



COVER RATIONALE

The ancient golden map on the background of the cover reflects New Hoong Fatt Holdings Berhad long establishment, integrity and readiness for globalisation and stronghold in the marketplace.

The company logo in red signifies a vibrant and dynamic company that prospers and grow with strength to ride through various economic conditions.

The three featured pictures displays the core manufacturing activities of the group, which, through continuous improvement, helps support the Group's position as the market leader in the supply of alternative automotive body parts.



1. New Hoong Fatt Holdings Berhad
Head Office and Sales Office
2. 3-storey Warehouse and
Distribution Centre
3. Shearing and Plastic Injection
Factories
4. Plastic Chrome-Plating Factory
5. Metal Stamping and Cathodic
Electro-Deposition ("CED")
Painting Factories

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PROXY FORM



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of NEW HOONG FATT HOLDINGS BERHAD will be held at Function Room 1, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 16 May 2002 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 2001 together with the Reports of the Directors and Auditors thereon **Ordinary Resolution 1**
2. To declare a first and final tax exempt dividend of 6% in respect of the financial year ended 31 December 2001 **Ordinary Resolution 2**
3. To re-elect Mr. Kam Lang Fatt @ Kim Leng Fatt who retires pursuant to Article 78 of the Articles of Association of the Company and being eligible, has offered himself for re-election **Ordinary Resolution 3**
4. To re-elect Mdm Kam Foong Keng who retires pursuant to Article 78 of the Articles of Association of the Company and being eligible, has offered herself for re-election **Ordinary Resolution 4**
5. To re-elect Ms. Kam Foong Sim who retires pursuant to Article 85 of the Articles of Association of the Company and being eligible, has offered herself for re-election **Ordinary Resolution 5**
6. 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 6**
7. To approve the Directors' fees of RM63,125.00 for the financial year ended 31 December 2001 **Ordinary Resolution 7**
8. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration **Ordinary Resolution 8**
9. **Special Business:**

To consider and if thought fit, to pass the following resolution:

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 9

NOTICE OF DIVIDEND ENTITLEMENT

Subject to the approval of the shareholders, a first and final tax exempt dividend of 6% for the financial year ended 31 December 2001 will be paid on 6 June 2002 to the holders of ordinary shares registered in the Record of Depositors at the close of business on 17 May 2002.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account on or before 12.30 p.m. of 17 May 2002, 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)
LEE MING LEONG (MAICSA 7006926)
Company Secretaries

Kuala Lumpur
24 April 2002

NOTE 1

1. Every member is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
2. The Proxy Form must be signed by the appointer or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
3. 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 the time fixed for the meeting.

NOTE 2

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

The proposed Ordinary Resolution 9, 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 best 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.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election or re-appointment at the Fifth Annual General Meeting of the Company:
 - (i) Mr. Kam Lang Fatt @ Kim Leng Fatt;
 - (ii) Mdm. Kam Foong Keng;
 - (iii) Ms. Kam Foong Sim; and
 - (iv) Mr. Wong Kwan @ Wong Kwong Kwan

Ms. Kam Foong Sim was appointed as Executive Director on 17 May 2001. She is retiring pursuant to Article 85 of the Company's Articles of Association, whereby Directors appointed by the Board during the financial year, are subject to re-election at the next following Annual General Meeting.

Further details of Directors standing for re-election or re-appointment are set out in the Directors' Profile appearing on page 12 to 13 and Analysis of Shareholdings on page 47 of the Annual Report.

2. During the financial year ended 31 December 2001, six (6) Board meetings were held. Details of attendance of each Director is set out in the Statement on Corporate Governance appearing on page 6 of the Annual Report.
3. The venue, date and time of the Board meetings are as follows:

Date	Time	Venue
24 February 2001	5.00 p.m.	Swiss Garden Hotel, 117 Jalan Pudu, Kuala Lumpur
17 May 2001	12.20 p.m.	Kuala Lumpur Golf & Country Club, Off Jalan Bukit Kiara, Kuala Lumpur
2 July 2001	11.00 a.m.	Level 16, Tower C, Megan Phileo Avenue, 12 Jalan Yap Kwan Seng, Kuala Lumpur
23 July 2001	12.00 p.m.	Lot 5080, 5th Mile Jalan Meru, Klang, Selangor Darul Ehsan
22 October 2001	2.15 p.m.	Lot 5080, 5th Mile Jalan Meru, Klang, Selangor Darul Ehsan
12 December 2001	3.40 p.m.	Level 16, Tower C, Megan Phileo Avenue, 12 Jalan Yap Kwan Seng, Kuala Lumpur



The Group's Directors standing with the Chairman cum Managing Director as he strikes the gong during the ceremony for the Group's transfer to the Main Board of the Kuala Lumpur Stock Exchange on 2 July 2001.

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

SECRETARIES

Mah Li Chen (MAICSA 7022751)
Lee Ming Leong (MAICSA 7006926)

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.
20th Floor, Plaza Permata
(formerly known as IGB Plaza)
Jalan Kampar, Off Jalan Tun Razak,
50400 Kuala Lumpur
Tel: (603) 4041 2188
Fax: (603) 4043 9233

PRINCIPAL BANKERS

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

AUDITORS

BDO Binder
Chartered Accountants

STOCK EXCHANGE LISTING

Main Board of the
Kuala Lumpur Stock Exchange

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of New Hoong Fatt Holdings Berhad (“NHF”) recognises the importance of corporate governance and strives to adopt the Malaysian Code of Corporate Governance in all areas of the Group’s business and affairs, so as to enhance business prosperity, transparency and corporate accountability.

THE BOARD OF DIRECTORS

The New Hoong Fatt Group is led and controlled by a Board of Directors whose responsibilities include reviewing the Group’s strategic planning and evaluating the management of the business operations. The Board is balanced with a number nearest to one-third (1/3) of its members being independent. It comprises four (4) Executive and three (3) Non-Executive Directors, of which two (2) are independent. Together, they contribute to the Group a wealth of skill and experience in areas of business, general management, technical assistance, finance and accounts, economics, banking and corporate affairs. The Non-Executive Directors are persons of calibre and credibility with the ability to bring independent judgment to matters before the Board.

The profiles of the Directors are published on pages 12 - 13.

The roles of Chairman of the Board and Managing Director are combined in the NHF Board. This is in recognition not only of the Chairman’s role as the founder of the Group, but because he was and still continues to be an instrumental figure in the leadership of the Group’s business and operations, and towards formulating its strategies.

The two (2) Independent Non-Executive Directors represent the minority shareholders and stakeholders of the Group. The Board, on the recommendation of the Nomination Committee, has nominated Mr. Danny Ng Siew L’Leong as the Senior Independent Director of the Board, to whom concerns may be conveyed.

Pursuant to the Company’s Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting (AGM) after their appointment. At every AGM, one-third (1/3) of the Directors, including the Managing Director, are required to retire. Directors over the age of seventy (70) are required to retire annually.

Meetings

The Board meets at least four (4) times a year with additional meetings convened as necessary. During the year under review, six (6) Board meetings were held. The attendance record of each Director is as follows:

	Name of Director	No. of meetings attended	% of attendance
Executive Directors	Kam Lang Fatt @ Kim Leng Fatt	6/6	100 %
	Chin Jit Sin	6/6	100 %
	Kam Foong Keng	6/6	100 %
	Kam Foong Sim (Appointed wef 17 May 2001)	5/5	100 %
Non-Executive Directors	Wong Kwan @ Wong Kwong Kwan	6/6	100 %
	Danny Ng Siew L’Leong	6/6	100 %
	Huang, Ching-Ho	4/6	67 %

The Board has a fixed schedule of matters specifically reserved for its decision to ensure that direction and control of the Company lies firmly in its hands.

Supply of Information

Prior to Board and Board Committee meetings, Directors and members are supplied with reports containing such information necessary for it to deal with the agenda, such as information on financial and operational performance of the Group.

Apart from Board meetings, all Directors have the right to such resources as is necessary and reasonable in furtherance of their duties, at the cost of the Company, including any information pertaining to the Company, and access to advice and services of the Company Secretary or other independent professional advisors.

Nomination Committee

The Nomination Committee is entrusted with the task of recommending the appointment of members to the Board and to Board Committees. It also monitors and oversees succession planning. Its other duties include reviewing annually the mix of skills, experience and other qualities of the existing Board and reviewing the performance of retiring directors who are subject to re-election. It reviews the size of the Board against the size of the Group and the complexity of its business to determine impact of the number upon its effectiveness.

The Nomination Committee consists of three (3) Non-Executive Directors, of which two (2) are Independent. The Committee meets as and when required and reports to the Board after each meeting. It will ensure that new recruits to the Board undergo the Director Induction Program to facilitate their understanding of the Group's operations, products and services. The Company Secretary ensures all appointments are properly made and all necessary information is obtained from the new recruit.

The Board intends to implement a process for the Nomination Committee to assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual director.

