

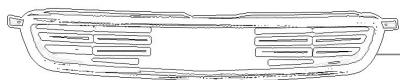
# Financial Statements



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PROXY FORM

# Directors' Report



The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

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

## RESULTS

	Group RM	Company RM
Profit after taxation	16,899,951	13,272,784
Retained profits brought forward	34,332,104	29,550,815
Profits available for appropriation	51,232,055	42,823,599
Bonus issue	(17,795,980)	(17,795,980)
Retained profits carried forward	33,436,075	25,027,619

## DIVIDENDS

Since the end of the previous financial year, a final tax exempt dividend of 6%, amounting to RM2,400,000 as proposed in respect of financial year ended 31 December 1999 and included in the previous Directors' Report, was paid on 6 July 2000.

The directors propose a final tax exempt dividend of 6%, amounting to RM3,600,000 in respect of the current financial year ended 31 December 2000 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

## SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each to RM60,000,000 comprising 60,000,000 ordinary shares of RM1.00 each by way of a bonus issue of 20,000,000 ordinary shares of RM1.00 each by capitalising RM2,204,020 and RM17,795,980 from share premium and retained profits respectively on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held. The new shares rank pari passu with the then existing shares of the Company.

The Company did not issue any debenture during the financial year.

# Directors' Report (cont'd)



## EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The ESOS was approved by the shareholders at an Extraordinary General Meeting held on 8 June 2000.

The main features of the ESOS are as follows:-

- (a) The ESOS is made available to eligible employees of the Group and full time executive directors of the Company, who are confirmed employees of the Group and has been in permanent full time employment within the Group for a period of at least twenty four months of continuous services, including service during the probation period.
- (b) The total number of shares to be offered under the ESOS shall not, in aggregate, exceed 10% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS which will be in force for a period of five years commencing from 30 August 2000.
- (c) The option price for a new share under the ESOS shall be allowed to be set at a discount of not more than 10% from the weighted average market price of the shares as quoted and shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the five market days immediately preceding the date of offer by the ESOS Committee or the par value of the shares, whichever is higher.
- (d) The actual entitlement of an eligible employee shall be determined by the ESOS Committee on the basis of job grade, years of service, contribution, dedication and loyalty of the employee and shall not be less than 1,000 shares nor more than 500,000 shares and shall always be in multiples of 1,000 shares.
- (e) Irrespective of the number of options held, the option holder may not exercise his/her option beyond the maximum allowable limit in the options exercisable per annum in accordance to the following percentages:

Number of options granted	Percentage of options exercisable per annum				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 10,000	30%	30%	40% <sup>1</sup>	-	-
10,000 to 20,000	25%	25%	25%	25% <sup>2</sup>	-
Above 20,000	20%	20%	20%	20%	20% <sup>3</sup>

<sup>1</sup> 40% or the remaining number of options unexercised

<sup>2</sup> 25% or the remaining number of options unexercised

<sup>3</sup> 20% or the remaining number of options unexercised

- (f) The Shares shall, on issue and allotment upon any exercise of the option, rank pari passu in all respect with the then existing ordinary shares of the Company, except that they will not qualify for any dividend or distribution declared for payment to shareholders on the Register of Members/Record of Depositors as at the relevant books closing date which precedes the option exercise date.

The employees to whom the options have been granted are not eligible to participate in any other employee share option scheme implemented by any other company within the Group which is in force for the time being.

The movements in the Company's unissued shares under options since the commencement of ESOS and up to the end of the financial year are as follows:-

	— Options over ordinary shares of RM1.00 each —			
	Balance at 30.8.2000	Granted	Exercised	Balance at 31.12.2000
Number of unissued shares under options at exercise price of RM2.85	-	4,920,000	-	4,920,000

# Directors' Report (cont'd)



## RESERVES AND PROVISIONS

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

## DIRECTORS

The directors who held office since the date of the last report are:-

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

In accordance with Article 80 of the Company's Articles of Association, Mr. Huang, Ching-Ho and Mr. Danny Ng Siew L'Leong retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. Wong Kwan @ Wong Kwong Kwan retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that Mr. Wong Kwan @ Wong Kwong Kwan be re-appointed as director of the Company pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting.

## DIRECTORS' INTERESTS

The directors holding office at the end of the financial year who had beneficial interests in the ordinary shares of the Company and related companies during the financial year ended 31 December 2000, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:-

	Number of ordinary shares of RM1.00 each				
	Balance at 1.1.2000	Bonus Issue	Bought	Sold	Balance at 31.12.2000
<b>Shares in the Company</b>					
<b>Direct interest</b>					
Kam Lang Fatt @ Kim Leng Fatt	12,778,320	5,889,000	-	(1,000,320)	17,667,000
Kam Foong Keng	2,011,412	1,005,706	-	-	3,017,118
Chin Jit Sin	299,000	149,500	-	-	448,500
Wong Kwan @ Wong Kwong Kwan	10,000	5,000	5,000	-	20,000
Danny Ng Siew L'Leong	-	-	-	-	-
Huang, Ching-Ho	-	-	-	-	-

### Indirect interest

Kam Lang Fatt @ Kim Leng Fatt	-	200,000	400,000	-	600,000
Huang, Ching-Ho	3,317,174	2,343,587	1,370,000	-	7,030,761

	Options over ordinary shares of RM1.00 each		
	Balance at 1.1.2000	Granted	Balance at 31.12.2000
<b>Share options in the Company</b>			
Kam Lang Fatt @ Kim Leng Fatt	-	500,000	500,000
Kam Foong Keng	-	300,000	300,000
Chin Jit Sin	-	300,000	300,000

# Directors' Report (cont'd)



By virtue of Section 6A of the Companies Act, 1965, Mr. Kam Lang Fatt @ Kim Leng Fatt, Madam Kam Foong Keng and Mr. Chin Jit Sin are also deemed to have beneficial interest in the shares of the subsidiary companies to the extent the Company has an interest.

## **DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for a director who may be deemed to derive benefits by virtue of the following: -

- (i) trade transactions entered into with companies in which the director has substantial financial interest; and
- (ii) rental of RM114,000 paid to a company in which the director has substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for share options granted to Mr. Kam Lang Fatt @ Kim Leng Fatt, Mr. Chin Jit Sin and Madam Kam Foong Keng pursuant to the ESOS.

