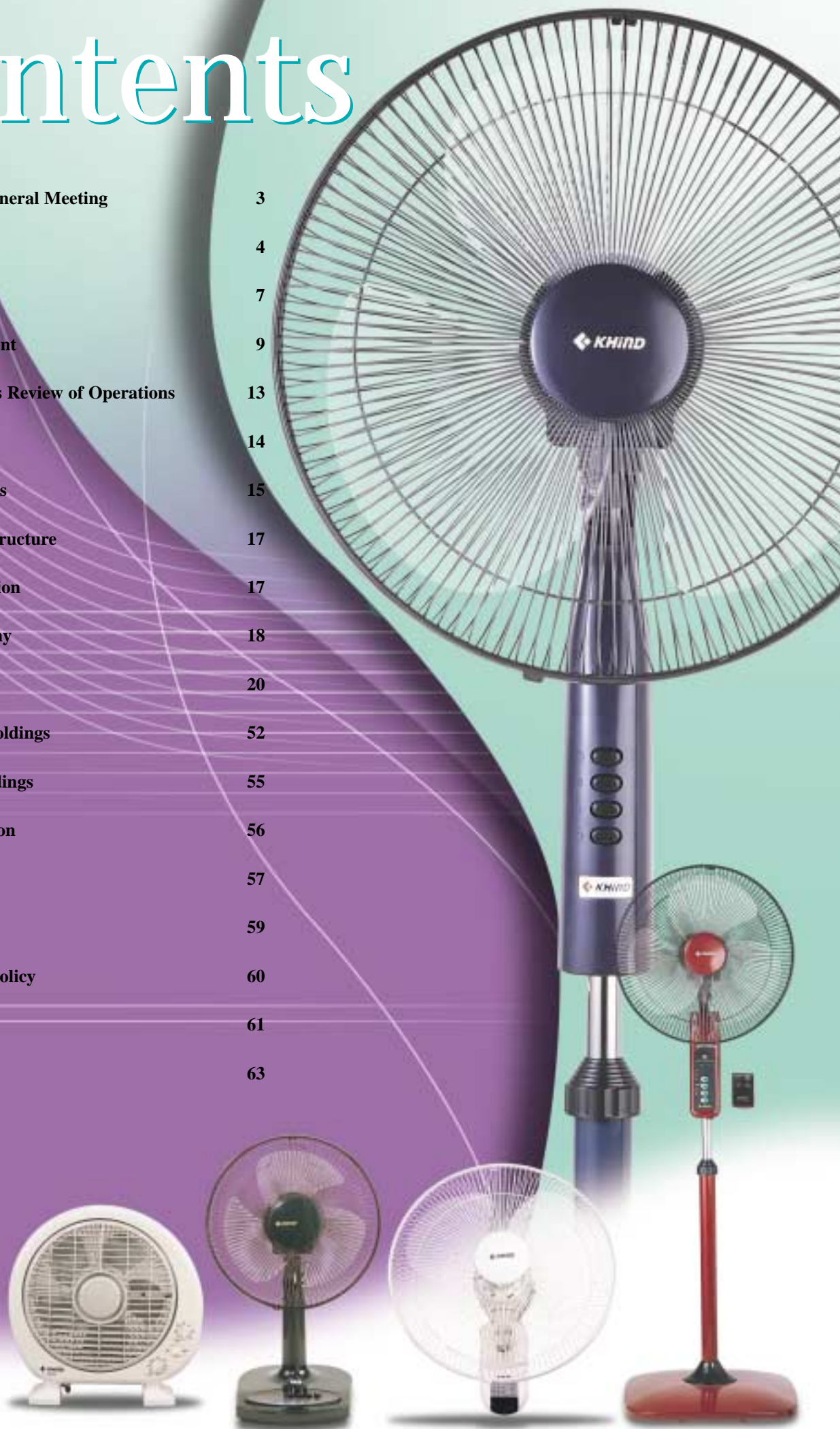


KHIND HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA) (380310-D)

