



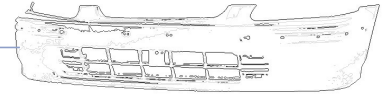
NEW HOONG FATT HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) (Company No. 425709-K)

*Annual Report* **2000**



NEW HOONG FATT HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) (425709-K)

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HEAD OFFICE

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# Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of NEW HOONG FATT HOLDINGS BERHAD will be held at the East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 17 May 2001 at 10.00 a.m. for the following purposes:-

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2000 together with the Reports of the Directors and Auditors thereon  
**Ordinary Resolution 1**
2. To declare a final tax exempt dividend of 6% in respect of the financial year ended 31 December 2000  
**Ordinary Resolution 2**
3. To re-elect Mr. Danny Ng Siew L'Leong as Director who retires pursuant to Article 80 of the Articles of Association of the Company  
**Ordinary Resolution 3**
4. To re-elect Mr. Huang, Ching-Ho as Director who retires pursuant to Article 80 of the Articles of Association of the Company  
**Ordinary Resolution 4**
5. To approve the resolution that pursuant to Section 129 of the Companies Act, 1965, Mr. Wong Kwan @ Wong Kwong Kwan who is over the age of seventy (70) years, be re-appointed as Director of the Company to hold office until the next Annual General Meeting  
**Ordinary Resolution 5**
6. To approve the Directors' fees of RM30,000.00 for the financial year ended 31 December 2000  
**Ordinary Resolution 6**
7. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration  
**Ordinary Resolution 7**
8. **Special Business:**

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

**Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965:**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being, subject to the Companies Act, 1965, the Articles of Association of the Company and approval from the Kuala Lumpur Stock Exchange and other relevant bodies where such approval is necessary."

**Ordinary Resolution 8**

**Proposed Amendments to the Articles of Association of the Company:**

"That the Articles of Association of the Company be amended as per Appendix I in the Circular to shareholders dated 25 April 2001."

**Special Resolution 1**

# Notice of Annual General Meeting(cont'd)



## NOTICE OF DIVIDEND ENTITLEMENT

Subject to the approval of the shareholders, a final tax exempt dividend of 6% for the financial year ended 31 December 2000 will be paid on 25 May 2001 to the holders of ordinary shares registered in the Record of Depositors at the close of business on 18 May 2001.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. of 18 May 2001, in respect of ordinary transfer; and
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

**MAH LI CHEN** (MAICSA 7022751)  
**HAR MUN MOI** (MAICSA 7024186)  
Company Secretaries

Kuala Lumpur  
25 April 2001

### NOTE 1:

Every member is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.

The Proxy Form must be signed by the appointor or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

The Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Phileo Avenue, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur at least forty-eight (48) hours before time fixed for the meeting.

### NOTE 2:

*Resolution pursuant to Section 132D of the Companies Act, 1965*

The proposed Ordinary Resolution 8, if passed, will empower the Directors to allot and issue up to a maximum of 10% of the issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

### NOTE 3:

*Proposed Amendments to the Articles of Association of the Company*

The proposed Special Resolution 1, if passed, will give effect to the amendments to the Articles of Association of the Company ("the Articles") as stated in Appendix 1 of the Circular to Shareholders dated 25 April 2001 and render the Articles consistent with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

# Corporate Information



CHIN JIT SIN



KAM FOONG KENG



HUANG, CHING-HO



WONG KWAN @ WONG KWONG KWAN



DANNY NG SIEW L'LEONG

## BOARD OF DIRECTORS

Kam Lang Fatt @  
Kim Leng Fatt  
Chin Jit Sin  
Kam Foong Keng  
Huang, Ching-Ho  
Wong Kwan @  
Wong Kwong Kwan  
Danny Ng Siew L'Leong



KAM LANG FATT @  
KIM LENG FATT  
*Chairman cum  
Managing Director*

## AUDIT COMMITTEE

Wong Kwan @ Wong Kwong Kwan (Chairman)  
Kam Foong Keng  
Danny Ng Siew L'Leong

## SECRETARIES

Mah Li Chen (MAICSA 7022751)  
Har Mun Moi (MAICSA 7024186)

## REGISTERED OFFICE

C15-1, Level 15, Tower C, Megan Phileo Avenue,  
12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.  
Tel.: (603) 2166 2000  
Fax: (603) 2166 3000

## SHARE REGISTRAR

M & C Services Sdn. Bhd.  
11th Floor, Wisma Damansara, Jalan Semantan  
Damansara Heights, 50490 Kuala Lumpur  
Tel: (603) 255 7188  
Fax: (603) 253 6325

## AUDITORS

BDO Binder  
Public Accountants

## PRINCIPAL BANKERS

Overseas Union Bank (Malaysia) Berhad  
Malayan Banking Berhad  
Citibank Berhad  
RHB Bank Berhad

## STOCK EXCHANGE LISTING

Second Board of the  
Kuala Lumpur Stock Exchange



# Audit Committee



The members of the Audit Committee are as follows:

Chairman: Wong Kwan @ Wong Kwong Kwan  
(Independent Non-Executive Director)

Members : Kam Foong Keng  
(Executive Director)  
Danny Ng Siew L'Leong  
(Independent Non-Executive Director)

The terms of reference are as follows:

## **DUTIES**

- To review with the external auditors on:
  - the audit plan, its scope and nature; and
  - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group.
- To ensure the adequacy and effectiveness of the system of internal accounting controls within the Group.
- To review with management:
  - audit reports issued by the external auditors and the implementation of audit recommendations;
  - interim financial information; and
  - the assistance given by the officers of the Group to external auditors.
- To review any related party transaction that may arise within the Company or the Group.
- To review the quarterly reports on consolidated results and financial position and annual financial statements prior to submission to the Board of Directors.
- To consider the nomination of a person or persons as auditors (whether internal or external).