## **OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:-**

### **(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps: -
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### **(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

- (c) The directors are not aware of any circumstances: -
  - (i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

# Directors' Report (cont'd)



- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the directors:-
- (i) there has not arisen 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; and
  - (ii) 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 will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

## **(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of financial year.
- (g) The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## **EVENT SUBSEQUENT TO BALANCE SHEET DATE**

On 26 February 2001, the Company proposed a Bonus Issue ("Proposed Bonus Issue") of up to 13,200,000 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every five (5) existing ordinary shares held, which will be effected by capitalising up to RM13,200,000 from retained profits. All the ordinary shares of RM1.00 each to be issued pursuant to the Proposed Bonus Issue will, upon issue and allotment, rank pari passu with the then existing ordinary shares of the Company save and except that they will not be entitled to any dividend, rights, allotment or other distribution which may be declared prior to the date of allotment of the new ordinary shares.

## **AUDITORS**

The retiring auditors, Messrs. BDO Binder, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

**KAM LANG FATT @ KIM LENG FATT**

**KAM FOONG KENG**

Kuala Lumpur  
26 February 2001



## Statement By Directors

In the opinion of the directors, the financial statements set out on pages 17 to 36 have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:-

- (i) the state of affairs of the Group and of the Company as at 31 December 2000 and of their results for the financial year then ended; and
- (ii) the cash flows of the Group and of the Company for the financial year ended 31 December 2000.

On behalf of the Board,

**Kam Lang Fatt @ Kim Leng Fatt**  
*Chairman cum Managing Director*

**Kam Foong Keng**  
*Executive Director*

Kuala Lumpur  
26 February 2001

## Statutory Declaration

I, Kam Foong Sim (MIA 10240), being the officer primarily responsible for the financial management of New Hoong Fatt Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 17 to 36 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 abovenamed  
KAM FOONG SIM  
at Kuala Lumpur this  
26 February 2001

Before me:-

P. Sethuraman  
No. W-217  
Commissioner for Oaths

# Report of the Auditors



TO THE MEMBERS OF NEW HOONG FATT HOLDINGS BERHAD

We have audited the financial statements set out on pages 17 to 36. The preparation of the financial statements is the responsibility of the directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2000 and of their results and cash flows for the financial year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

**BDO Binder**  
AF : 0206  
Public Accountants

**Tan Kim Leong, JP**  
235/6/01 (J/PH)  
Partner

Kuala Lumpur  
26 February 2001



# Balance Sheets

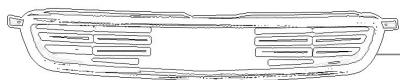
AS AT 31 DECEMBER 2000



		Group		Company	
	NOTE	2000 RM	1999 RM	2000 RM	1999 RM
<b>ASSETS EMPLOYED</b>					
FIXED ASSETS	4	76,885,914	54,592,050	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	5	-	-	20,466,949	20,466,949
AMOUNT OWING FROM SUBSIDIARY COMPANIES	6	-	-	64,610,914	50,926,906
INVESTMENTS - At cost	7	83,000	99,601	-	-
<b>CURRENT ASSETS</b>					
Inventories	8	13,469,996	10,429,486	-	-
Trade debtors	9	28,560,085	26,844,344	-	-
Other debtors, deposits and prepayments		1,521,472	2,140,620	500	18,247
Tax recoverable		20,172	26,357	3,609	-
Fixed deposits	10	-	2,846,169	-	2,846,169
Cash and bank balances		1,014,430	1,003,371	1,897	14,343
		44,586,155	43,290,347	6,006	2,878,759
<b>LESS: CURRENT LIABILITIES</b>					
Trade creditors	11	11,401,128	9,813,348	-	-
Other creditors and accruals		2,323,174	1,740,621	56,250	98,300
Hire-purchase creditors	12	-	59,316	-	-
Short term bank borrowings	13	3,268,000	294,097	-	-
Term loan - secured	14	600,000	-	-	-
Taxation		636,957	52,310	-	19,479
Proposed dividend		-	2,400,000	-	2,400,000
		18,229,259	14,359,692	56,250	2,517,779
NET CURRENT ASSETS/ (LIABILITIES)		26,356,896	28,930,655	(50,244)	360,980
EXPENDITURE CARRIED FORWARD - At cost	15	-	3,563	-	-
		103,325,810	83,625,869	85,027,619	71,754,835
<b>FINANCED BY</b>					
SHARE CAPITAL	16	60,000,000	40,000,000	60,000,000	40,000,000
RESERVES	17	40,525,820	43,625,869	25,027,619	31,754,835
SHAREHOLDERS' FUNDS		100,525,820	83,625,869	85,027,619	71,754,835
<b>LONG TERM LIABILITY</b>					
Term loan - secured	14	2,799,990	-	-	-
		103,325,810	83,625,869	85,027,619	71,754,835

The attached notes form an integral part of the financial statements.

# Income Statements



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

		Group		Company	
	NOTE	2000 RM	1999 RM	2000 RM	1999 RM
REVENUE	18	104,219,685	91,630,342	15,669,007	37,408,000
COST OF SALES		(76,117,868)	(66,617,506)	-	-
GROSS PROFIT		28,101,817	25,012,836	15,669,007	37,408,000
OTHER OPERATING INCOME		1,006,377	1,700,223	42,038	164,007
SELLING AND DISTRIBUTION EXPENSES		(2,276,913)	(2,073,596)	-	-
ADMINISTRATION EXPENSES		(7,225,998)	(6,104,998)	(290,170)	(88,249)
PROFIT FROM OPERATIONS		19,605,283	18,534,465	15,420,875	37,483,758
FINANCE COSTS		(248,891)	(122,745)	-	-
PROFIT BEFORE TAXATION	19	19,356,392	18,411,720	15,420,875	37,483,758
TAXATION	20	(2,456,441)	(37,897)	(2,148,091)	(5,870,979)
NET PROFIT FOR THE FINANCIAL YEAR		16,899,951	18,373,823	13,272,784	31,612,779
EARNINGS PER SHARE	21	28.2 sen	30.6 sen		
DIVIDENDS PER SHARE -Tax exempt	22	6.0 sen	6.0 sen		