Remuneration Committee

The Remuneration Committee consists of the two (2) Independent Non-Executive Directors and the Chairman cum Managing Director. Their task is to recommend to and advise the Board on the remuneration of the Executive Directors. The remuneration of Non-Executive Directors is a matter for the Board as a whole. Directors abstain from discussion and participating in decisions concerning their own remuneration. Directors' fees are endorsed by the Board for approval by the shareholders of the Company at AGMs.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

The remuneration of Directors of the Company (not including directors of the Group's subsidiaries) during the year is as follows:

(A) Aggregate remuneration categorised into appropriate components:

	Fees (RM)	Attendance Fees (RM)	Salaries and Other Emoluments (RM)	Benefits in Kind (RM)
Executive Directors	240,475	26,000	964,672	56,213
Non-Executive Directors	45,000	18,000	-	-

The Executive Directors are entitled, under their service contracts with the Group's subsidiaries, to be compensated for loss of office amounting up to six (6) months' of the respective directors' last drawn salary.

(B) Number of Directors whose remuneration falls into the following bands:

Range of Remuneration per annum	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM100,000 to RM150,000	1	-
RM250,000 to RM300,000	2	-
RM550,000 to RM600,000	1	-

SHAREHOLDERS

The Group values dialogues with investors and regularly enters into dialogue with analysts, institutions and brokers to explain the core business of the Group, its strategies and financial performance. The Company practises a policy to issue a public announcement to major newspapers and publications concurrently with all announcements of financial results to the Kuala Lumpur Stock Exchange, to facilitate wider dissemination of information. Public releases are reviewed and approved by the Board of Directors before dissemination.

The AGM is used as the principal forum for dialogue with shareholders. Notice of AGM for each financial year is sent to shareholders in a timely manner together with the Annual Report. At the AGM, the Board encourages shareholders to participate in the question and answer session.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In drawing up the Group's financial statements in accordance with applicable approved accounting standards, the Board aims to present a balanced and understandable assessment of the Group's position and prospects.

The Board established the Audit Committee to review the financial reports and the external and internal audit processes. It assists the Board to scrutinise information for disclosure, particularly financial information to ensure accuracy and adequacy. The Audit Committee is also encouraged to hold meetings independent of the Executive Directors and management, with the external auditors.

The Report of the Audit Committee is set out in pages 10 - 11.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Internal Control

The Board is primarily responsible for the effectiveness of the internal control system of the Group, covering operational and compliance controls and risk management. However, because of the limitations that are inherent in any such system, controls can only provide reasonable and not absolute assurance against misstatement or loss.

Relationship with auditors

The role of the Audit Committee in relation to the external auditors is stated on pages 10 - 11.

OTHER INFORMATION

Contracts involving Directors and/or Major shareholders

The following are contracts involving directors and/or major shareholders and were transacted pursuant to the shareholders' mandate obtained on 17 May 2001, in respect of recurrent related party transactions of a revenue or trading nature:

Related Party	Interested Directors and/or major shareholders	Nature of transactions	Actual value for year ended 31 Dec 2001	Approved value under shareholders' mandate
Hoeken Industrial Sdn Bhd	Kam Lang Fatt @ Kim Leng Fatt, Kam Foong Keng and Wong Ah Moy @ Wong Yoke Len	As Supplier	RM24,682,086	RM23,500,000
		As Customer	RM618,814	*
		Sub-contract work for NHF Group	RM235,685	RM750,000
		Sub-contract work by NHF Group	RM166,797	RM150,000
NS Plastic Industries Sdn Bhd	Kam Lang Fatt @ Kim Leng Fatt, Kam Foong Keng and Wong Ah Moy @ Wong Yoke Len	As Customer	RM43,601	*
		Sub-contract work for NHF Group	RM118,962	RM500,000
Pong Codan Marketing Sdn Bhd	Kam Lang Fatt @ Kim Leng Fatt	As Supplier	RM557,416	RM850,000
		As Customer	RM17,906	*
Pong Codan Rubber (M) Sdn Bhd	Kam Lang Fatt @ Kim Leng Fatt	As Customer	RM20,331	*
L F Kim Holdings Sdn Bhd	Kam Lang Fatt @ Kim Leng Fatt, Kam Foong Keng and Wong Ah Moy @ Wong Yoke Len	As Landlord	RM108,000	RM108,000

* The total approved value for transactions of these four (4) related parties to purchase goods from NHF Group as its customer was RM1,000,000. The actual total value transacted by these four (4) related companies was RM700,652.

The interested directors and/or major shareholders are directors and/or major shareholders of the respective related parties above. All the considerations are satisfied in cash. None of the contracts relate to a loan.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee was established by the Board of Directors in 1998. It comprises three (3) members, of which two (2), i.e., the majority, are independent. The Chairman of the Committee is independent and Ms Kam Foong Sim is a member of the Malaysian Institute of Accountants ("MIA").

MEMBERSHIP

The members of the Committee are as follows:

Wong Kwan @ Wong Kwong Kwan	Independent Non-Executive Director (Chairman)
Danny Ng Siew L'Leong	Independent Non-Executive Director
Kam Foong Sim	Executive Director (Appointed wef 17 May 2001)
Kam Foong Keng	Executive Director (Resigned wef 17 May 2001)

MEETINGS

The Audit Committee met five (5) times during the financial year under review.

Members of the Audit Committee	No. of meetings attended	%
Wong Kwan @ Wong Kwong Kwan	5/5	100
Danny Ng Siew L'Leong	5/5	100
Kam Foong Keng	2/2	100
Kam Foong Sim	3/3	100

ACTIVITIES

During the financial year under review, the activities of the Audit Committee included the following:

- * Discussing and reviewing the external auditors' plan, scope and nature of work, the results of their examination and their recommendations arising from the audit;
- * Reviewing the audited financial statements and unaudited quarterly financial results of the Group;
- * Meeting with and recommending to the Board, the consultant for Risk Management and Internal Control Review and approving the audit plan of the internal auditors for 2001/2002;
- * Discussing internal audit issues and recommendations with the internal auditors and reviewing the internal audit reports for 2001;
- * Reviewing the related party transactions and conflict of interest situation that may arise within the Group, including transactions which were approved under the shareholders' mandate;
- * Reviewing the budget for the coming year and monitoring the financial results against the budget.

INTERNAL AUDIT FUNCTION

The Group continuously looks into the adequacy and integrity of its system of internal controls. In reviewing and evaluating the internal controls, the Audit Committee is assisted by independent consultants. The internal audit plan is reviewed by the Audit Committee and approved by the Board. The internal audit includes reviews of the adequacy of operational controls, compliance with laws and regulations, safeguarding of assets, management efficiency and customer services. The audit assesses the effectiveness of the existing internal control system, anticipate any potential risks and suggest improvements required, if any. The Group's internal audit reviews have now shifted to a risk-based approach rather than one based solely on compliance.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Composition

- * The Committee shall be appointed from amongst the Board and shall:-
 - (i) comprise no fewer than three (3) members;
 - (ii) comprise a majority of independent directors; and
 - (iii) have at least one (1) member who is a member of the Malaysian Institute of Accountants or who complies with paragraph 15.10 of the Kuala Lumpur Stock Exchange Listing Requirements.
- * The Chairman, who shall be elected by the Audit Committee, shall be an independent director.
- * In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.

Duties

- * To review with the external auditors on:
 - the audit plan, its scope and nature;
 - the audit report;
 - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
 - the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.
- * To review with management:
 - audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
 - interim financial information; and
 - the assistance given by the officers of the Company to external auditors.
- * To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- * To review whether there is reason (supported by grounds) to believe that the Group's external auditor is not suitable for re-appointment.
- * To consider the audit fee and any questions of resignation or dismissal of the external auditors of the Group.
- * To review the adequacy of the scope, functions and resources and setting of performance standards of the internal audit function.
- * To review the internal audit programme, processes, the 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.
- * To provide assurance to the Board of Directors on the effectiveness of the system of internal controls and risk management practices of the Group.
- * To consider the nomination of a person or persons as auditors (whether internal or external).
- * To review any related party transaction and conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

Rights

The audit committee shall:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Group;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) have the right to obtain independent professional or other advice at the Company's expense;
- (f) have the right to convene meetings with the external auditors, excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary;
- (g) promptly report to the KLSE matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements.

Meetings

- * The Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.
- * 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.

DIRECTORS' PROFILE



Kam Lang Fatt @ Kim Leng Fatt

Aged 61, Malaysian, was appointed to the Board on 8 April 1998. He is the Chairman cum Managing Director and serves as a member of the Remuneration Committee. He is a businessman by profession and the founder of the New Hoong Fatt Group. Early ventures into the carpentry and furniture industries led him into the automotive industry where he was involved in businesses such as repairing motor vehicles and trading motorcycles and used cars. The experience gained therefrom, steered him to establish the Group. Under his leadership, the Group flourished and was finally listed on the Second

Board of the Kuala Lumpur Stock Exchange in 1998 and subsequently transferred to the Main Board in 2001. Currently, he holds directorships in several private limited companies, including the subsidiaries of the NHF Group. Mr. Kam is related to Chin Jit Sin (son-in-law), Kam Foong Keng (daughter), Kam Foong Sim (daughter) and Wong Ah Moy @ Wong Yoke Len (spouse), who are Directors and/or major shareholders of the Company. He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors and shareholders pursuant to the shareholders' mandate obtained in relation to recurrent related party transactions and in the audited financial statements. He has no convictions for offences within the past 10 years.



