



COVER RATIONALE

The gray shades on the cover represent the colour of the metal automotive body parts manufactured by the New Hoong Fatt Holdings Berhad Group. The production of these parts, by way of metal stamping, contribute to the Group's competitiveness and trading operations within the automotive replacement parts business. Here, metal is used to portray the resilience of the Group towards a challenging market since the enactment of AFTA.

The four design lines on the side expresses the New Hoong Fatt Group's stability, integrity, commitment and strength to meet the needs and demand of globalisation.



2002

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PROXY FORM



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of NEW HOONG FATT HOLDINGS BERHAD will be held at East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 8 May 2003 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 2002 together with the Reports of the Directors and Auditors thereon
Ordinary Resolution 1
2. To declare a first and final tax exempt dividend of 8% in respect of the financial year ended 31 December 2002
Ordinary Resolution 2
3. To re-elect Mr. Chin Jit Sin 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 Mr. Danny Ng Siew L' Leong 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 4
5. To re-elect Datuk Dr. Anis bin Ahmad who retires pursuant to Article 85 of the Articles of Association of the Company and being eligible, has offered himself 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 RM65,834.00 for the financial year ended 31 December 2002
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 ANNUAL GENERAL MEETING (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

Subject to the approval of the shareholders, a first and final tax exempt dividend of 8% for the financial year ended 31 December 2002 will be paid on 23 May 2003 to the holders of ordinary shares registered in the Record of Depositors at the close of business on 9 May 2003.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. of 9 May 2003, in respect of transfers; 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
16 April 2003

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 original signed and/or sealed copy of the Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Avenue II, 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 ten per centum (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 Sixth Annual General Meeting of the Company to be held at East VIP Lounge, Kuala Lumpur Golf & Country Club, No.10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 8 May 2003:

- (i) Mr. Chin Jit Sin;
- (ii) Mr. Danny Ng Siew L' Leong;
- (iii) Datuk Dr. Anis bin Ahmad; and
- (iv) Mr. Wong Kwan @ Wong Kwong Kwan

Datuk Dr. Anis bin Ahmad was appointed as Independent Non-Executive Director on 2 December 2002. He 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 pages 14 - 15 of the Annual Report.

2. During the financial year ended 31 December 2002, four (4) Board meetings were held. Details of attendance of each Director is set out in the Statement on Corporate Governance appearing on page 10 of the Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kam Lang Fatt @ Kim Leng Fatt
Chin Jit Sin
Kam Foong Keng
Kam Foong Sim
Wong Kwan @ Wong Kwong Kwan
Danny Ng Siew L'Leong
Datuk Dr. Anis bin Ahmad

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 Avenue II,
12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur.
Tel: (603) 2166 2000
Fax: (603) 2166 3000

SHARE REGISTRAR

Tenaga Koperat Sdn. Bhd.
20th Floor, Plaza Permata
(formerly known as IGB Plaza)
Jalan Kampar, Off Jalan Tun Razak,
50400 Kuala Lumpur
Tel: (603) 4041 6522
Fax: (603) 4042 6352

AUDITORS

BDO Binder
Chartered Accountants

STOCK EXCHANGE LISTING

Main Board of the
Kuala Lumpur Stock Exchange

PRINCIPAL BANKERS

AmBank Berhad
(formerly known as Arab-Malaysian Bank Berhad)
Citibank Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of my colleagues on the Board of Directors of New Hoong Fatt Holdings Berhad, I am pleased to present the Annual Report and audited Financial Statements of the Group and the Company for the financial year ended 31 December 2002.

INDUSTRY REVIEW

The performance of the automotive market in 2002 was positively affected by favourable government incentives and low interest rates. Total volume of new vehicles in Malaysia surged to an all-time high of 434,954 units (2001: 396,381). However, new vehicle sales had declined for the last four months of 2002, indicating a downward trend. Nevertheless, the Malaysian Automotive Association remains optimistic, forecasting that new vehicle sales in 2003 will increase marginally to 450,000 units. These sales would increase vehicle population on the roads, which will indirectly affect the replacement parts business.