*The attached notes form an integral part of the financial statements.*

# Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000



Group	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profit RM	Total RM
Balance as at 31 December 1998	40,000,000	2,204,020	7,089,745	18,358,281	67,652,046
Net profit for the financial year	-	-	-	18,373,823	18,373,823
Proposed final tax exempt dividend of 6%	-	-	-	(2,400,000)	(2,400,000)
Balance as at 31 December 1999	40,000,000	2,204,020	7,089,745	34,332,104	83,625,869
Net profit for the financial year	-	-	-	16,899,951	16,899,951
Bonus issue	20,000,000	(2,204,020)	-	(17,795,980)	-
Balance as at 31 December 2000	<u>60,000,000</u>	<u>-</u>	<u>7,089,745</u>	<u>33,436,075</u>	<u>100,525,820</u>
<b>Company</b>					
Balance as at 31 December 1998	40,000,000	2,204,020	-	338,036	42,542,056
Net profit for the financial year	-	-	-	31,612,779	31,612,779
Proposed final tax exempt dividend of 6%	-	-	-	(2,400,000)	(2,400,000)
Balance as at 31 December 1999	40,000,000	2,204,020	-	29,550,815	71,754,835
Net profit for the financial year	-	-	-	13,272,784	13,272,784
Bonus issue	20,000,000	(2,204,020)	-	(17,795,980)	-
Balance as at 31 December 2000	<u>60,000,000</u>	<u>-</u>	<u>-</u>	<u>25,027,619</u>	<u>85,027,619</u>

*The attached notes form an integral part of the financial statements.*

# Cash Flow Statements



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	19,356,392	18,411,720	15,420,875	37,483,758
Adjustments for:-				
Depreciation of fixed assets	5,410,829	4,537,922	-	-
Interest expense	153,525	80,009	-	-
Fixed assets written off	2,243	5,809	-	-
Preliminary and pre-operating expenses written off	7,917	-	-	-
Provision for doubtful debts	-	260,000	-	-
Provision for doubtful debts no longer required	(107,907)	-	-	-
Dividend income	(1,800)	(2,025)	(15,417,007)	(37,300,000)
Interest income	(52,871)	(168,335)	(41,839)	(164,007)
Gain on disposal of quoted investments	(31,444)	-	-	-
Gain on disposal of fixed assets	(111,032)	(486,416)	-	-
Operating profit/(loss) before working capital changes	24,625,852	22,638,684	(37,971)	19,751
Increase in inventories	(3,040,510)	(884,709)	-	-
Increase in trade debtors	(1,607,834)	(5,335,450)	-	-
Decrease/(Increase) in debtors, deposits and prepayments	619,148	(280,567)	17,747	(6,093)
Increase in trade creditors	1,587,780	790,392	-	-
Increase/(Decrease) in other creditors and accruals	582,553	205,463	(42,050)	(10,390)
Cash generated from/(used in) operations	22,766,989	17,133,813	(62,274)	3,268
Dividend received	-	-	13,317,007	31,448,000
Interest paid	(153,525)	(80,009)	-	-
Preliminary expenses paid	(4,354)	(3,563)	-	-
Tax paid	(1,865,105)	(2,045,936)	(71,179)	(140,000)
Net cash from operating activities	20,744,005	15,004,305	13,183,554	31,311,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Dividend received from investment in quoted shares	1,296	2,025	-	-
Proceeds from disposal of fixed assets	155,440	2,159,013	-	-
Proceeds from disposal of quoted investments	48,045	-	-	-
Purchase of fixed assets	(27,751,344)	(12,296,018)	-	-
Advances to subsidiary companies	-	-	(13,684,008)	(28,451,499)
Interest received	52,871	168,335	41,839	164,007
Purchase of investment	-	(33,000)	-	(900,002)
Net cash used in investing activities	(27,493,692)	(9,999,645)	(13,642,169)	(29,187,494)

# Cash Flow Statements (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2000



	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Drawdown/(Repayment) of short term borrowings	3,268,000	(1,759,296)	-	-
Dividend paid	(2,400,000)	(2,400,000)	(2,400,000)	(2,400,000)
Repayment of term loan	(200,000)	-	-	-
Repayment of hire-purchase creditors	(59,316)	(207,404)	-	-
Drawdown of term loan	3,599,990	-	-	-
Net cash from/(used in) financing activities	<u>4,208,674</u>	<u>(4,366,700)</u>	<u>(2,400,000)</u>	<u>(2,400,000)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,541,013)</u>	<u>637,960</u>	<u>(2,858,615)</u>	<u>(276,226)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>3,555,443</u>	<u>2,917,483</u>	<u>2,860,512</u>	<u>3,136,738</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u><u>1,014,430</u></u>	<u><u>3,555,443</u></u>	<u><u>1,897</u></u>	<u><u>2,860,512</u></u>

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:-

Fixed deposits	-	2,846,169	-	2,846,169
Cash and bank balances	1,014,430	1,003,371	1,897	14,343
Bank overdrafts	-	(294,097)	-	-
	<u>1,014,430</u>	<u>3,555,443</u>	<u>1,897</u>	<u>2,860,512</u>

*The attached notes form an integral part of the financial statements.*

# Notes to the Financial Statements



31 DECEMBER 2000

## 1. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

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

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified by the revaluation of freehold land and buildings.

### 3.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies made up to the end of the financial year. All significant inter-company balances and transactions have been eliminated and the consolidated financial statements relate to external transactions only.

The financial statements of the subsidiary companies have been consolidated using the merger accounting principles.

Under the merger method of accounting, merger deficit being the excess of the cost of investment over the nominal value of the share capital of the subsidiary companies acquired is written off against reserves, other than the share premium account, in the consolidated financial statements. The results of subsidiary companies have been accounted for on a full year basis.

# Notes

## to the Financial Statements (cont'd)

31 DECEMBER 2000



### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Fixed Assets and Depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation.

The freehold land and buildings were revalued in 1997. After the first revaluation, the freehold land and buildings will be revalued at regular intervals of at least once in every five years. Where market conditions indicate that the carrying values of revalued properties differ materially from the market values, additional revaluation will be carried out in those intervening years.