L a p o r a n T a h u n a n 2 0 0 0 A n n u a l R e p o r t

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Reliable



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of **KHIND HOLDINGS BERHAD** will be convened at Conference Room, Second Floor, No. 2, Jalan Astaka U8/82, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 25 May 2001 at 10.00 a.m. to transact the following:-

AGENDA

1) To receive and consider the Audited Accounts of the Company for the year ended 31 December, 2000 and the Reports of the Directors and Auditors thereon; **(Resolution 1)**

2) To re-elect as directors, the following persons, who retire pursuant to Article 104 of the Company's Articles of Association and being eligible have offered themselves for re-election:-

(i) Mr. Cheng King Fa **(Resolution 2)**

(ii) Mdm. Tan Lay Kuan @ Tan Lay Wah **(Resolution 3)**

(iii) Encik Nordin bin Mohamad Desa **(Resolution 4)**

3) To approve Directors' Fees of RM27,000 for year ended 31 December, 2000. **(Resolution 5)**

4) To re-appoint Messrs. KPMG as auditors for the ensuing year at a remuneration to be fixed by the directors. **(Resolution 6)**

5) **As Special Business:-**

To consider and if thought fit, pass the following resolutions, with or without modifications :-

a) **ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval from other relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next annual general meeting."

(Resolution 7)

b) **SPECIAL RESOLUTION 1 - PROPOSED AMENDMENTS TO THE COMPANY'S MEMORANDUM OF ASSOCIATION**

"THAT to enable the Company to render the Memorandum of Association of the Company consistent with the prevailing law, additions to the Memorandum of Association of the Company as set out in Appendix 1 of the Circular to shareholders dated 25 April, 2001 be and is hereby approved."

(Resolution 8)

c) **SPECIAL RESOLUTION 2 - PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION**

"THAT the proposed new Articles of Association of the Company as contained in Appendix 2 of the Circular to shareholders dated 25 April, 2001, copies of which have been circulated to the members of the Company and for the purpose of identification, endorsed by the Chairman, be approved and adopted as the new Articles of Association of the Company, in substitution for and to the exclusion of all existing articles thereof."

(Resolution 9)

d) To transact any other business of which due notice shall have been given.

By Order of the Board

Kam Kooi Hua

Goh Soon Siew

Company Secretaries

Shah Alam, Selangor.

25 April, 2001

Notes:

1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

2) In the case of a corporation, the proxy appointed must be in accordance with its Memorandum and Articles of Association, and this Form of Proxy shall be given under its Common Seal or under the hand of an officer or attorney duly authorized.

3) Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he/she thinks fit.

4) This Form of Proxy must be deposited with the Share Registrars, Malaysian Share Registration Services Sdn. Bhd., 7th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

5) **Explanatory Notes on Special Business:-**

(a) Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965.

The proposed Resolution 7 is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting.

This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

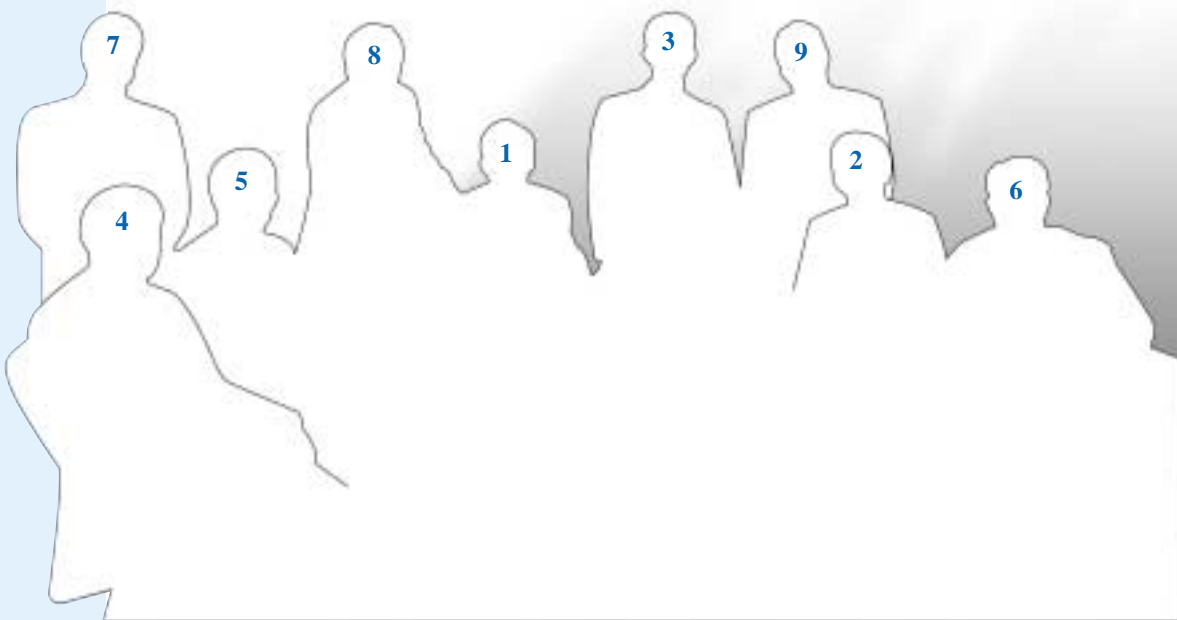
(b) Special Resolution 1 – Amendments to the Memorandum of Association.