## **MEETINGS**

- The Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members.
- The Company Secretary shall be the Secretary of the Committee.
- The Chairman shall upon request of the auditors convene a meeting of the Audit Committee to consider any matter the auditors believe should be brought to the attention of the directors or shareholders.
- The external auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee.

# Chairman's Message



PLASTIC FACTORY



BUMPER

On behalf of the Board of Directors, I am pleased to present the Annual Report and audited financial statements of New Hoong Fatt Holdings Berhad for the financial year ended 31 December 2000.

## FINANCIAL REVIEW

The New Hoong Fatt Group's progress into the new millennium has continued to be focused on its core business of the automotive replacement or after market. It had been evident from the previous years that this business is relatively protected from an economic downturn. The year

2000 saw a recovering economy, which grew by 8.5% compared to 1999. The benefits of this are reflected in the financial results of the Group for the financial year ended 31 December 2000.

The Group's total turnover grew by 14% from RM91.6 million in 1999 to RM104.2 million in 2000. The increase in turnover can be attributed to several factors. While the local market improved on the back of our country's recovering economy, the export market expanded due to the increase in new products, which is a direct result of the Group's commitment to and ongoing investment in plastic moulds and stamping tool and dies.

Pre-tax profit was up 5% from RM18.4 million to RM19.4 million for the year under review. As 1999 was a tax waiver year, profit after tax declined by 8% to RM16.9 million as compared to RM18.4 million in 1999. The Group's net tangible assets per share increased from RM1.39 previously to RM1.68 as at 31 December 2000.



PLASTIC INJECTION MACHINE

# Chairman's Message(cont'd)



## OPERATIONAL REVIEW

During the year 2000, the Group has made strategic investments to broaden its product range, in order to maintain its local market position, and to expand further into the rest of the world. The ambitious investment program will assist the Group in meeting the challenges of globalisation successfully, by working more efficiently, more productively and at lower costs.

### Manufacturing

Recognising that the foundation of this business lies in the tool and dies, the Group has been strengthening its technical competencies and engineering capabilities for last couple of years. As a result, the Group's existing tooling division is now fully equipped with computer-aided design and manufacturing (CAD/CAM) know-how to make tool and dies. This capability reduces the time and cost involved in the development of tool and dies.

The metal stamping division enjoyed the fruits of these investments as it was able to offer more new products to its customers, which resulted in an increase in exports during the year, especially to Thailand, Mexico and the Middle East countries.

Another measure implemented to improve efficiency within the metal stamping division was the establishment of a shearing division to shear steel coil, which remains its most important raw material. Besides substantial cost savings, the shearing division allows better control over production lead time, which in turn, enhances the reliability and speed of supply, thereby increasing its competitiveness in the export market.

The Group has successfully ventured into manufacturing of plastic bumpers and grilles for various marques of passenger cars and light commercial vehicles. Production commenced in July 2000 and sales is expected to increase as more new moulds become available for production. The Group expects this diversification to contribute positively to its future growth.

### Trading

Looking back at the year 2000, I am pleased to report that the trading operations had continued to flourish, due to the continued support of our valued customers as well as suppliers. In meeting the challenges of an increasingly competitive business environment, the Group endeavours to pro-actively take action to control costs, enhance efficiency in warehousing, order handling and delivery systems, and logistics management.



METAL STAMPING FACTORY



STAMPING SECTION



CATHODIC ELECTRO-DEPOSITION  
(CED) PAINT LINE



# Chairman's Message(cont'd)



MANUFACTURING PLANT



OKUMA CNC MILLING MACHINE



3-D LASER-CUTTING MACHINE

## PROSPECTS

Looking ahead, the Group will continue to make strategic investments in its core business, while exercising prudence in managing its resources so as to optimize the strength of its financial position. The indicators suggest that local economic growth will experience a slow down and the motor vehicle industry is also projected to grow at a slower pace than last year.

With a perpetual emphasis on human resource and product development, the Group is optimistic that, barring any unforeseen circumstances, its financial performance for 2001 will remain favourable.

## CORPORATE DEVELOPMENT

The Board of Directors is pleased to announce that in view of its commitment to provide enhanced value to its shareholders, the Group proposes to undertake a Bonus Issue of up to 13,200,000 new ordinary shares of RM1.00 each in the Company on the basis of one (1) new ordinary share for every five (5) existing ordinary shares held.

The Company is also proposing to apply for transfer of its entire paid-up and issued share capital to the Main Board of the Kuala Lumpur Stock Exchange. The Board believes that the proposed transfer would enhance New Hoong Fatt's prestige and reputation among investors, which may in turn enhance its market position.

## DIVIDEND

The Board of Directors is pleased to recommend a final tax exempt dividend of 6% in respect of the financial year ended 31 December 2000.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank the Group's management and staff for their dedication, contribution and commitment. We also appreciate the loyalty and support demonstrated by our shareholders, customers, suppliers and financiers. We look forward to sharing the Group's future successes with you.

To my colleagues on the Board, my heartfelt appreciation for your support and invaluable guidance towards building our Company and business.

**KAM LANG FATT @ KIM LENG FATT**  
*Chairman cum Managing Director*