No depreciation has been provided for in respect of freehold land, buildings under construction, renovation-in-progress and tools and dies development costs. Tools and dies development costs represent costs incurred in developing tools and dies for future production purposes which will be depreciated, upon completion on the same basis as other tools and dies of the Group.

Depreciation of other fixed assets is calculated on the straight line method to write off the cost of the assets over their estimated useful lives at the following principal annual rates:-

Buildings	2%
Plant and machinery	12.5% - 20%
Tools, equipment and air-conditioners	10%
Moulds and dies	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 25%
Cabin containers	10%
Renovation	10%

#### 3.4 Investments

Investments in subsidiary companies and other investments held on a long term basis are stated at cost less provision for permanent diminution in value, if any.

#### 3.5 Inventories

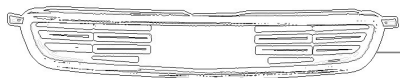
Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Cost of raw materials and consumables comprises original cost of purchase plus the incidental costs of bringing the inventories to their present condition and location. Work-in-progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

#### 3.6 Bad and Doubtful Debts

Known bad debts are written off and specific provision is made for debts where the collectibility is considered doubtful.

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 3.7 Leasing and Hire-Purchase Arrangements

Assets financed by hire-purchase arrangements which in substance transfer substantially all the risks and rewards of ownership of the assets to the Group are capitalised as fixed assets and the corresponding obligations are treated as liabilities. The fixed assets capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase liabilities.

### 3.8 Foreign Currencies Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the approximate rates of exchange prevailing at that date. Gains or losses on foreign exchange are taken up in the income statement.

The closing rates used in the transactions of foreign currency are as follows:-

- (i) RM1:USD0.2632 (1999: USD0.2632)
- (ii) RM1:NTD8.72 (1999: NTD8.98)

### 3.9 Deferred Taxation

Deferred taxation is provided under the liability method at the current taxation rate on all material timing differences except where it is reasonably probable that such timing differences will not crystallise in the foreseeable future. Deferred tax benefits are only recognised in the financial statements when there is reasonable assurance of their realisation.

### 3.10 Expenditure Carried Forward

Expenditure carried forward, comprises preliminary and pre-operating expenses are written off during the financial year.

### 3.11 Revenue Recognition

#### COMPANY

Revenue from management fees for management services rendered to subsidiary companies is recognised in the income statement upon billing.

Revenue from dividend income is recognised in the income statement on receipt basis.

#### GROUP

Revenue from the invoiced value of goods sold less returns and discounts is recognised in the income statement upon the delivery of goods to the customers.

### 3.12 Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.



# Notes

## to the Financial Statements (cont'd)

31 DECEMBER 2000



### 4. FIXED ASSETS

Group	Balance at 1.1.2000 RM	Addition RM	Disposal RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2000 RM	Net book value at 31.12.2000 RM
2000							
<b>At valuation</b>							
Freehold land							
- at 1997							
valuation	8,445,339	-	-	-	-	8,445,339	8,445,339
Freehold buildings							
- at 1997							
valuation	11,280,911	-	-	-	-	11,280,911	10,546,518
<b>At cost</b>							
Freehold land	4,388,216	3,328,396	-	-	-	7,716,612	7,716,612
Freehold buildings	3,856,417	3,357,867	-	-	1,202,463	8,416,747	8,177,923
Building under							
construction	823,158	4,453,936	-	-	(823,158)	4,453,936	4,453,936
Plant and							
machinery	12,491,794	6,444,306	(41,508)	-	490,000	19,384,592	10,379,966
Plant and							
machinery under							
hire-purchase	490,000	-	-	-	(490,000)	-	-
Tools, equipment							
and							
air-conditioners	895,602	175,355	-	(240)	-	1,070,717	581,399
Moulds and dies	24,428,823	5,781,718	(37,040)	-	3,585,342	33,758,843	22,514,580
Motor vehicles	2,593,357	448,681	(237,411)	-	-	2,804,627	963,449
Furniture,							
fittings and							
office							
equipment	1,068,405	343,258	(2,400)	(3,165)	-	1,406,098	840,111
Cabin containers	24,000	24,020	-	-	-	48,020	27,304
Tools and dies							
development							
costs	2,438,880	3,283,400	-	-	(3,585,342)	2,136,938	2,136,938
Renovation-in							
-progress	379,305	-	-	-	(379,305)	-	-
Renovation	-	110,407	-	-	-	110,407	101,839
	73,604,207	27,751,344	(318,359)	(3,405)	-	101,033,787	76,885,914

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 4. FIXED ASSETS (cont'd)

### Group

2000	Balance at 1.1.2000 RM	Current depreciation RM	Disposal RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2000 RM
<b>Accumulated depreciation</b>						
Freehold land - at 1997 valuation	-	-	-	-	-	-
Freehold buildings - at 1997 valuation	508,775	225,618	-	-	-	734,393
Freehold land - at cost	-	-	-	-	-	-
Freehold buildings - at cost	121,717	117,107	-	-	-	238,824
Building under construction	-	-	-	-	-	-
Plant and machinery	7,102,173	1,669,586	(37,654)	-	270,521	9,004,626
Plant and machinery under hire-purchase	270,521	-	-	-	(270,521)	-
Tools, equipment and air-conditioners	390,467	98,867	-	(16)	-	489,318
Moulds and dies	8,524,961	2,721,754	(2,452)	-	-	11,244,263
Motor vehicles	1,678,826	394,937	(232,585)	-	-	1,841,178
Furniture, fittings and office equipment	397,917	170,476	(1,260)	(1,146)	-	565,987
Cabin containers	16,800	3,916	-	-	-	20,716
Tools and dies development costs	-	-	-	-	-	-
Renovation-in-progress	-	-	-	-	-	-
Renovation	-	8,568	-	-	-	8,568
	19,012,157	5,410,829	(273,951)	(1,162)	-	24,147,873