FINANCIAL REVIEW

The Group recorded total revenue of RM113.6 million for financial year ended 31 December 2002, a 2.3% increase from the previous year's RM111.1 million. This is mainly attributable to a robust export market growth for the Group's products. Profit before taxation was relatively lower by 5.9% to RM19.7 million compared to RM20.9 million previously, largely due to loss incurred in disposing a piece of landed property amounting to approximately RM0.5 million and the allowance for doubtful debt of approximately RM0.4 million.

Correspondingly, earnings per share decreased marginally from 25.7 sen previously to 24.2 sen for the financial year under review. Net tangible asset per share as at 31 December 2002 increased to RM1.79 from RM1.60 previously.

BUSINESS REVIEW

During the financial year, the Group had continued to invest in moulds and dies for product expansion, particularly those meant for the export markets. In its efforts to source for new markets, the Group had participated in several international automotive parts expositions held locally and overseas.

Endeavouring to increase efficiency, the Group relocated its warehouse and distribution centre closer to the manufacturing plant. This consolidation of operations facilitate easier management and better logistics, helping the Group to provide enhanced customer service.

CHAIRMAN'S MESSAGE (cont'd)

FUTURE PROSPECTS

In the coming year, the uncertainty caused by the situation in the Middle East could cause the global economy to weaken further, and thereby creating an especially challenging business environment, which may adversely affect the Group's business and profitability. However, in order to remain competitive, the Group would act prudently in matters of investment and still continue to place emphasis on what we know best, essentially our core business of automotive replacement market.

DIVIDEND

With profits being largely maintained for the financial year ended 31 December 2002, the Board is pleased to recommend the payment of a first and final tax exempt dividend of 8% per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting. Your Board has proposed higher dividend payments in line with the consistent financial performance of the Group.

APPRECIATION

I would like to extend my deepest appreciation to our valued shareholders, customers, suppliers, financiers and various Government authorities for their continued support and confidence.

I would like to take this opportunity to thank Mr Huang, Ching-Ho, who resigned as a Director on 10 June 2002, for his invaluable guidance and contribution to the Group; and warmly welcome Datuk Dr. Anis bin Ahmad to the Board of Directors.

I wish to express my sincere appreciation to my fellow Directors, employees and management team for their dedication and commitment, and look forward to meeting future challenges with you.

KAM LANG FATT @ KIM LENG FATT
Chairman cum Managing Director

AUDIT COMMITTEE REPORT

MEMBERS AND MEETINGS

The Audit Committee was established by the Board of Directors in 1998. The members of the Committee comprise the directors listed below:

Name	Status of Directorship	Attendance of meetings	%
Wong Kwan @ Wong Kwong Kwan (Audit Committee Chairman)	Independent Non-Executive Director	4/4	100
Danny Ng Siew L'Leong	Independent Non-Executive Director	4/4	100
Kam Foong Sim	Executive Director (and a member of Malaysian Institute of Accountants)	4/4	100

ACTIVITIES

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

- Review the external audit plan, scope and nature of work;
- Review the external audit reports, the results of the external auditors' examination and their recommendations arising from the audit;
- Review the unaudited quarterly financial results of the Group;
- Discuss internal audit issues and recommendations with the internal auditors and review the management's responses thereto;
- Review the related party transactions and conflict of interest situation that may arise within the Group, including transactions which were approved under the shareholders' mandate;
- Review the budget for the coming year and monitoring the financial results against the budget;
- Consider audit fees payable to the external auditors.

INTERNAL AUDIT FUNCTION

The Audit Committee reviewed all the internal audit reports generated by external consultants, after the audits on the high-risk areas. The Committee is satisfied that the management addressed all significant control failures or weaknesses.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Composition

- The Committee shall be appointed from amongst the Board and shall:-
 - comprise no fewer than three (3) members;
 - comprise a majority of independent directors; and
 - 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.

AUDIT COMMITTEE REPORT (cont'd)

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;
 - 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, and the results thereof 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 Kuala Lumpur Stock Exchange 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.