Chin Jit Sin

Aged 40, Malaysian, was appointed as Executive Director on 8 April 1998. He is a member of the Employee Share Option Scheme ("ESOS") Committee. He obtained a Bachelor of Economics (Hon) degree (major in Business Administration) from University of Malaya, Malaysia. He was with Malayan Banking Berhad from 1984 to 1990 before joining the New Hoong Fatt Group, overseeing the manufacturing operations. He was instrumental in the manufacturing subsidiary's achievement of ISO 9002. He currently sits on the Board of several subsidiaries of the NHF Group.

Mr. Chin is the spouse of Kam Foong Keng, a Director and major shareholder of the Company, and is therefore related to members of her family. He has no direct conflict of interest with the Group and has not been convicted for any offences within the past 10 years.



Kam Foong Keng

Aged 38, Malaysian, was appointed as Executive Director on 8 April 1998. She is a member of the ESOS Committee. She holds a Bachelor's Degree in Business from South Australia Institute of Technology, Australia. Since graduating in 1986, she has been a key person within the Group's subsidiaries, responsible for their management and organisational structure. She was instrumental in the achievement of ISO 9001 by the trading subsidiary. Currently, she holds directorships in several private limited companies, including the subsidiaries of the NHF Group.

Madam Kam is related to Kam Lang Fatt @ Kim Leng Fatt (father), Chin Jit Sin (spouse), Kam Foong Sim (sibling) and Wong Ah Moy @ Wong Yoke Len (mother), who are Directors and/or major shareholders of the Company. She has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors and shareholders pursuant to the shareholders' mandate obtained in relation to recurrent related party transactions and in the audited financial statements. She has not been convicted for any offences within the past 10 years.



Kam Foong Sim

Aged 37, Malaysian, was appointed as Executive Director and member of the Audit Committee on 17 May 2001. She holds a Bachelor's Degree in Economics (major in Accounting) from University of Adelaide, Australia. She is a member of the Australian Society of Certified Practising Accountants and the Malaysian Institute of Accountants. She had several years experience in an accounting firm and in the commercial sector before joining the NHF Group in 1991, where she oversees the finance and accounts department. Currently, she sits on the Board of a subsidiary of the Group.

Ms. Kam is related to Kam Lang Fatt @ Kim Leng Fatt (father), Chin Jit Sin (sibling-in-law), Kam Foong Keng (sibling) and Wong Ah Moy @ Wong Yoke Len (mother), who are Directors and/or major shareholders of the Company. She has no conflict of interest with the Group, save for recurrent related party transactions which involve the members of her family. She has not been convicted for any offences within the past 10 years.



Huang, Ching-Ho

Aged 48, Taiwanese, was appointed as Non-Independent Non-Executive Director on 20 April 1998. He also serves as a member of the Nomination Committee. He holds a Pharmacy Degree from Shu Zen Medical Vocational Senior High School, Taiwan and worked as a pharmacist before joining the family business of general trading in Taiwan. In 1977, he co-founded Nan Jhi Automobile Enterprise Co., Ltd. ("Nan Jhi Auto"), the technical collaborator of the Group's metal stamping operations, to manufacture automotive body parts. He is responsible for the technical and management aspects of

Nan Jhi Auto. He provides technical advice to the NHF Group in respect of its metal stamping divisions. Currently, he sits on the Board of a subsidiary of the Group.

Mr. Huang does not have any family relationship with any Director and/or major shareholder of the Company. Mr. Huang and his family holds controlling interest in Nan Jhi Auto, which is a major shareholder of the Company. He has no conflict of interest with the Group and has not been convicted for any offences within the past 10 years.



Wong Kwan @ Wong Kwong Kwan

Aged 72, Malaysian, was appointed as the Independent Non-Executive Director on 20 April 1998. He also serves as the Chairman of the Audit Committee and ESOS Committee, and as a member of the Remuneration Committee and Nomination Committee. He obtained a LCC Higher Accounting Certificate from the London Chamber of Commerce before entering the banking industry. He commenced his career in finance and banking as an accountant in a private firm before joining Bank of China. Subsequently, he moved to Overseas Union Bank (M) Berhad (now known as United

Overseas Bank (Malaysia) Berhad), where, after numerous promotions, he retired as a Branch Senior Manager in 1991. Currently, he does not sit on any other Board of Directors.

Mr. Wong does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group and has not been convicted for any offences within the past 10 years.



Danny Ng Siew L'Leong

Aged 43, Malaysian, was appointed as the Independent Non-Executive Director on 20 April 1998. He also serves as a member of the Audit Committee, ESOS Committee, Remuneration Committee and Nomination Committee. He holds a Bachelor Degree in Agribusiness (Hon) from University Pertanian Malaysia, Malaysia. He started a career in banking and finance when he joined United Malayan Banking Corporation Berhad (now known as RHB Bank Berhad) from 1982 to 1994. He sits on the Board of Directors of Pohmay Holdings Berhad, Loh & Loh Corporation Berhad and SMIS Corporation Berhad and various

private limited companies.

Mr. Ng does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group and has not been convicted for any offences within the past 10 years.



Robotic Arm for Spot Welding



Shearing Machine



A pair of Robotic Arms for application of sealant

The year 2001 has been a momentous year for New Hoong Fatt Holdings Berhad. Following a Bonus Issue of shares on the basis of one for five, the entire enlarged paid up and issued share capital of the Group was successfully transferred to the Main Board of the Kuala Lumpur Stock Exchange on 2 July 2001.

While further investments on plant and machinery were made during the financial year, previous spending was beginning to contribute in the Group's financial results. It is, therefore, with great pleasure that I present, on behalf of the Board of Directors, the Annual Report and audited Financial Statements of New Hoong Fatt Holdings Berhad for the financial year ended 31 December 2001.

FINANCIAL REVIEW

During the year under review, the Group had increased its revenue by 6.6% to RM111.1 million from RM104.2 million in the previous year. Net profit increased to RM18.5 million, up by 9.4% from RM16.9 million recorded last year. The improved financial performance was primarily due to increased product range within the Group's manufacturing sectors and the recovery of the domestic car market which had translated into a rapidly growing population of vehicles on the road. As the New Hoong Fatt Group operates mainly in the automotive replacement market, vehicle population forms the base of the Group's business.

Earnings per share rose from 23.5 sen during the previous financial year to 25.7 sen in 2001. Net tangible asset per share also increased to RM1.60 as at 31 December 2001 from RM1.40 previously.

BUSINESS REVIEW

The Group's past investment strategy of synergistic vertical and horizontal expansion is steadily impacting its overall financial performance. The New Hoong Fatt Group anticipates that this strategy has the potential to contribute positively to the future growth of the New Hoong Fatt Group.

The Group had continued to expand its product range for both metal and plastic replacement parts, targeting the local automotive market as well as the export markets. The Board was pleased to see further growth in exports from the previous year's revenue.

As liberalisation of the market for automotive replacement parts under the ASEAN Free Trade Area (AFTA) has already come into force, the Group's products have proven to be sufficiently competitive as compared to products from the region. Nevertheless, in order to stay profitable, the Group continues to pro-actively implement measures to increase its efficiency even further.

One of these measures includes investment in the latest technology in ABS Plastic Chrome-Plating line. This line is computerised and fully automated, complete with state-of-the-art Waste Treatment Plant. It complements the Group's manufacturing of plastic automotive parts, enabling expansion into wider range of parts for local and export markets. In addition, the Group hopes to secure business to chrome plastic parts for original equipment manufacturers of various industries.

The Group has entered the age of robotics by implementing three systems of Robotic Arms to automate the application of sealant onto metal stamped parts before assembly, spot welding and CO2 welding. Usage of these systems will increase efficiency and quality of the Group's manufactured products.

In pursuing organisational excellence, the Group strives to inculcate a culture dedicated to quality in every aspect of its business. In October 2001, one of the Group's subsidiary companies, New Hoong Fatt Auto Supplies Sdn Bhd, received the prestigious ISO 9001:2000 Quality Management System certification, which encompasses aspects of procuring, warehousing, sales and distribution of automotive parts and accessories.

COMMITMENT TO EMPLOYEES

The Company believes that the development of the human resource base is crucial to enhance product quality and service levels notwithstanding the increasing complexity of its operations due to continuous expansion of its business.

In appreciation of the commitment and teamwork displayed by New Hoong Fatt staff, the Group established the Employee Welfare Fund to care for the welfare, social needs and well being of its employees and to promote closer ties amongst them, both on a working and personal level.