# Notes

## to the Financial Statements (cont'd)

31 DECEMBER 2000



### 4. FIXED ASSETS (cont'd)

#### Group

1999	Balance at 1.1.1999 RM	Addition RM	Disposal RM	Written off RM	Reclassi- fication RM	Balance at 31.12.1999 RM	Net book value at 31.12.1999 RM
<b>At valuation</b>							
Freehold land							
- at 1997 valuation	8,445,339	-	-	-	-	8,445,339	8,445,339
Freehold buildings							
- at 1997 valuation	11,054,661	226,250	-	-	-	11,280,911	10,772,136
<b>At cost</b>							
Freehold land	-	4,388,216	-	-	-	4,388,216	4,388,216
Freehold buildings	2,727,595	1,128,822	-	-	-	3,856,417	3,734,700
Building under construction	-	823,158	-	-	-	823,158	823,158
Plant and machinery	10,151,333	1,662,374	(32,509)	-	710,596	12,491,794	5,389,621
Plant and machinery under hire-purchase	1,200,596	-	-	-	(710,596)	490,000	219,479
Tools, equipment and air-conditioners	845,468	50,369	(235)	-	-	895,602	505,135
Moulds and dies	20,719,213	1,067,133	(1,890,578)	-	4,533,055	24,428,823	15,903,862
Moulds and dies under hire-purchase	1,243,300	-	-	-	(1,243,300)	-	-
Motor vehicles	2,301,649	380,090	(147,382)	-	59,000	2,593,357	914,531
Motor vehicles under hire-purchase	59,000	-	-	-	(59,000)	-	-
Furniture, fittings and office equipment	960,051	212,215	(11,306)	(92,555)	-	1,068,405	670,488
Cabin containers	24,000	-	-	-	-	24,000	7,200
Tools and dies							
development costs	3,750,549	1,978,086	-	-	(3,289,755)	2,438,880	2,438,880
Renovation-in-progress	-	379,305	-	-	-	379,305	379,305
	63,482,754	12,296,018	(2,082,010)	(92,555)	-	73,604,207	54,592,050

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 4. FIXED ASSETS (cont'd)

Group	Balance at 1.1.1999 RM	Current depreciation RM	Disposal RM	Written off RM	Reclassi- fication RM	Balance at 31.12.1999 RM
<b>1999</b>						
<b>Accumulated depreciation</b>						
Freehold land						
- at 1997 valuation	-	-	-	-	-	-
Freehold buildings						
- at 1997 valuation	283,157	225,618	-	-	-	508,775
Freehold land						
- at cost	-	-	-	-	-	-
Freehold buildings						
- at cost	113,163	8,554	-	-	-	121,717
Building under construction	-	-	-	-	-	-
Plant and machinery	5,244,750	1,470,792	(22,509)	-	409,140	7,102,173
Plant and machinery under hire-purchase	588,467	91,194	-	-	(409,140)	270,521
Tools, equipment and air-conditioners	303,236	87,349	(118)	-	-	390,467
Moulds and dies	6,111,586	2,053,127	(266,986)	-	627,234	8,524,961
Moulds and dies under hire-purchase	606,512	20,722	-	-	(627,234)	-
Motor vehicles	1,294,547	463,367	(113,504)	-	34,416	1,678,826
Motor vehicles under hire-purchase	30,483	3,933	-	-	(34,416)	-
Furniture, fittings and office equipment	380,093	110,866	(6,296)	(86,746)	-	397,917
Cabin containers	14,400	2,400	-	-	-	16,800
Tools and dies						
development costs	-	-	-	-	-	-
Renovation-in-progress	-	-	-	-	-	-
	14,970,394	4,537,922	(409,413)	(86,746)	-	19,012,157

Freehold land and building of a subsidiary company costing RM5,748,306 (1999: Nil) has been charged to a licensed bank for credit facilities granted to the subsidiary company.

The freehold land and buildings of the Group were revalued by the directors based on valuations carried out in 1997 by an independent firm of professional valuers using the open market value basis.

# Notes to the Financial Statements (cont'd)

31 DECEMBER 2000



## 4. FIXED ASSETS (cont'd)

Had the revalued assets been carried at cost less depreciation, the carrying amounts would have been as follows:-

	Cost RM	Accumulated depreciation RM	Net book value RM
<b>2000</b>			
Freehold land	4,741,811	-	4,741,811
Freehold buildings	8,318,620	1,033,344	7,285,276
	<u>13,060,431</u>	<u>1,033,344</u>	<u>12,027,087</u>
<b>1999</b>			
Freehold land	4,741,811	-	4,741,811
Freehold buildings	8,318,620	866,969	7,451,651
	<u>13,060,431</u>	<u>866,969</u>	<u>12,193,462</u>

## 5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2000 RM	1999 RM
Unquoted shares - at cost	<u>20,466,949</u>	<u>20,466,949</u>

Details of the subsidiary companies, which are incorporated in Malaysia, are as follows: -

Company name	Effective Equity Interest		Principal Activities
	2000	1999	
New Hoong Fatt Auto Supplies Sdn. Bhd.	100%	100%	Marketing, distribution and trading of automotive spare parts and accessories
NJ Metal Stamping Sdn. Bhd.	100%	100%	Manufacturing and marketing of automotive parts, provision of metal stamping and Cathodic Electro Deposition painting services
Jhi Soon Auto Metal Sdn. Bhd.	100%	100%	Manufacturing and marketing of automotive parts
New Hoong Fatt Industries Sdn. Bhd.	100%	100%	Manufacturing and marketing of automotive parts

## 6. AMOUNT OWING FROM SUBSIDIARY COMPANIES

The amounts owing from subsidiary companies arose mainly from advances which are interest-free, unsecured and have no fixed terms of repayment.

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 7. INVESTMENTS - AT COST

	2000 RM	Group 1999 RM
Quoted shares in Malaysia	-	16,601
Unquoted investment in Malaysia	83,000	83,000
	<u>83,000</u>	<u>99,601</u>
Market value of quoted shares at 31 December	-	74,800

## 8. INVENTORIES

	2000 RM	Group 1999 RM
Raw materials	4,648,524	1,011,962
Work-in-progress	659,165	700,196
Finished goods	8,079,956	8,653,089
Consumables	82,351	64,239
	<u>13,469,996</u>	<u>10,429,486</u>

## 9. TRADE DEBTORS

	2000 RM	Group 1999 RM
Trade debtors	28,758,530	27,150,696
Less: Provision for doubtful debts	(198,445)	(306,352)
	<u>28,560,085</u>	<u>26,844,344</u>

Included in trade debtors of the Group are amounts of RM21,630 (1999: RM22,281) owing from companies in which a director of the Company has substantial financial interest. These amounts arose from normal trade transactions.