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 at least one-third (1/3) of its members being independent. It comprises four (4) Executive and three (3) Non-Executive Directors, who are also 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, without fear or favour.

The profiles of the Directors are published on pages 14 - 15.

The roles of Chairman of the Board and Managing Director are combined in the NHF Board. This is in recognition not only of his 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 three (3) Independent Non-Executive Directors represent the minority shareholders and stakeholders of the Group. The Board, on the recommendation of the Nomination Committee, has renewed the nomination of Mr. Danny Ng Siew L'Leong as the Senior Independent Director of the Board, to whom shareholders may convey their concerns regarding the Group.

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. Under the Companies Act, 1965, Directors over the age of seventy (70) are required to retire annually and if desired, offer themselves for re-appointment by the shareholders.

Meetings

The Board meets at least four (4) times a year with additional meetings convened as necessary. During the year under review, four (4) 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	4/4	100 %
	Chin Jit Sin	4/4	100 %
	Kam Foong Keng	4/4	100 %
	Kam Foong Sim	4/4	100%
Non-Executive Directors	Wong Kwan @ Wong Kwong Kwan	4/4	100 %
	Danny Ng Siew L'Leong	4/4	100 %
	Huang, Ching-Ho	0/2	(Resigned wef 10 June 2002)
	Datuk Dr. Anis bin Ahmad	0/0	(Appointed wef 2 Dec 2002)

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

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.

Directors also 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 two (2) Independent Non-Executive Directors, who meets as and when required and reports to the Board after each meeting. It also 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.

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

(A) Aggregate remuneration categorised into appropriate components:

	Salaries and Other Emoluments (RM)	Fees (RM)	Attendance Fees (RM)	Benefits in Kind (RM)
Executive Directors	1,078,880	268,000	20,000	59,594
Non-Executive Directors	-	45,834	18,000	-

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

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	-
RM300,000 to RM350,000	2	-
RM550,000 to RM600,000	1	-

Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme prescribed by the Kuala Lumpur Stock Exchange. Directors are encouraged to attend continuous education programmes and seminars to keep abreast with developments in the market place.

SHAREHOLDERS

The Group regularly enters into dialogues with investors, institutions, analysts 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 announcements of financial results to the Kuala Lumpur Stock Exchange, to facilitate wider dissemination of information.

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 a 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 8 -9.

STATEMENT ON CORPORATE GOVERNANCE (cont'd)

Statement of Director's Responsibility in respect of the Financial Statements

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; and made estimates and judgements which are reasonable and prudent. The financial statements had been prepared on a 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.

Relationship with auditors

The role of the Audit Committee in relation to the external auditors is stated on pages 8 - 9.

OTHER INFORMATION

Material 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 16 May 2002, 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 2002	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	Purchase of automotive parts and packaging material by NHF Group	RM26,081,040	RM27,000,000

Exercise of Options

During the financial year, a total of 96,000 shares were exercised in respect of the New Hoong Fatt Group Employees' Share Option Scheme.

Non-Audit Fees

The non-audit fees paid to affiliated company of the external auditors, BDO Binder for the financial year ended 31 December 2002 amounted to RM27,720.00.

DIRECTORS' PROFILE

Kam Lang Fatt @ Kim Leng Fatt

Aged 62, 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 NHF 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 in the audited financial statements and pursuant to the shareholders' mandate obtained in relation to recurrent related party transactions. He has no convictions for offences within the past 10 years.

Chin Jit Sin

Aged 41, 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 achievement of ISO 9002 by a manufacturing subsidiary. He currently sits on the Boards 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 39, Malaysian, was appointed as Executive Director of the Group on 8 April 1998. She is a member of the ESOS Committee. She holds a Bachelor 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 sits on the Boards of the subsidiaries of the NHF Group, and other private limited companies.

Mdm 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 in the audited financial statements and pursuant to the shareholders' mandate obtained in relation to recurrent related party transactions. She has not been convicted for any offences within the past 10 years.