Bringing the employees together for the Group's Family Day



New Hoong Fatt lent its support to the TVR Motorsports Racing Team as they emerged winner of the Merdeka Millennium Endurance Race 2001 at Sepang International Circuit.



The winning car racing to victory in a gruelling 12-hour endurance race, the Merdeka Millennium Endurance Race 2001, against fierce competition, ably supported by NHF Group.



Plastic Injection Machine



Computerised and fully automated Plastic Chrome-Plating line



ISO 9001 : 2000 certificate of Approval issued by Lloyd's Register Quality Assurance to the Group's trading subsidiary

CORPORATE DEVELOPMENT

During the year, the Company increased its issued and paid-up share capital from RM60,000,000 to RM72,005,600, following the completion of an issue of Bonus Shares on the basis of one (1) new ordinary share for every five (5) existing ones and the exercise of options under the Employee Share Option Scheme. Thereafter, the Group's shares were successfully transferred to the Main Board of the Kuala Lumpur Stock Exchange on 2 July 2001.

DIVIDEND

With the good results reported for the financial year ended 31 December 2001, the Board is pleased to recommend the payment of a first and final tax exempt dividend of 6% per ordinary share, subject to shareholders' approval.

APPRECIATION

On behalf of the Board, I offer my warmest thanks to the staff and management of the Group for their initiative and commitment to deliver outstanding product quality and level of services.

To our valued shareholders, customers, suppliers, financiers and various Government authorities, we thank you for your continued support and confidence in the New Hoong Fatt Group.

I would like to take this opportunity to welcome Kam Foong Sim to the Board of Directors. To my fellow Directors, thank you for your continued and valued guidance.

KAM LANG FATT @ KIM LENG FATT
Chairman cum Managing Director

DIRECTORS' RESPONSIBILITY STATEMENT**IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001**

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the year then ended.

In preparing the financial statements, the Directors have:

- * adopted suitable accounting policies and applied them consistently;
- * made estimates and judgements which are reasonable and prudent; and
- * prepared the financial statements on an going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year.

SHARE BUYBACKS

There were no share buybacks by the Company during the financial year.

EXERCISE OF OPTIONS

During the financial year, a total of 5,000 options were exercised in respect of the New Hoong Fatt Group Employees' Share Option Scheme.

ADR OR GDR PROGRAMME

The Company did not sponsor any ADR or GDR programmes during the financial year.

IMPOSITION OF SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies.

NON-AUDIT FEES

There were no non-audit fees paid to external auditors for the financial year.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The results for the financial year did not differ by 10% or more from the profit forecast. The Company did not release any profit estimate, projection or unaudited results for the financial year.

PROFIT GUARANTEE

During the year, there was no profit guarantee given to the Company.

FINANCIAL STATEMENTS

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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 2001.

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 6 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	<u>18,480,821</u>	<u>607,173</u>

DIVIDENDS

Since the end of the previous financial year, a final tax exempt dividend of 6%, amounting to RM3,600,000 in respect of the previous financial year which was approved by the shareholders at the Annual General Meeting held on 17 May 2001 was paid on 25 May 2001.

The directors propose a first and final tax exempt dividend of 6%, amounting to RM4,320,336 in respect of the financial year ended 31 December 2001 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM60,000,000 to RM72,005,600 by the issuance of 12,005,600 new ordinary shares of RM1.00 each as follows:-

- (a) issue and allotment of 5,000 new ordinary shares of RM1.00 each pursuant to the exercise of the Employee Share Option Scheme ("ESOS"); and
- (b) bonus issue of 12,000,600 new ordinary shares of RM1.00 each on the basis of one new ordinary share for every five existing ordinary shares held by way of capitalisation of RM12,000,600 from retained profits.

These new ordinary shares rank pari passu in all respects with the then existing shares of the Company.

The Company has not issued any debentures during the financial year.

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.

DIRECTORS' REPORT (cont'd)

- (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% ¹	-	-
10,000 to 20,000	25%	25%	25%	25% ²	-
Above 20,000	20%	20%	20%	20%	20% ³

¹ 40% or the remaining number of options unexercised

² 25% or the remaining number of options unexercised

³ 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 respects 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.

The movements in the Company's unissued shares under options during the financial year are as follows:-

	Options over ordinary shares of RM1.00 each				
	Balance at 1.1.2001	Granted	Exercised	*Retracted	Balance at 31.12.2001
Number of unissued shares under options at the following exercise price:-					
- RM2.37	4,920,000	-	-	(100,000)	4,820,000
- RM1.67	-	101,000	(5,000)	(13,000)	83,000
- RM2.00	-	80,000	-	-	80,000

* due to resignation

The exercise price per share has been adjusted for the effects of the bonus shares issued during the financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

The directors who 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
 Kam Foong Sim (Appointed on 17.5.2001)

In accordance with Article 78 of the Company's Articles of Association, Mr. Kam Lang Fatt @ Kim Leng Fatt and Madam Kam Foong Keng retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 85 of the Company's Articles of Association, Ms. Kam Foong Sim who was appointed to the Board during the financial year, retires at the forthcoming Annual General Meeting and, being eligible, offers herself 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 2001, 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 1.1.2001	Bonus Issue	Bought Sold	Balance at 31.12.2001
Shares in the Company				
Direct interest				
Kam Lang Fatt @ Kim Leng Fatt	17,667,000	3,533,400	-	21,200,400
Kam Foong Keng	3,017,118	603,424	-	3,620,542
Chin Jit Sin	448,500	89,700	-	538,200
Wong Kwan @ Wong Kwong Kwan	20,000	4,000	-	24,000
Danny Ng Siew L'Leong	-	-	-	-
Huang, Ching-Ho	-	-	-	-
Kam Foong Sim	252,000	50,400	-	302,400
Indirect interest				
Kam Lang Fatt @ Kim Leng Fatt	600,000	120,000	-	720,000
Huang, Ching-Ho	7,030,761	1,406,152	(3,160,000)	5,276,913

	Options over ordinary shares of RM1.00 each		
	Balance at 1.1.2001	Granted	Balance at 31.12.2001
Share options in the Company			
Kam Lang Fatt @ Kim Leng Fatt	500,000	-	500,000
Kam Foong Keng	300,000	-	300,000
Chin Jit Sin	300,000	-	300,000
Kam Foong Sim	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, Mr. Chin Jit Sin and Ms. Kam Foong Sim 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, no 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) 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;
 - (ii) rental of RM108,000 paid to a company in which the director has substantial financial interest; and
- (b) certain directors who received remuneration from the subsidiary companies as directors or executives of the subsidiary companies.

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, Madam Kam Foong Keng and Ms. Kam Foong Sim 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 all known bad debts had been written off 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 render the amounts written off for bad debts or 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
 - (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.

SIGNIFICANT EVENTS

During the financial year, the following significant events have occurred:-

- (i) On 11 June 2001, the Company acquired 100% of total issued and paid-up share capital of NHF Mould Manufacturing Sdn. Bhd. ("NHFMM") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2;
- (ii) On 2 July 2001, the Company was successfully transferred from the Second Board to the Main Board of the Kuala Lumpur Stock Exchange with its entire enlarged issued and paid-up share capital of 72,003,600 ordinary shares of RM1 each.;
- (iii) On 18 July 2001, the Company acquired 100% of total issued and paid-up share capital of NJ Coatings Sdn. Bhd. ("NJC") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2. Subsequently, NJC's issued and fully paid-up share capital was increased from RM2 to RM500,000 by the issuance of 499,998 new ordinary shares of RM1 each which was wholly allotted to the Company for a total cash consideration of RM499,998; and
- (iv) On 31 July 2001, the Company incorporated New Hoong Fatt Auto Parts Manufacturing (Anhui) Co. Ltd. ("NHF Anhui") in China. On 29 August 2001, the Company invested approximately RM570,000 into NHF Anhui as paid up share capital. However, on 31 December 2001, the Company entered into a Sale and Purchase Agreement with Universal Sunshine Corp. to sell the entire equity interest in NHF Anhui for a total consideration of USD150,000 (equivalent to approximately RM570,000). The disposal has been completed as at 31 December 2001. The financial statements of NHF Anhui is not consolidated as the control was temporary.

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 2002

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 26 to 45 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 2001 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 2001.