The proposed Resolution 8 on the amendments to the Company's Memorandum of Association is consistent with the provisions of the Companies (Amendment) (No.2) Act 1998.

(c) Special Resolution 2 – Amendments to the Articles of Association.

The proposed Resolution 9 on the amendments to the Company's Articles of Association is consistent with the provisions of the Companies (Amendment) (No.2) Act 1998, the Securities Industry (Central Depository) (Amendment) Act 1998, the Rules of the Malaysian Central Depository and the revamped KLSE Listing Requirements.

6) Details of Directors' Profiles are on accompanying pages immediately after the Notice of Meeting in the 2000 Annual Report.



1. **Mr. Cheng King Fa, Executive Chairman**

Aged 62. Director since April 1998. Founded the Khind group in 1961. Is actively involved in nurturing and growing the business since then. Currently leads the research and development activities for the group. Chairman of the Board of Directors for all the companies in the Khind group. Also sits on the board of several private companies.

Mr Cheng King Fa is a director and substantial shareholder of Kee Hin Venture Sdn. Bhd., the holding company. He is the brother of Dato Cheng Hup and the father of Cheng Ping Keat.

2. **Dato' Cheng Hup, Managing Director**

Aged 55. Member of the board since April 1998. Started working in the Khind group in 1963. Is actively involved in managing the domestic and ASEAN marketing and sales activities for the group. Managing Director of several companies in the Khind group and also sits on the board of several private companies.

Dato Cheng Hup is a director and major shareholder of Kee Hin Venture Sdn Bhd, the holding company. He is the brother of Cheng King Fa and the father of Cheng Ping Loke.

3. **Mr. Cheng Ping Keat, Executive Director**

Aged 40. Member of the board since April 1998. Member of the Audit Committee. Executive Director of several companies in the Khind group and also sits on the board of several private companies. Currently responsible for operations, financial and human resources functions of the group. Worked as an auditor prior to joining the Khind group in 1987. Graduated with a Bachelor in Commerce Degree from Melbourne University, Australia in 1984 and obtained a Master's degree in Business Administration from the University of Bath in 1996.

Mr Cheng Ping Keat is a director and substantial shareholder of Kee Hin Venture Sdn. Bhd., the holding company. He is the son of Cheng King Fa.

4. **Encik Nordin bin Mohamad Desa,
Non-executive, independent director**

Aged 45. Member of the board since April 1998. Member of the Audit Committee. Holds directorships in several subsidiaries and associate companies of Malaysian Technology Development Corporation (MTDC). Worked in the telecommunications industry before joining MTDC in 1992 where he is currently a Senior General Manager. Graduated with a Bachelor of Science in Electrical and Electronic Engineering from the University of Leeds, United Kingdom in 1979 and a Master's degree in Business Administration from the University of Hull in 1992.