Kam Foong Sim

Aged 38, Malaysian, was appointed as Executive Director and member of the Audit Committee on 17 May 2001. She holds a Bachelor 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 as an Audit Assistant and Accountant 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.

DIRECTORS' PROFILE (cont'd)

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 members of her family. She has not been convicted for any offences within the past 10 years.

Wong Kwan @ Wong Kwong Kwan

Aged 73, 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 44, 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 his career in banking and finance with United Malayan Banking Corporation Berhad (now known as RHB Bank Berhad) from 1982 to 1994. He sits on the Boards 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.

Datuk Dr. Anis bin Ahmad

Aged 57, Malaysian, was appointed as Independent Non-Executive Director on 2 December 2002. He holds a Ph.D. in Pharmacology from University of Bath, United Kingdom, Master of Science in Pharmaceutical Technology from University of London and Bachelor of Pharmacy from University of Singapore. Datuk Dr. Anis enjoyed an illustrious and extensive career in the Government, serving in positions ranging from pharmaceutical officer/ pharmacist with the Ministry of Health ("MoH") in 1968, to lecturer and Head of Department of Pharmacology in Universiti Kebangsaan Malaysia, to Deputy Director of the National Pharmaceutical Control Bureau ("NPCB") of MoH, to Director in 1988. He was also Secretary of the Drug Control Authority of MoH from 1985 to 1990. In 1991, he was Deputy Director of the Pharmacy Division of MoH. In 1993, he was Deputy Director of Health (Pharmacy) for the Department of Health, Johor before returning to be a Director of NPCB in 1995. He was subsequently promoted to be a Director of Pharmacy of MoH in 1996, where he served until 2001. Currently, Datuk Dr. Anis sits on the Boards of Directors of Duopharma Biotech Bhd, and several private limited companies.

Datuk Dr. Anis 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.

STATEMENT OF INTERNAL CONTROL

The Board of Directors is primarily responsible for the effectiveness of the Group's risk management and system of internal control. The internal control system is designed to manage rather than eliminate the multitude of risks to which the Group is exposed. However, because of the limitations that are inherent in any such system, controls can only provide reasonable and not absolute assurance against material misstatement or loss.

During the financial year under review, the Board had, based on the advise of an independent firm of consultants, established and directed the operation of a risk framework that adequately manages the various risks faced by NHE. The framework includes activities such as identifying the various risk factors, assessing the impact of each risk on the Group's operations and conducting reviews on the control activities at high-risk areas. Reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the Group's system of internal controls in its effort to safeguard the interests of all its stakeholders.

Monitoring risk is an ongoing process to be carried out by the Board of Directors. In its assessment, the Board considered changes in the nature and extent of significant risks. The Board also appraised management's effort to effectively manage risks and the accompanying changes in its business and external environment, in order to assure itself that a sound system of internal control is maintained.

The Board of Directors
New Hoong Fatt Holdings Berhad

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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

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 7 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>17,464,521</u>	<u>4,365,100</u>

DIVIDENDS

Since the end of the previous financial year, a final tax exempt dividend of 6%, amounting to RM4,325,616 in respect of the previous financial year which was approved by the shareholders at the Annual General Meeting held on 16 May 2002 was paid on 6 June 2002.

The directors propose a first and final tax exempt dividend of 8%, amounting to RM5,768,128 in respect of the financial year ended 31 December 2002 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 RM72,005,600 to RM72,101,600 by the issuance of 96,000 new ordinary share of RM1.00 each pursuant to the exercise of the Employee Share Option Scheme ("ESOS").

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:-

- 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 service, including service during the probation period.
- 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.
- 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.