On behalf of the Board,

Kam Lang Fatt @ Kim Leng Fatt
Chairman cum Managing Director

Kam Foong Keng
Executive Director

Kuala Lumpur
26 February 2002

STATUTORY DECLARATION

I, Kam Foong Sim (MIA 10240), being the director 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 26 to 45 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 2002

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 26 to 45. These financial statements are 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 in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 2001 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

Chartered Accountants

Tan Kim Leong, JP

235/06/03 (J/PH)

Partner

Kuala Lumpur

26 February 2002

BALANCE SHEETS

AS AT 31 DECEMBER 2001

		Group		Company	
	NOTE	2001 RM	2000 RM	2001 RM	2000 RM
ASSETS EMPLOYED					
PROPERTY, PLANT AND EQUIPMENT	5	92,827,173	76,885,914	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	6	-	-	20,966,951	20,466,949
AMOUNTS OWING BY SUBSIDIARY COMPANIES	7	-	-	60,583,878	64,610,914
INVESTMENTS - At cost	8	83,000	83,000	-	-
CURRENT ASSETS					
Inventories	9	9,321,663	13,469,996	-	-
Trade receivables	10	30,230,814	28,560,085	-	-
Other receivables, deposits and prepayments	11	4,042,184	1,521,472	534,500	500
Tax recoverable		60,083	20,172	3,218	3,609
Cash and bank balances		2,556,979	1,014,430	54,353	1,897
		46,211,723	44,586,155	592,071	6,006
LESS: CURRENT LIABILITIES					
Trade payables	12	13,629,082	11,401,128	-	-
Other payables and accruals	13	5,322,114	2,323,174	98,768	56,250
Short term bank borrowings	14	1,626,835	3,268,000	-	-
Term loan - secured	15	600,000	600,000	-	-
Taxation		327,894	636,957	-	-
		21,505,925	18,229,259	98,768	56,250
NET CURRENT ASSETS/ (LIABILITIES)					
		24,705,798	26,356,896	493,303	(50,244)
		117,615,971	103,325,810	82,044,132	85,027,619
FINANCED BY					
SHARE CAPITAL	16	72,005,600	60,000,000	72,005,600	60,000,000
RESERVES	17	43,410,381	40,525,820	10,038,532	25,027,619
SHAREHOLDERS' FUNDS		115,415,981	100,525,820	82,044,132	85,027,619
LONG TERM LIABILITY					
Term loan - secured	15	2,199,990	2,799,990	-	-
		117,615,971	103,325,810	82,044,132	85,027,619

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

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

		Group		Company	
	NOTE	2001 RM	2000 RM	2001 RM	2000 RM
Revenue	18	111,085,292	104,219,685	1,252,000	15,669,007
Cost of sales		(80,201,514)	(76,198,913)	-	-
Gross profit		30,883,778	28,020,772	1,252,000	15,669,007
Other operating income		1,252,694	1,006,377	6,874	42,038
Selling and distribution expenses		(2,511,234)	(2,276,913)	-	-
Administration expenses		(8,464,930)	(7,243,253)	(341,343)	(290,170)
Profit from operations		21,160,308	19,506,983	917,531	15,420,875
Finance costs		(227,492)	(150,591)	-	-
Profit before taxation	19	20,932,816	19,356,392	917,531	15,420,875
Taxation	20	(2,451,995)	(2,456,441)	(310,358)	(2,148,091)
Profit after taxation		18,480,821	16,899,951	607,173	13,272,784
Basic earnings per ordinary share (sen)	21	25.67	23.47		
Diluted earnings per ordinary share (sen)	21	25.66	-		
Dividends per share (sen)					
-Tax exempt	22	6.00	6.00		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

Group	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Balance as at 31 December 1999	40,000,000	2,204,020	7,089,745	34,332,104	83,625,869
Profit after taxation	-	-	-	16,899,951	16,899,951
Bonus issue	20,000,000	(2,204,020)	-	(17,795,980)	-
Balance as at 31 December 2000	60,000,000	-	7,089,745	33,436,075	100,525,820
Profit after taxation	-	-	-	18,480,821	18,480,821
Final tax exempt dividends for financial year ended 31 December 2000	-	-	-	(3,600,000)	(3,600,000)
Bonus issue	12,000,600	-	-	(12,000,600)	-
Exercise of ESOS	5,000	4,340	-	-	9,340
Balance as at 31 December 2001	72,005,600	4,340	7,089,745	36,316,296	115,415,981
Company					
Balance as at 31 December 1999	40,000,000	2,204,020	-	29,550,815	71,754,835
Profit after taxation	-	-	-	13,272,784	13,272,784
Bonus issue	20,000,000	(2,204,020)	-	(17,795,980)	-
Balance as at 31 December 2000	60,000,000	-	-	25,027,619	85,027,619
Profit after taxation	-	-	-	607,173	607,173
Final tax exempt dividends for financial year ended 31 December 2000	-	-	-	(3,600,000)	(3,600,000)
Bonus issue	12,000,600	-	-	(12,000,600)	-
Exercise of ESOS	5,000	4,340	-	-	9,340
Balance as at 31 December 2001	72,005,600	4,340	-	10,034,192	82,044,132

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

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	20,932,816	19,356,392	917,531	15,420,875
Adjustments for:-				
Bad debts written off	7,271	-	-	-
Depreciation of property, plant and equipment	6,995,203	5,410,829	-	-
Interest expense	227,492	150,591	-	-
Property, plant and equipment written off	18,303	2,243	-	-
Preliminary and pre-operating expenses written off	-	7,917	-	-
Allowance for doubtful debts	61,698	-	-	-
Allowance for doubtful debts no longer required	(27,526)	(107,907)	-	-
Dividend income	-	(1,800)	(1,000,000)	(15,417,007)
Interest income	(22,994)	(52,871)	(6,846)	(41,839)
Gain on disposal of quoted investments	-	(31,444)	-	-
Gain on disposal of property, plant and equipment	(172,435)	(111,032)	-	-
Operating profit/(loss) before working capital changes	28,019,828	24,622,918	(89,315)	(37,971)
Decrease/(Increase) in inventories	4,148,333	(3,040,510)	-	-
Increase in trade receivables	(1,712,171)	(1,607,834)	-	-
(Increase)/Decrease in other receivables, deposits and prepayments	(2,520,712)	619,148	(534,000)	17,747
Increase in trade payables	2,227,954	1,587,780	-	-
Increase/(Decrease) in other payables and accruals	1,289,861	582,553	42,518	(42,050)
Cash generated from/(used in) operations	31,453,093	22,764,055	(580,797)	(62,274)
Dividend received	-	-	720,000	13,317,007
Interest paid	(15,088)	(15,252)	-	-
Preliminary expenses paid	-	(4,354)	-	-
Tax paid	(2,800,970)	(1,865,105)	(29,967)	(71,179)
Net cash from operating activities	28,637,035	20,879,344	109,236	13,183,554

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

CASH FLOW STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2001

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in subsidiary companies	-	-	(500,002)	-
Dividend received from investment in quoted shares	-	1,296	-	-
Proceeds from disposal of property, plant and equipment	1,131,299	155,440	-	-
Proceeds from disposal of quoted investments	-	48,045	-	-
Purchase of property, plant and equipment (Note 23)	(22,204,550)	(27,751,344)	-	-
Repayment from/(Advances to) subsidiary companies	-	-	4,027,036	(13,684,008)
Interest received	22,994	52,871	6,846	41,839
Net cash (used in)/from investing activities	(21,050,257)	(27,493,692)	3,533,880	(13,642,169)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(212,404)	(135,339)	-	-
Proceeds from issue of shares	9,340	-	9,340	-
(Repayment)/Drawdown of short term borrowings	(2,252,000)	3,268,000	-	-
Dividend paid	(3,600,000)	(2,400,000)	(3,600,000)	(2,400,000)
Repayment of term loan	(600,000)	(200,000)	-	-
Repayment of hire-purchase creditors	-	(59,316)	-	-
Drawdown of term loan	-	3,599,990	-	-
Net cash (used in)/from financing activities	(6,655,064)	4,073,335	(3,590,660)	(2,400,000)
Net Increase/(Decrease) in cash and cash equivalents	931,714	(2,541,013)	52,456	(2,858,615)
Cash and cash equivalents at beginning of the financial year	1,014,430	3,555,443	1,897	2,860,512
Cash and cash equivalents at end of the financial year (Note 24)	1,946,144	1,014,430	54,353	1,897

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

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The registered office of the Company is located at C15-1, Level 15, Tower C, Megan Phileo Avenue, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Lot 5080, 5th Mile, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia.

2. 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 6 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.

3. BASIS OF PREPARATION OF 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.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of freehold land and buildings) unless otherwise indicated in the significant accounting policies.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4.2 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 2001

4.3 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

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 property, plant and equipment 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% - 33%
Cabin containers	10%
Renovation	10%

4.4 Investments

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

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.

4.5 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.

4.6 Bad and Doubtful Debts

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

4.7 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 translation of foreign currency are as follows:-

- (i) RM1: USD0.2632 (2000: USD0.2632)
- (ii) RM1: NTD9.01 (2000: NTD8.72)

4.8 Deferred Taxation

Deferred taxation is provided for 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.

4.9 Revenue Recognition

Company

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

Dividends from subsidiary companies are recognised in the income statement when shareholder's right to receive payment is established.

Group

Revenue from sale of goods and rendering of services are recognised in the income statement upon the delivery of and acceptance by customers, and performance of services.