## 10. FIXED DEPOSITS

	2000 RM	Group/Company 1999 RM
Fixed deposits with: -		
- a licensed bank	-	1,921,404
- finance companies	-	924,765
	<u>-</u>	<u>2,846,169</u>

## 11. TRADE CREDITORS

Included in trade creditors of the Group are amounts of RM6,871,567 (1999: RM5,247,684) owing to companies in which a director of the Company has substantial financial interest. These amounts arose from normal trade transactions.

# Notes to the Financial Statements (cont'd)

31 DECEMBER 2000



## 12. HIRE-PURCHASE CREDITORS

	Group	
	2000 RM	1999 RM
Gross outstanding	-	75,328
Less: Unexpired interest	-	(16,012)
Principal sum outstanding	-	59,316
Amount payable within the next twelve months	-	59,316

## 13. SHORT TERM BANK BORROWINGS

	Group	
	2000 RM	1999 RM
<b>Secured</b>		
Bank overdrafts	-	294,097
<b>Unsecured</b>		
Bankers' acceptance	3,268,000	-
At 31 December	3,268,000	294,097

The bank borrowings bear interest at rates ranging from 1.00% to 2.25% (1999: 1.25% to 2.25%) per annum above the prevailing bank's base lending rates/cost of fund.

The bank borrowings are guaranteed by the Company.

## 14. TERM LOAN - SECURED

	Group	
	2000 RM	1999 RM
Term loan with interest at funding rate plus 1.5% per annum, repayable by 72 monthly instalments of RM50,000 each commencing September 2000	3,399,990	-
Repayable as follows: -		
Within the next twelve months	600,000	-
After the next twelve months	2,799,990	-
	3,399,990	-

Term loan is secured by means of a first fixed charge over the freehold land and building of a subsidiary company and guaranteed by the Company.

## 15. EXPENDITURE CARRIED FORWARD - AT COST

	Group	
	2000 RM	1999 RM
Preliminary and pre-operating expenses	7,917	3,563
Less: Amount written off	(7,917)	-
	-	3,563

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 16. SHARE CAPITAL

	Group/Company	
	2000 RM	1999 RM
Ordinary shares of RM1.00 each:-		
Authorised	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:-		
Balance at 1 January	40,000,000	40,000,000
Bonus issue	<u>20,000,000</u>	-
Balance at 31 December	<u>60,000,000</u>	<u>40,000,000</u>

During the financial year, the Company increased its issued and paid-up share capital from RM40,000,000 comprising 40,000,000 ordinary shares of RM1.00 each to RM60,000,000 comprising 60,000,000 ordinary shares of RM1.00 each by way of a bonus issue of 20,000,000 ordinary shares of RM1.00 each by capitalising RM2,204,020 and RM17,795,980 from share premium and retained profits respectively on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held. The new shares rank pari passu with the then existing shares of the Company.

## 17. RESERVES

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
(a) Non-distributable:-				
Share premium	-	2,204,020	-	2,204,020
Revaluation reserve	<u>7,089,745</u>	<u>7,089,745</u>	-	-
(b) Distributable:-				
Retained profits	<u>33,436,075</u>	<u>34,332,104</u>	<u>25,027,619</u>	<u>29,550,815</u>
	<u>40,525,820</u>	<u>43,625,869</u>	<u>25,027,619</u>	<u>31,754,835</u>

Subject to agreement of the Inland Revenue Board, the Company has:-

- (i) tax exempt income amounting to approximately RM17,556,000 (1999: RM19,956,000) available for distribution of tax exempt dividends; and
- (ii) sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income to frank the payment of net dividends out of all its retained profits as at 31 December 2000 without incurring additional tax liability.

## 18. REVENUE

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Sale of goods	104,219,685	91,630,342	-	-
Rendering of services	-	-	252,000	108,000
Dividends	-	-	<u>15,417,007</u>	<u>37,300,000</u>
	<u>104,219,685</u>	<u>91,630,342</u>	<u>15,669,007</u>	<u>37,408,000</u>



# Notes to the Financial Statements (cont'd)

31 DECEMBER 2000



## 19. PROFIT BEFORE TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:-				
- statutory	42,500	42,000	5,000	5,000
- non-statutory	26,800	-	-	-
Depreciation of fixed assets	5,410,829	4,537,922	-	-
Directors' remuneration:-				
- fees	244,050	133,850	30,000	30,000
- emoluments other than fees	939,160	702,586	61,000	-
Interest expenses on:-				
- bankers' acceptance	37,684	-	-	-
- bank overdraft	15,252	13,008	-	-
- hire-purchase	16,012	60,185	-	-
- term loans	77,696	-	-	-
- others	6,881	6,816	-	-
Preliminary and pre-operating expenses written off	7,917	-	-	-
Provision for doubtful debts	-	260,000	-	-
Rental of:-				
- factory and premises	151,200	150,600	-	-
- leased equipment	-	12,741	-	-
- mould	7,268	9,257	-	-
Gain on disposal of fixed assets	(111,032)	(486,416)	-	-
Gain on disposal of quoted investments	(31,444)	-	-	-
Gross dividend from quoted investment in Malaysia	(1,800)	(2,025)	-	-
Interest income on fixed deposits	(52,871)	(168,335)	(41,839)	(164,007)
Provision for doubtful debts no longer required	(107,907)	-	-	-
Realised (gain)/loss on foreign exchange	(133,349)	104,741	-	-
Rental income of factory and premises	-	(176,000)	-	-
Tax exempt dividend from unquoted subsidiary company	-	-	(7,917,007)	(16,400,000)
Gross dividend from an unquoted subsidiary company	-	-	(7,500,000)	(20,900,000)

The estimated monetary value of benefits-in-kind received by the directors in respect of the Group amounted to RM50,716 (1999: RM46,965).