DIRECTORS' REPORT (cont'd)

- (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 31.12.2002
	Balance at 1.1.2002	Granted	Exercised	*Retracted	
Number of unissued shares under options at the following exercise price:-					
- RM1.67	83,000	-	(4,000)	(23,000)	56,000
- RM2.00	80,000	9,900	(5,000)	(20,000)	154,000
- RM2.37	4,820,000	-	(87,000)	(195,000)	4,538,000
- RM2.75	-	43,000	-	(6,000)	37,000

* due to resignation

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
Wong Kwan @ Wong Kwong Kwan
Danny Ng Siew L'Leong
Kam Foong Sim
Datuk Dr Anis bin Ahmad
Huang, Ching-Ho

(Appointed on 2.12.2002)
(Resigned on 10.6.2002)

In accordance with Article 78 of the Company's Articles of Association, Mr. Chin Jit Sin and Mr. Danny Ng Siew L'Leong retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTOR'S REPORT (cont'd)

In accordance with Article 85 of the Company's Articles of Association, Datuk Dr Anis bin Ahmad who was appointed to the Board during the financial year, retires at the forthcoming Annual General Meeting and, being eligible, offers himself 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 2002, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:-

Shares in the Company	Number of ordinary shares of RM1.00 each			
	Balance at 1.1.2002	Bought	Sold	Balance at 31.12.2002
Direct interest				
Kam Lang Fatt @ Kim Leng Fatt	21,200,400	-	-	21,200,400
Kam Foong Keng	3,620,542	-	-	3,620,542
Chin Jit Sin	538,200	-	-	538,200
Wong Kwan @ Wong Kwong Kwan	24,000	-	-	24,000
Danny Ng Siew L'Leong	-	-	-	-
Kam Foong Sim	302,400	-	-	302,400
Datuk Dr Anis bin Ahmad	-	-	-	-

Indirect interest

Kam Lang Fatt @ Kim Leng Fatt	720,000	-	-	720,000
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Share options in the Company	Options over ordinary shares of RM1.00 each			
	Balance at 1.1.2002	Granted	Exercised	Balance at 31.12.2002
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

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 RM318,000 paid to companies 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.

DIRECTORS' REPORT (cont'd)

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.
 - (iii) 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

- (b) 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.
- (c) 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

- (d) 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.
- (e) There are no contingent liabilities of the Group and of the Company which have arisen since the end of financial year.
- (f) 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.

AUDITORS

The auditors, BDO Binder, have expressed 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
27 February 2003



STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 24 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 2002 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 2002.

On behalf of the Board,

Kam Lang Fatt @ Kim Leng Fatt
Chairman cum Managing Director

Kam Foong Keng
Executive Director

Kuala Lumpur
27 February 2003



STATUTORY DECLARATION

I, Kam Foong Sim, 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 24 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
at Kuala Lumpur this
27 February 2003

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 24 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:-
 - i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - ii) the state of affairs of the Group and of the Company as at 31 December 2002 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
27 February 2003

BALANCE SHEETS

AS AT 31 DECEMBER 2002

		Group		Company	
	<i>NOTE</i>	2002 RM	2001 RM	2002 RM	2001 RM
ASSETS EMPLOYED					
PROPERTY, PLANT AND EQUIPMENT	6	100,377,186	92,827,173	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	7	-	-	20,966,951	20,966,951
AMOUNTS OWING BY SUBSIDIARY COMPANIES	8	-	-	58,334,144	60,583,878
INVESTMENTS - At cost	9	83,000	83,000	-	-
CURRENT ASSETS					
Inventories	10	12,475,244	9,321,663	-	-
Trade receivables	11	30,552,924	30,230,814	-	-
Other receivables, deposits and prepayments	12	2,611,502	4,042,184	30,884	534,500
Tax recoverable		108,269	60,083	23,454	3,218
Cash and bank balances		1,686,129	2,556,979	46,841	54,353
Fixed deposit with licensed banks		4,000,000	-	3,000,000	-
		51,434,068	46,211,723	3,101,179	592,071
LESS: CURRENT LIABILITIES					
Trade payables	13	12,223,700	13,629,082	-	-
Other payables and accruals	14	4,088,704	5,322,114	95,788	98,768
Short term bank borrowings	15	4,446,244	1,626,835	-	-
Term loan - secured	16	600,000	600,000	-	-
Taxation		157,860	327,894	-	-
		21,516,508	21,505,925	95,788	98,768
NET CURRENT ASSETS					
		29,917,560	24,705,798	3,005,391	493,303
		130,377,746	117,615,971	82,306,486	82,044,132
FINANCED BY					
SHARE CAPITAL	17	72,101,600	72,005,600	72,101,600	72,005,600
RESERVES	18	56,676,156	43,410,381	10,204,886	10,038,532
SHAREHOLDERS' FUNDS		128,777,756	115,415,981	82,306,486	82,044,132
LONG TERM LIABILITY					
Term loan - secured	16	1,599,990	2,199,990	-	-
		130,377,746	117,615,971	82,306,486	82,044,132
<i>The attached notes form an integral part of the financial statements.</i>					