4.10 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 2001

5. PROPERTY, PLANT AND EQUIPMENT

Group							
2001	Balance at 1.1.2001 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2001 RM	Net book value at 31.12.2001 RM
Cost unless otherwise stated							
Freehold land							
- at 1997 valuation	8,445,339	-	-	-	-	8,445,339	8,445,339
- at cost	7,716,612	2,325,907	-	-	-	10,042,519	10,042,519
Freehold buildings							
- at 1997 valuation	11,280,911	-	-	-	-	11,280,911	10,320,900
- at cost	8,416,747	406,485	-	-	3,025,262	11,848,494	11,417,130
Building under construction	4,453,936	6,534,371	-	-	(3,025,262)	7,963,045	7,963,045
Plant and machinery	19,384,592	3,325,431	(899,917)	-	17,324	21,827,430	11,076,470
Tools, equipment and air-conditioners	1,070,717	86,009	(3,280)	(1,000)	-	1,152,446	553,831
Moulds and dies	33,758,843	5,749,814	(363,756)	-	3,732,158	42,877,059	28,081,178
Motor vehicles	2,804,627	1,277,347	(474,304)	-	-	3,607,670	1,633,477
Furniture, fittings and office equipment	1,406,098	331,766	-	(112,407)	-	1,625,457	934,629
Cabin containers	48,020	-	(22,320)	-	-	25,700	3,902
Tools and dies							
development costs	2,136,938	3,876,499	-	-	(3,749,482)	2,263,955	2,263,955
Renovation	110,407	-	-	-	-	110,407	90,798
	101,033,787	23,913,629	(1,763,577)	(113,407)	-	123,070,432	92,827,173

	Balance at 1.1.2001 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2001 RM
Accumulated depreciation						
Freehold land						
- at 1997 valuation	-	-	-	-	-	-
- at cost	-	-	-	-	-	-
Freehold buildings						
- at 1997 valuation	734,393	225,618	-	-	-	960,011
- at cost	238,824	192,540	-	-	-	431,364
Building under construction	-	-	-	-	-	-
Plant and machinery	9,004,626	2,181,715	(435,381)	-	-	10,750,960
Tools, equipment and air-conditioners	489,318	109,994	(40)	(657)	-	598,615
Moulds and dies	11,244,263	3,551,618	-	-	-	14,795,881
Motor vehicles	1,841,178	500,075	(367,060)	-	-	1,974,193
Furniture, fittings and office equipment	565,987	219,288	-	(94,447)	-	690,828
Cabin containers	20,716	3,314	(2,232)	-	-	21,798
Tools and dies						
development costs	-	-	-	-	-	-
Renovation	8,568	11,041	-	-	-	19,609
	24,147,873	6,995,203	(804,713)	(95,104)	-	30,243,259

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group							
2000	Balance at 1.1.2000 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2000 RM	Net book value at 31.12.2000 RM
Cost unless otherwise stated							
Freehold land							
- at 1997 valuation	8,445,339	-	-	-	-	8,445,339	8,445,339
- at cost	4,388,216	3,328,396	-	-	-	7,716,612	7,716,612
Freehold buildings							
- at 1997 valuation	11,280,911	-	-	-	-	11,280,911	10,546,518
- at cost	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 2001

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group

2000	Balance at 1.1.2000 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance at 31.12.2000 RM
Accumulated Depreciation						
Freehold land						
- at 1997 valuation	-	-	-	-	-	-
- at cost	-	-	-	-	-	-
Freehold buildings						
- at 1997 valuation	508,775	225,618	-	-	-	734,393
- 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

Freehold land and building of a subsidiary company with net book value of RM6,019,624 (2000: RM5,729,922) 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.

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
2001			
Freehold land	4,741,811	-	4,741,811
Freehold buildings	8,318,620	1,199,716	7,118,904
	13,060,431	1,199,716	11,860,715
2000			
Freehold land	4,741,811	-	4,741,811
Freehold buildings	8,318,620	1,033,344	7,285,276
	13,060,431	1,033,344	12,027,087

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2001 RM	2000 RM
Unquoted shares - at cost	20,966,951	20,466,949

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

Company name	Effective Equity Interest		Principal Activities
	2001	2000	
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
NJ Coatings Sdn. Bhd.	100%	-	Dormant
NHF Mould Manufacturing Sdn. Bhd.	100%	-	Dormant

7. AMOUNTS OWING BY SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies arose mainly from advances, management fee receivable and payments made on behalf which are interest-free, unsecured and are not repayable within the next twelve months.

8. INVESTMENTS - AT COST

	Group	
	2001 RM	2000 RM
Unquoted investment in Malaysia	83,000	83,000

9. INVENTORIES

	Group	
	2001 RM	2000 RM
<u>At cost</u>		
Raw materials	1,930,309	4,648,524
Work-in-progress	574,470	659,165
Finished goods	6,730,696	8,079,956
Consumables	86,188	82,351
	9,321,663	13,469,996

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

10. TRADE RECEIVABLES

	Group	
	2001 RM	2000 RM
Trade receivables	30,426,060	28,758,530
Less: Allowance for doubtful debts, net of bad debts written off, of RM37,371 (2000: nil)	(195,246)	(198,445)
	<u>30,230,814</u>	<u>28,560,085</u>

Included in trade receivables of the Group are amounts totalling RM59,079 (2000: RM21,630) owing by companies in which a director of the Company has substantial financial interest.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Other receivables	1,925,893	455,799	532,000	-
Deposits	118,442	189,163	2,500	500
Prepayments	1,997,849	876,510	-	-
	<u>4,042,184</u>	<u>1,521,472</u>	<u>534,500</u>	<u>500</u>

12. TRADE PAYABLES

Included in trade payables of the Group are amounts totalling RM8,341,586 (2000: RM6,871,567) owing to companies in which a director of the Company has substantial financial interest.

13. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Other payables	2,340,222	37,525	12,607	-
Accruals	2,981,892	2,285,649	86,161	56,250
	<u>5,322,114</u>	<u>2,323,174</u>	<u>98,768</u>	<u>56,250</u>

Included in other payables are amounts totalling RM1,709,079 (2000: Nil) owing to vendors of property, plant and equipment.

14. SHORT TERM BANK BORROWINGS

	Group	
	2001 RM	2000 RM
Secured		
Bank overdraft	610,835	-
Unsecured		
Bankers' acceptance	1,016,000	3,268,000
	<u>1,626,835</u>	<u>3,268,000</u>

The bank overdraft of the Group is secured by means of a first fixed charge over the freehold land and building of a subsidiary company and is guaranteed by the Company. The bankers' acceptance of the Group is guaranteed by the Company.

The bank borrowings bear interest at rates ranging from 1.00% to 2.25% (2000: 1.00% to 2.25%) per annum above the prevailing bank's base lending rates/cost of fund.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

15. TERM LOAN - SECURED

	Group	
	2001 RM	2000 RM
Term loan with interest at funding rate plus 1.5% per annum, repayable by 72 monthly instalments of RM50,000 each commenced September 2000	2,799,990	3,399,990
Repayable as follows: -		
- not later than one year	600,000	600,000
- later than one year and not later than five years	2,199,990	2,400,000
- later than five years	-	399,990
	2,199,990	2,799,990
	2,799,990	3,399,990

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

16. SHARE CAPITAL

	Group/Company			
	2001		2000	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM1.00 each:-				
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
Balance as at 1 January	60,000,000	60,000,000	40,000,000	40,000,000
Bonus issue	12,000,600	12,000,600	20,000,000	20,000,000
Exercise of ESOS	5,000	5,000	-	-
Balance as at 31 December	72,005,600	72,005,600	60,000,000	60,000,000

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM60,000,000 to RM72,005,600 by the issuance of 12,005,600 new ordinary shares of RM1.00 each as follows:-

- issue and allotment of 5,000 new ordinary shares of RM1.00 each pursuant to the exercise of the Employee Share Option Scheme ("ESOS"); and
- bonus issue of 12,000,600 new ordinary shares of RM1.00 each on the basis of one new ordinary share for every five existing ordinary shares held by way of capitalisation of RM12,000,600 from retained profits.

These new ordinary shares rank pari passu in all respects with the then existing shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

17. RESERVES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
(a) Non-distributable:-				
Share premium	4,340	-	4,340	-
Revaluation reserve	7,089,745	7,089,745	-	-
(b) Distributable:-				
Retained profits	36,316,296	33,436,075	10,034,192	25,027,619
	<u>43,410,381</u>	<u>40,525,820</u>	<u>10,038,532</u>	<u>25,027,619</u>

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

- tax exempt income amounting to approximately RM18,522,000 (2000: RM17,556,000) available for distribution of tax exempt dividends; and
- 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 2001 without incurring additional tax liability.