5. **Madam Tan Lay Kuan @ Tan Lay Wah,
Non-executive, independent director**

Aged 54. Member of the board since April 1998. Member of the Audit Committee. Executive Director and Chief Executive Officer of several private companies. A licensed company secretary with over 20 years experience as a management consultant.

6. **Y.B. Md Azmi bin Lop Yusof,
Non-executive director**

Aged 46. Member of the board since April 1998. Director in several other private companies. Started his career in sales before starting a business manufacturing wire harness. Presently an advisor to a private company and a State Assemblyman for Trengganu. Graduated with a degree in Agricultural Science from Louisiana State University, United State of America in 1979 and obtained a diploma in agricultural from Kolej Pertanian Malaysia in 1975.

7. **Mr. Then Nyong Fah, Non-executive director**

Aged 44. Member of the board since April 1998. Executive Director and Chief Executive Officer of several private companies. Managing his own business involve in the retailing of electrical and engineering accessories and products. Obtained a Diploma in Electronic Studies from Columbia College, Hong Kong in 1982.

8. **Mr. Cheng Ping Loke, Non-executive director**

Aged 29. Member of the board since April 1998. Director of several companies in the Khind group and also sits on the board of several private companies. Worked for Japanese electrical companies before joining a subsidiary of the Khind group as an engineer in August 1997. Obtained his Bachelor of Engineering in Electrical Engineering from the University of Southampton, United Kingdom in 1996.

Mr Cheng Ping Loke is a director of Kee Hin Venture Sdn. Bhd., the holding company. He is the son of Dato' Cheng Hup.

9. **Mr. Lee Keok Hooi @ Lee Ah Lan,
Non-executive director**

Aged 54. Member of the board since March 1999. Group Managing Director for the HSL group. Also, a director of several companies in the HSL group. Work for the HSL electrical retailing group since 1976. Graduated from the University of Western Australia in 1972 with a Bachelor of Commerce degree in Accounting. Associate member of the Australian Society of Certified Practising Accountants and member of the Malaysian Institute of Accountants.

Quality



MEMBERS OF THE AUDIT COMMITTEE:

- Chairman - Nordin Bin Mohamad Desa
(non-executive independent director)
- Members - Tan Lay Kuan @ Tan Lay Wah
(non-executive independent director)
- Cheng Ping Keat (executive director)

TERMS OF REFERENCE

Formation

In compliance with the KLSE Listing Requirements, the Board of Directors of the Company had on 10 August 1998 resolved to establish a Committee of the Board to be known as the Audit Committee.

Objective of the Audit Committee

It is the objective of the Audit Committee to assure the shareholders of the Company that the Company has complied with specified financial standards and required disclosure policies developed and administered by the KLSE. In addition, the Audit Committee is also determined to ensure consistency with the KLSE's commitments to encourage high standards of corporate disclosure. The Audit Committee will endeavor to adopt certain practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company's shareholders.

Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee include:-

1. To consider the appointment of the external auditor, the audit fee, and any questions of registration or dismissal;
2. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
3. To review the quarterly, half-year and annual financial statements before submission to the Board, focusing particularly on:
 - * any changes in accounting policies and practices;
 - * major judgemental areas;
 - * significant adjustments resulting from the audit;
 - * the going concern assumption;
 - * compliance with accounting standards; and
 - * compliance with stock exchange and legal requirements.

4. To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
5. To review the internal audit programme, consider the major findings of internal audit investigations and management's response, and ensure coordination between the internal and external auditors;
6. To keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and management's response; and
7. To consider other topics, as defined.

Powers of the Audit Committee

In carrying out their duties and responsibilities, the Audit Committee will in principle have full, free and unrestricted access to all the Company's records, properties and personnel.

Meetings

The Audit Committee will meet at least two (2) times in a year. The internal and/or external auditor(s) has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required by the Company. Upon the request of the auditor(s), the Chairman of the Audit Committee shall also convene a meeting of the Committee to consider any matters the auditor(s) believes should be brought to the attention of the Board of Directors or the shareholders.

The Company Secretary shall be the secretary to the Audit Committee and shall be responsible for keeping the minutes and circulating them to the Committee Members and to the Board of Directors.