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 20. TAXATION

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Taxation:-				
- current year	2,428,873	-	2,148,091	5,852,000
- under provision in prior years	27,568	37,897	-	18,979
	<u>2,456,441</u>	<u>37,897</u>	<u>2,148,091</u>	<u>5,870,979</u>

The effective tax rate of the Company in year 2000 is lower than the statutory tax rate due mainly to tax exempt dividend income received. The provision for taxation made for the Company in 1999 is in respect of dividend income from unquoted subsidiary companies.

The effective tax rate of the Group in year 2000 is lower than the statutory tax rate due mainly to utilisation of reinvestment allowances. No provision for taxation has been made for the Group in 1999 as the tax on income of its subsidiary companies for the financial year ended 31 December 1999 is waived in accordance with the Income Tax (Amendment) Act, 1999.

## 21. EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's profit after taxation of RM16,899,951 (1999: RM18,373,823) by the number of ordinary shares in issue during the year of 60,000,000 (1999: 60,000,000 ordinary shares after adjusting for the bonus issue during the financial year).

Diluted earnings per share for 2000 is not presented as it is anti-dilutive.

## 22. DIVIDENDS PER SHARE

	Group/Company	
	2000 RM	1999 RM
Proposed final tax exempt dividend of 6 sen (1999: 6 sen) per ordinary share	<u>3,600,000</u>	<u>2,400,000</u>

The proposed final tax exempt dividend for the current financial year amounting to RM3,600,000 has yet to be approved by the shareholders. This dividend, upon approval by the shareholders, will be accounted for as an appropriation of retained earnings in the year in which it is declared.

## 23. DEFERRED TAXATION

The tax effects of the surplus on revaluation of the freehold land and buildings of certain subsidiary companies have not been recognised in the financial statements of the Group as the Group has no intention of disposing the revalued assets in the foreseeable future.

The tax effects on timing differences of certain subsidiary companies in respect of the excess of capital allowances over the corresponding depreciation of fixed assets which are not expected to reverse in the foreseeable future and not accounted for amounted to approximately RM3,497,000 (1999: RM1,857,000).

# Notes to the Financial Statements (cont'd)

31 DECEMBER 2000



## 24. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Sales to companies in which a director has substantial financial interest	832,539	626,476	-	-
Purchases from companies in which a director has substantial financial interest	20,517,272	15,814,433	-	-
Rental paid to a company in which a director has substantial financial interest	114,000	118,200	-	-

Terms, conditions and prices of the above transactions are not materially different from those obtainable in transactions with unrelated parties.

The relationships between the Group and the related parties are as follows:-

Identities of related parties	Relationship with the Group
Hoeken Industrial Sdn. Bhd.	} Companies in which a director of the Company, Mr. Kam Lang Fatt @ Kim Leng Fatt has substantial financial interest.
NS Plastic Industries Sdn. Bhd.	
Pong Codan Marketing Sdn. Bhd.	
Pong Codan Rubber (M) Sdn. Bhd.	
L F Kim Holdings Sdn. Bhd.	

## 25. CAPITAL COMMITMENTS

	Group	
	2000 RM	1999 RM
Contracted but not provided for	2,085,000	4,900,000
Authorised but not contracted for	658,000	-

## 26. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2000 RM	1999 RM
Guarantee in favour of banks for banking facilities granted to subsidiary companies	6,667,990	-
Guarantee in favour of third parties for supply of goods to a subsidiary company	599,379	719,373
	7,267,369	719,373

# Notes to the Financial Statements (cont'd)



31 DECEMBER 2000

## 27. EMPLOYEES AND STAFF COSTS

	Group		Company	
	2000	1999	2000	1999
Number of employees, excluding executive directors, as at 31 December	351	320	-	-
Staff costs				
	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Bonus	876,277	708,902	-	-
Commission	121,302	102,188	-	-
EPF and SOCSO contributions	744,574	655,229	-	-
Salaries, wages, overtime and allowances	5,231,385	4,575,098	-	-
	6,973,538	6,041,417	-	-

## 28. SEGMENTAL INFORMATION

No segmental reporting is presented as the Group operates predominantly in the manufacturing and trading of alternative automotive body parts for the motor industry in Malaysia.

## 29. EVENT SUBSEQUENT TO BALANCE SHEET DATE

On 26 February 2001, the Company proposed a Bonus Issue ("Proposed Bonus Issue") of up to 13,200,000 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every five (5) existing ordinary shares held, which will be effected by capitalising up to RM13,200,000 from retained profits. All the ordinary shares of RM1.00 each to be issued pursuant to the Proposed Bonus Issue will, upon issue and allotment, rank pari passu with the then existing ordinary shares of the Company save and except that they will not be entitled to any dividend, rights, allotment or other distribution which may be declared prior to the date of allotment of the new ordinary shares.

## 30. COMPARATIVE FIGURES

The presentation of the financial statements for the current financial year is in accordance with the requirement of the Malaysian Accounting Standards Board MASB 1 "Presentation of Financial Statements".

Comparative figures have been re-presented, where necessary, to conform with the new requirements.

The comparative figure for earnings per share has been restated from 45.9 sen to 30.6 sen as the ordinary shares in issue during the financial year ended 31 December 1999 has been adjusted from 40,000,000 shares to 60,000,000 shares to reflect the bonus issue during the current financial year.

# List of Properties

AS AT 31 DECEMBER 2000



Location	Description	Land Area/ Built-Up Area	Usage	Tenure/ Approximate Age of Building	Net Book Value (RM'000)
GM 1951, Lot 5080, Mukim Of Kapar, District of Klang, Selangor Darul Ehsan	Industrial land and building	12,014 sq. m/ 8,648 sq. m	Head Office and Warehouse	Freehold/ 4 years	8,124
GM 28195, Lot 6342, Mukim of Setapak, District of Kuala Lumpur, Federal Territory	3-storey shop-house	152.36 sq. m/ 457.08 sq. m	Office and Warehouse	Freehold/ 32 years	492
HS (M) 22101, No. PT 29778 Batu 5, Jln Sungai Binjai, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Industrial land and building	20,946 sq.m/ 16,000 sq. m	Office and Factory	Freehold/ 2-9 years	14,896
GM 2119 Lot No. 5007, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Industrial land and building	12,145 sq.m/ 5,925 sq. m	Development of Office and Factory	Freehold/ -	4,812
GM 1587 Lot No. 5045, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Industrial land and building	12,145 sq.m/ 5,520 sq. m	Factory buildings	Freehold/ -	5,730
GM 1672 Lot No. 5044, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Agriculture land	12,271 sq.m/ -	Land held for development	Freehold/ -	1,773
EMR 6713 Lot No. 5043, Mukim of Kapar, District of Klang, Selangor Darul Ehsan.	Industrial land and building	10,921 sq.m/ 7,184 sq.m	Development of office and factory	Freehold/ -	3,513