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

		Group		Company	
	NOTE	2002 RM	2001 RM	2002 RM	2001 RM
Revenue	19	113,641,297	111,085,292	4,902,000	1,252,000
Cost of sales		(82,500,042)	(80,201,514)	-	-
Gross profit		31,141,255	30,883,778	4,902,000	1,252,000
Other operating income		1,647,869	1,252,694	28,406	6,874
Selling and distribution expenses		(2,718,647)	(2,511,234)	-	-
Administration expenses		(10,022,207)	(8,464,930)	(162,520)	(341,343)
Profit from operations		20,048,270	21,160,308	4,767,886	917,531
Finance costs		(355,588)	(227,492)	-	-
Profit before taxation	20	19,692,682	20,932,816	4,767,886	917,531
Taxation	21	(2,228,161)	(2,451,995)	(402,786)	(310,358)
Profit after taxation		17,464,521	18,480,821	4,365,100	607,173
Basic earnings per ordinary share (sen)	22	24.23	25.67		
Diluted earnings per ordinary share (sen)	22	24.18	25.66		
Dividends per share (sen)					
-Tax exempt	23	8.00	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 2002

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Group					
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 dividend 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
Profit after taxation	-	-	-	17,464,521	17,464,521
Realisation of revaluation reserve upon disposal of property, plant and equipment	-	-	(2,808,150)	2,808,150	-
Final tax exempt dividend for financial year ended 31 December 2001	-	-	-	(4,325,616)	(4,325,616)
Exercise of ESOS	96,000	126,870	-	-	222,870
Balance as at 31 December 2002	72,101,600	131,210	4,281,595	52,263,351	128,777,756
Company					
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 dividend 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
Profit after taxation	-	-	-	4,365,100	4,365,100
Final tax exempt dividend for financial year ended 31 December 2001	-	-	-	(4,325,616)	(4,325,616)
Exercise of ESOS	96,000	126,870	-	-	222,870
Balance as at 31 December 2002	72,101,600	131,210	-	10,073,676	82,306,486

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

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	19,692,682	20,932,816	4,767,886	917,531
Adjustments for:-				
Bad debts written off	10,103	7,271	-	-
Depreciation of property, plant and equipment	8,511,049	6,995,203	-	-
Interest expense	355,588	227,492	-	-
Property, plant and equipment written off	88,443	18,303	-	-
Allowance for doubtful debts	371,011	61,698	-	-
Allowance for doubtful debts no longer required	(31,610)	(27,526)	-	-
Dividend income	-	-	(4,800,000)	(1,000,000)
Interest income	(41,577)	(22,994)	(28,384)	(6,846)
Loss/(gain) on disposal of property, plant and equipment	63,012	(172,435)	-	-
Operating profit/(loss) before working capital changes	29,018,701	28,019,828	(60,498)	(89,315)
(Increase)/Decrease in inventories	(3,153,581)	4,148,333	-	-
Increase in trade receivables	(671,614)	(1,712,171)	-	-
Decrease/(Increase) in other receivables, deposits and prepayments	1,367,282	(2,520,712)	503,616	(534,000)
(Decrease)/ Increase in trade payables	(1,405,382)	2,227,954	-	-
(Decrease)/ Increase in other payables and accruals	(2,230,845)	1,289,861	(3,022)	42,518
Cash generated from/(used in) operations	22,924,561	31,453,093	440,096	(580,797)
Dividend received	-	-	4,380,000	720,000
Interest paid	(26,623)	(15,088)	-	-
Tax paid	(2,446,381)	(2,800,970)	(2,980)	(29,967)
Net cash from operating activities	20,451,557	28,637,035	4,817,116	109,236