18. REVENUE

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Sale of goods	108,573,274	101,611,190	-	-
Rendering of services	2,512,018	2,608,495	-	-
Management fee	-	-	252,000	252,000
Dividends	-	-	1,000,000	15,417,007
	<u>111,085,292</u>	<u>104,219,685</u>	<u>1,252,000</u>	<u>15,669,007</u>

19. PROFIT BEFORE TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for doubtful debts	61,698	-	-	-
Auditors' Remuneration:-				
- current year	44,000	42,500	5,000	5,000
- under provision in prior year	500	-	-	-
Bad debts written off	7,271	-	-	-
Depreciation of property, plant and equipment	6,995,203	5,410,829	-	-
Directors' remuneration:-				
- fees	291,475	244,050	63,125	30,000
- emoluments other than fees	1,092,672	1,042,872	44,000	61,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

19. PROFIT BEFORE TAXATION (cont'd)

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest expenses on: -				
- bankers' acceptance and trust receipts	41,449	41,631	-	-
- bank overdraft	15,088	15,252	-	-
- hire-purchase	-	16,012	-	-
- term loans	170,955	77,696	-	-
Property, plant and equipment written off	18,303	2,243	-	-
Preliminary and pre-operating expenses written off	-	7,917	-	-
Rental of: -				
- factory and premises	155,600	151,200	-	-
- mould	5,648	7,268	-	-
Gain on disposal of property, plant and equipment	(172,435)	(111,032)	-	-
Gain on disposal of quoted investments	-	(31,444)	-	-
Gross dividend from quoted investment in Malaysia	-	(1,800)	-	-
Interest income on fixed deposits	(22,994)	(52,871)	(6,846)	(41,839)
Allowance for doubtful debts no longer required	(27,526)	(107,907)	-	-
Realised gain on foreign exchange	(69,570)	(133,349)	-	-
Rental income	(153,000)	-	-	-
Tax exempt dividend from an unquoted subsidiary company	-	-	-	(7,917,007)
Gross dividend from an unquoted subsidiary company	-	-	(1,000,000)	(7,500,000)

The estimated monetary value of benefits-in-kind received by the directors in respect of the Group amounted to RM73,613 (2000: RM50,716).

20. TAXATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Taxation:-				
- current year's provision	2,593,458	2,428,873	310,034	2,148,091
- (over)/under provision in prior years	(141,463)	27,568	324	-
	<u>2,451,995</u>	<u>2,456,441</u>	<u>310,358</u>	<u>2,148,091</u>

The effective tax rate of the Group in year 2001 and 2000 is lower than the statutory tax rate due mainly to utilisation of reinvestment allowances.

The effective tax rate of the Company in year 2001 is higher than the statutory tax rate due mainly to certain expenses which are not allowable for taxation purposes.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

21. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing the consolidated profit after taxation of RM18,480,821 (2000: RM16,899,951) by the weighted average number of shares in issue during the financial year of 72,003,226 (2000: 72,000,000) ordinary shares after adjusting for the bonus issue during the financial year.

The diluted earnings per ordinary share is calculated based on the consolidated profit after taxation of RM18,480,821 and on the adjusted weighted average number of ordinary shares issued and issuable of 72,019,402. The adjusted weighted average number of ordinary shares issued and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year or the date of ESOS granted and the difference between the number of ordinary shares to be issued under ESOS and the number of ordinary shares that would have been issued at fair value are deemed to have been issued for no consideration.

The weighted average number of ordinary shares in issue plus the weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of ESOS is calculated as follows:-

	2001
Weighted average number of ordinary shares in issue	72,003,226
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of ESOS	16,176
Weighted average number of ordinary shares for diluted earnings per share	72,019,402

The diluted earnings per ordinary share for the financial year 31 December 2000 is not disclosed as it is antidilutive.

22. DIVIDENDS PER SHARE

	Group/Company	
	2001 RM	2000 RM
Proposed final tax exempt dividend of 6 sen (2000: 6 sen) per ordinary share	4,320,336	3,600,000

As approved by the shareholders at the Annual General Meeting held on 17 May 2001, a final tax exempt dividend of 6%, amounting to RM3,600,000 in respect of the previous financial year was paid on 25 May 2001.

The proposed first and final tax exempt dividend of 6%, amounting to RM4,320,336 in respect of the current financial year 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. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group purchased property, plant and equipment amounting to RM23,913,629 (2000: RM27,751,344) of which RM1,709,079 (2000: Nil) remained outstanding as at the end of the financial year. Cash payments of RM22,204,550 (2000: RM27,751,344) was made to acquire the property, plant and equipment.

24. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash and bank balances	2,556,979	1,014,430	54,353	1,897
Bank overdrafts	(610,835)	-	-	-
	1,946,144	1,014,430	54,353	1,897

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

25. 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 property, plant and equipment which are not expected to reverse in the foreseeable future and not accounted for amounted to approximately RM5,264,000 (2000: RM3,497,000).

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Sales to:-				
- Hoeken Industrial Sdn. Bhd.	785,611	776,407	-	-
- NS Plastic Industries Sdn. Bhd.	43,601	20,369	-	-
- Pong Codan Marketing Sdn. Bhd.	17,906	16,658	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	20,331	19,105	-	-
Purchases from:-				
- Hoeken Industrial Sdn. Bhd.	24,917,771	18,713,153	-	-
- NS Plastic Industries Sdn. Bhd.	118,962	1,099,043	-	-
- Pong Codan Marketing Sdn. Bhd.	557,416	646,231	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	43,900	58,845	-	-
Rental paid to LF Kim Holdings Sdn. Bhd.	108,000	114,000	-	-
Directors' fees:-				
- Kam Lang Fatt @ Kim Leng Fatt	113,000	105,000	5,000	5,000
- Chin Jit Sin	57,000	53,000	5,000	5,000
- Kam Foong Keng	57,000	55,000	5,000	5,000
- Huang, Ching-Ho	5,000	5,000	5,000	5,000
- Wong Kwan @ Wong Kwong Kwan	20,000	5,000	20,000	5,000
- Danny Ng Siew L'Leong	20,000	5,000	20,000	5,000
- Kam Foong Sim	13,475	10,050	3,125	-
- Wong Ah Moy @ Wong Yoke Len	6,000	6,000	-	-
	291,475	244,050	63,125	30,000
Directors' emoluments other than fees:-				
- Kam Lang Fatt @ Kim Leng Fatt	443,320	416,000	7,000	12,000
- Chin Jit Sin	217,080	200,160	7,000	12,000
- Kam Foong Keng	217,080	214,000	7,000	12,000
- Huang, Ching-Ho	4,000	4,000	4,000	4,000
- Wong Kwan @ Wong Kwong Kwan	7,000	12,000	7,000	12,000
- Danny Ng Siew L'Leong	7,000	9,000	7,000	9,000
- Kam Foong Sim	113,192	103,712	5,000	-
- Wong Ah Moy @ Wong Yoke Len	84,000	84,000	-	-
	1,092,672	1,042,872	44,000	61,000
Emoluments paid to the Corporate & Legal Affairs Manager, Kam Fong Mei	90,057	82,382	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

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

Identities of related parties	Relationship with the Group
Pong Codan Marketing Sdn. Bhd. Pong Codan Rubber (M) Sdn. Bhd.	} Companies in which Mr. Kam Lang Fatt @ Kim Leng Fatt has substantial financial interest.
Hoeken Industrial Sdn. Bhd. NS Plastic Industries Sdn. Bhd. LF Kim Holdings Sdn. Bhd.	} Companies in which directors of the Group, Mr. Kam Lang Fatt @ Kim Leng Fatt and Madam Wong Ah Moy @ Wong Yoke Len } have substantial financial interest.
Wong Ah Moy @ Wong Yoke Len	Director of certain subsidiary companies and wife of Mr. Kam Lang Fatt @ Kim Leng Fatt
Kam Fong Mei	Child of Mr. Kam Lang Fatt @ Kim Leng Fatt and Madam Wong Ah Moy @ Wong Yoke Len.

27. CAPITAL COMMITMENTS

	2001 RM	Group 2000 RM
Contracted but not provided for	8,316,668	2,085,000
Authorised but not contracted for	-	658,000

28. CONTINGENT LIABILITIES

	2001 RM	Company 2000 RM
Guarantee in favour of banks for banking facilities granted to subsidiary companies		
- secured	3,410,825	3,399,990
- unsecured	1,016,000	3,268,000
Guarantee in favour of third parties for supply of goods to subsidiary companies - unsecured	404,087	599,379
	4,830,912	7,267,369

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2001

29. EMPLOYEES AND STAFF COSTS

	Group		Company	
	2001	2000	2001	2000
Number of employees, including executive directors, as at 31 December	404	357	4	3

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Staff costs				
Salaries, fee, wages, overtime and allowances	6,803,703	6,209,475	44,125	51,000
EPF and SOCSO contributions	911,993	842,854	-	-
Bonus	1,098,006	963,277	-	-
Commission	135,681	121,302	-	-
	<u>8,949,383</u>	<u>8,136,908</u>	<u>44,125</u>	<u>51,000</u>

30. 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.