#### ANALYSIS OF SHAREHOLDINGS (As at 16 March 2001)

Authorised Capital: RM100,000,000.00  
 Issued and Paid-Up Capital: RM60,000,000.00  
 Class of Shares: Ordinary shares of RM1.00 each  
 No. of Shareholders: 1010  
 Voting Right: One Vote per Ordinary Share

Size of Holdings	No. Of Shareholders	% of Shareholders	No. Of Ordinary Shares	% of Shareholdings
Less than 1,000	9	0.89	4,500	0.01
1,000-10,000	788	78.02	2,563,500	4.27
10,001-100,000	160	15.84	4,003,500	6.67
100,001-3,000,000	48	4.75	19,399,500	32.33
3,000,001 and above	5	0.50	34,029,000	56.72
<b>TOTAL</b>	<b>1010</b>	<b>100.00</b>	<b>60,000,000</b>	<b>100.00</b>

#### TWENTY (20) LARGEST SHAREHOLDERS (As at 16 March 2001)

No.	Names	Shareholdings	%
1.	Kam Lang Fatt @ Kim Leng Fatt	11,217,000	18.70
2.	Wong Ah Moy @ Wong Yoke Len	8,114,121	13.52
3.	Malaysian Trustees Berhad - Kam Lang Fatt @ Kim Leng Fatt	6,450,000	10.75
4.	OUB Nominees (Asing) Sdn Bhd Pledged Securities Account for Nan Jhi Automobile Enterprise Co. Ltd	5,230,761	8.72
5.	Kam Foong Keng	3,017,118	5.03
6.	OSK Nominees (Asing) Sdn Berhad Pledged Securities Account for Tsai, Cheng-Hsun	2,605,500	4.34
7.	Malaysian Trustees Berhad - Nan Jhi Automobile Enterprise Co. Ltd.	1,800,000	3.00
8.	Arab-Malaysian Nominees (Tempatan) Sdn Bhd Arab Malaysian Trustee Bhd For Pacific Pearl Fund	969,000	1.62
9.	Wong Fong Ngoh	901,500	1.50
10.	Pui Cheng Wui	896,000	1.49
11.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK - UOB Small Cap Opportunity Unit Trust	884,000	1.47
12.	Patricia Lim Pek Yew	816,000	1.36
13.	Lim Pin Kong	764,500	1.27
14.	Citicorp Nominees (Asing) Sdn Bhd TNTC for Government of Singapore Investment Corporation Pte Ltd	712,500	1.19
15.	Jason Lim Yu Sang	645,000	1.08
16.	L F Kim Holdings Sdn Bhd	600,000	1.00
17.	Chin Jit Sin	448,500	0.75
18.	Hui Sai Kim	406,500	0.68
19.	BHLB Trustee Berhad - Pacific Recovery Fund	348,000	0.58
20.	Hui Wai Kuan	310,500	0.52
	<b>TOTAL</b>	<b>47,136,500</b>	<b>78.56</b>

#### SUBSTANTIAL SHAREHOLDERS (As at 16 March 2001)

No.	Names	No. of Shares Held Direct	Indirect	Total Shareholdings	%
1.	Kam Lang Fatt @ Kim Leng Fatt	17,667,000	600,000	18,267,000	30.45
2.	Wong Ah Moy @ Wong Yoke Len	8,114,121	600,000	8,714,121	14.52
3.	Nan Jhi Automobile Enterprise Co. Ltd.	7,030,761	-	7,030,761	11.72
4.	Kam Foong Keng	3,017,118	-	3,017,118	5.03
5.	Tsai, Cheng-Hsun	2,632,000	-	2,632,000	4.39

#### DIRECTORS' INTERESTS (Based on Register of Directors' Shareholdings as at 21 January 2001)

No.	Name of Directors	No. of Shares Held Direct	Indirect	Total Shareholding	%
1.	Kam Lang Fatt @ Kim Leng Fatt	17,667,000	600,000	18,267,000	30.45
2.	Chin Jit Sin	448,500	-	448,500	0.75
3.	Kam Foong Keng	3,017,118	-	3,017,118	5.03
4.	Wong Kwan @ Wong Kwong Kwan	20,000	-	20,000	0.03
5.	Danny Ng Siew L'Leong	-	-	-	-
6.	Huang, Ching-Ho	-	7,030,761	7,030,761	11.72



**NEW HOONG FATT HOLDINGS BERHAD**  
(Incorporated in Malaysia) (425709-K)

**PROXY FORM**

I/We .....  
(in block letters)

of (full address) .....

being (a) member(s) of NEW HOONG FATT HOLDINGS BERHAD, hereby appoint(s) the Chairman of The Meeting or,  
(full name) .....

of (full address) .....

or failing him/her, (full name) .....

of (full address) .....  
as my/our proxy to attend and vote for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company to 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. or at any adjournment thereof and to vote as indicated below.

RESOLUTIONS	FOR	AGAINST
1. Adoption of Accounts and Reports		
2. Declaration of final tax exempt dividend of 6%		
3. Re-election of Mr. Danny Ng Siew L'Leong as Director		
4. Re-election of Mr. Huang, Ching-Ho as Director		
5. Re-election of Mr. Wong Kwan @ Wong Kwong Kwan as Director		
6. Approval of Directors' Fees of RM30,000.00		
7. Re-appointment of Auditors		
8. Authority to Directors to Issue Shares Pursuant to Section 132D		
9. Proposed Amendments to the Articles of Association		

(Please indicate with a cross (X) in the space provided, how you wish your vote to be cast in respect of the above resolutions. If you do not do so, the proxy may vote or abstain at his/her discretion.)

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

No. of ordinary shares held

.....  
Signature/Common Seal of Member

**NOTES:-**

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.