31. SIGNIFICANT EVENTS

During the financial year, the following significant events have occurred:-

- On 11 June 2001, the Company acquired 100% of total issued and paid-up share capital of NHF Mould Manufacturing Sdn. Bhd. ("NHFM") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2;
- On 2 July 2001, the Company was successfully transferred from the Second Board to the Main Board of the Kuala Lumpur Stock Exchange with its entire enlarged issued and paid-up share capital of 72,003,600 ordinary shares of RM1 each;
- On 18 July 2001, the Company acquired 100% of total issued and paid-up share capital of NJ Coatings Sdn. Bhd. ("NJC") comprising 2 ordinary shares of RM1 each for a cash consideration of RM2. Subsequently, NJC's issued and fully paid-up share capital was increased from RM2 to RM500,000 by the issuance of 499,998 new ordinary share of RM1 each which was wholly allotted to the Company for a total cash consideration of RM499,998; and
- On 31 July 2001, the Company incorporated New Hoong Fatt Auto Parts Manufacturing (Anhui) Co. Ltd. ("NHF Anhui") in China. On 29 August 2001, the Company invested approximately RM570,000 into NHF Anhui as paid up share capital. However, on 31 December 2001, the Company entered into a Sale and Purchase Agreement with Universal Sunshine Corp. to sell the entire equity interest in NHF Anhui for a total consideration of USD150,000 (equivalent to approximately RM570,000). The disposal has been completed as at 31 December 2001. The financial statements of NHF Anhui is not consolidated as the control was temporary.

32. COMPARATIVE FIGURES

The comparative figure for earnings per share has been restated from 28.2 sen to 23.47 sen as the ordinary shares in issue during the financial year ended 31 December 2000 has been retrospectively adjusted from 60,000,000 shares to 72,000,000 shares to reflect the bonus issue during the current financial year.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2001

Location	Description	Land Area/ Built-Up Area	Usage	Tenure/ Approximate Age of Building	Date of Revaluation/ Acquisition	Net Book Value (RM'000)
GM 1951, Lot 5080, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	12,014 sq m/ 8,648 sq m	Head Office and Warehouse	Freehold/ 5 years	20.03.97	8,016
GM 28195, Lot 6342, Mukim of Setapak, District of Kuala Lumpur, Federal Territory	3-storey shop- house	152 sq m/ 457 sq m	Office and Warehouse	Freehold/ 33 years	20.01.97	489
HS(M) 22101, No. PT 29778, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	20,946 sq m/ 16,000 sq m	Office and Factory	Freehold/ 3-10 years	20.03.97	14,730
GM 2119, Lot 5007, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	12,145 sq m/ 5,925 sq m	Office and Factory	Freehold/ 1 year	29.01.99	5,332
GM 1587, Lot 5045, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	12,145 sq m/ 5,520 sq m	Factory	Freehold/ 1 year	05.10.99	6,020
GM 1672, Lot 5044, Mukim of Kapar, District of Klang, Selangor.	Industrial land	12,145 sq m/ -	Development of 3-storey Warehouse	Freehold/ -	21.10.99	6,518
GM 3890, Lot 5043, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	10,921 sq m/ 7,184 sq m	Development of Office and Warehouse	Freehold/ -	28.07.00	5,049
GM 3476, Lot 5047, Mukim of Kapar, District of Klang, Selangor.	Industrial land	12,145 sq m/ -	Development of Factory	Freehold/ -	27.04.01	2,034

ANALYSIS OF SHAREHOLDINGS

AS AT 18 MARCH 2002

ANALYSIS OF SHAREHOLDINGS (As at 18 March 2002)

Authorised Capital:	RM100,000,000.00
Issued and Paid-Up Capital:	RM72,005,600.00
Class of Shares:	Ordinary shares of RM1.00 each
No. of Shareholders:	1151
Voting Rights:	One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. Of Shareholders	No. Of Ordinary Share	% of Shareholdings
Less than 1,000	47	23,910	0.03
1,000-10,000	844	2,790,490	3.88
10,001-100,000	195	5,152,400	7.16
100,001 to less than 5% of issued shares	60	24,204,000	33.61
5% and above of issued shares	5	39,834,800	55.32
TOTAL	1151	72,005,600	100.0

REGISTER OF SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees)

No.	Name of Shareholders	No. of Shares Held		Total Shareholding	%
		Direct	Indirect		
1.	Kam Lang Fatt @ Kim Leng Fatt	21,200,400	720,000*	21,920,400	30.44
2.	Wong Ah Moy @ Wong Yoke Len	9,736,945	720,000*	10,456,945	14.52
3.	Nan Jhi Automobile Enterprise Co. Ltd.	8,438,713	-	8,438,713	11.72
4.	Kam Foong Keng	3,620,542	-	3,620,542	5.03

* Indirect interest through L F Kim Holdings Sdn Bhd.

DIRECTORS' INTERESTS (Based on Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares Held		Total Shareholding	%
		Direct	Indirect		
1.	Kam Lang Fatt @ Kim Leng Fatt	21,200,400	720,000*	21,920,400	30.44
2.	Chin Jit Sin	538,200	-	538,200	0.75
3.	Kam Foong Keng	3,620,542	-	3,620,542	5.03
4.	Kam Foong Sim	302,400	-	302,400	0.42
5.	Wong Kwan @ Wong Kwong Kwan	24,000	-	24,000	0.03
6.	Danny Ng Siew LLeong	-	-	-	-
7.	Huang, Ching-Ho	-	8,438,713**	8,438,713	11.72

* Indirect interest through L F Kim Holdings Sdn Bhd.

**Indirect interest through Nan Jhi Automobile Enterprise Co., Ltd.

ANALYSIS OF SHAREHOLDINGS

AS AT 18 MARCH 2002 (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	Shareholdings	%
1.	Kam Lang Fatt @ Kim Leng Fatt	13,460,400	18.69
2.	Wong Ah Moy @ Wong Yoke Len	9,736,945	13.52
3.	Malaysian Trustees Berhad - Kam Lang Fatt @ Kim Leng Fatt	7,740,000	10.75
4.	UOBM Nominees (Asing) Sdn Bhd		
	Pledged Securities Account for Nan Jhi Automobile Enterprise Co. Ltd	5,276,913	7.33
5.	Kam Foong Keng	3,620,542	5.03
6.	OSK Nominees (Asing) Sdn Berhad		
	Pledged Securities Account for		
	Nan Jhi Automobile Enterprise Company Limited	2,989,600	4.15
7.	Patricia Lim Pek Yew	1,630,200	2.26
8.	Wong Fong Ngoh	1,539,600	2.14
9.	HSBC Nominees (Tempatan) Sdn Bhd		
	HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	1,287,000	1.79
10.	Pui Cheng Wui	1,098,000	1.52
11.	Arab-Malaysian Nominees (Tempatan) Sdn Bhd		
	Arab Malaysian Trustee Bhd For Pacific Pearl Fund	872,000	1.21
12.	Citicorp Nominees (Asing) Sdn Bhd		
	TNTC for Government of Singapore Investment Corporation Pte Ltd	805,000	1.12
13.	Jason Lim Yu Sang	774,000	1.07
14.	Wong Fong Ngoh	744,000	1.03
15.	Allianz General Insurance Malaysia Berhad	733,000	1.02
16.	L F Kim Holdings Sdn Bhd	720,000	1.00
17.	Chin Jit Sin	520,200	0.72
18.	Lien, Li-Yu	463,800	0.64
19.	Allianz Life Insurance Malaysia Berhad	415,000	0.58
20.	Hui Wai Kuan	372,600	0.52
21.	Lim Pin Kong	372,000	0.52
22.	Malaysia Nominees (Tempatan) Sendirian Berhad		
	Malaysian Trustees Berhad for Alliance Vision Fund	360,000	0.50
23.	Mayban Securities Nominees (Tempatan) Sdn Bhd		
	Pledged Securities Account for Lim Hak Hoo	354,600	0.49
24.	Soong Bee Yoke	348,000	0.48
25.	Lim Pin Kong	306,000	0.43
26.	Tseng Wan-I	306,000	0.43
27.	Peh Seng Sdn Bhd	306,000	0.43
28.	Kam Foong Sim	302,400	0.42
29.	Lee Kam Tai	270,000	0.38
30.	Kam Kin Foong	270,000	0.38
	TOTAL	57,993,800	80.54



NEW HOONG FATT HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA)

(Company No. 425709-K)

(Please refer to the notes below before completing this 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 on my/our behalf at the Fifth Annual General Meeting of the Company to be held at Function Room 1, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 16 May 2002 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below.

Resolutions		For	Against
1	Adoption of Financial Statements and Reports		
2	Declaration of first and final tax exempt dividend of 6%		
3	Re-election of Mr. Kam Lang Fatt @ Kim Leng Fatt as Director		
4	Re-election of Mdm. Kam Foong Keng as Director		
5	Re-election of Ms. Kam Foong Sim as Director		
6	Re-election of Mr. Wong Kwan @ Wong Kwong Kwan as Director		
7	Approval of Directors' Fees of RM63,125.00		
8	Re-appointment of Auditors		
9	Authority to Directors to Issue Shares Pursuant to Section 132D		

(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 _____, 2002

Signature / Common Seal of Member

No. of ordinary shares held

NOTES:-

Every member is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. The Proxy Form must be signed by the appointer or if the appointer 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 the time fixed for the meeting.