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

CASH FLOW STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in subsidiary companies	-	-	-	(500,002)
Proceeds from disposal of property, plant and equipment	8,011,968	1,131,299	-	-
Purchase of property, plant and equipment (Note 24)	(23,163,650)	(22,204,550)	-	-
Repayment from subsidiary companies	-	-	2,249,734	4,027,036
Interest received	41,577	22,994	28,384	6,846
Net cash (used in)/from investing activities	(15,110,105)	(21,050,257)	2,278,118	3,533,880
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(328,965)	(212,404)	-	-
Proceeds from issue of shares	222,870	9,340	222,870	9,340
Drawdown/(Repayment)of short term bank borrowings	2,184,000	(2,252,000)	-	-
Dividend paid	(4,325,616)	(3,600,000)	(4,325,616)	(3,600,000)
Repayment of term loan	(600,000)	(600,000)	-	-
Net cash used in financing activities	(2,847,711)	(6,655,064)	(4,102,746)	(3,590,660)
Net increase in cash and cash equivalents	2,493,741	931,714	2,992,488	52,456
Cash and cash equivalents at beginning of the financial year	1,946,144	1,014,430	54,353	1,897
Cash and cash equivalents at end of the financial year (Note 25)	4,439,885	1,946,144	3,046,841	54,353

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

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 Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Lot 5043, 5½ Mile, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks including foreign currency exchange risk, liquidity risk, interest rate risk and credit risk. The Group's overall financial risk management objective is to ensure that the Group creates value and to safeguard the interests of its shareholders. Financial risk management is carried out through risk reviews internal control systems and adherence to Group financial risk management policies.

Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from the sales to customers in Thailand and Mexico. These sales are invoiced in US Dollar. The Group also makes substantial purchases of raw materials and moulds from Taiwan and South Korea. The currencies giving rise to this risk are primarily US Dollar and New Taiwan Dollar. As the effect of the currency risk is immaterial, the Group does not enter into any hedging contracts.

Liquidity risk

It is the Group's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate to the Group's operations and development activities. The Group also maintains flexibility in funding by keeping committed credit line available.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term bank borrowings, term loan and fixed deposits placed with licensed banks. As the Group's income and operating cash flows are substantially independent of changes in market interest rates, the Group does not use derivative financial instruments to hedge its risk.

Credit risk

Cash deposits and receivables may give rise to credit risk which require the loss to be recognised if a counter party fail to perform as contracted. In order to manage this risk, it is the Group's policy to monitor the financial standing of these counter parties and performs credit evaluation on customer requiring credit.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

3. 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 7 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.

4. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 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.

5.2 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.

5.3 Property, plant and equipment and depreciation

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The freehold land and buildings were revalued in 2002. The freehold land and buildings are 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.

Surplus arising from such valuations is credited to shareholders' equity as a revaluation surplus and any subsequent deficit is charged against such surplus to the extent that the decrease offsets any increase. In all other cases, the deficit will be charged to the income statement.

No depreciation has been provided for in respect of freehold land 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 using 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%

5.4 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.

5.5 Impairment of assets

The carrying amount of the Group's and Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the assets. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued assets where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

5.6 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.

5.7 Receivables

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

5.8 Foreign currency transactions and translations

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 (2001: USD0.2632)
- (ii) RM1: NTD9.17 (2001: NTD9.01)

5.9 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.

5.10 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 goods and customer's acceptance and performance of services.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

5. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**5.11 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.

5.12 Financial instruments**Disclosures of fair values**

The fair values of the financial assets and liabilities maturing within 12 months are stated at approximately the carrying value as at the balance sheet date.

The cost of unquoted investments approximate the fair value based on net realisable value.

The fair values of the Group's term loans are estimated based on the current rates offered to the Company for loans of the same remaining maturities.

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NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.1.2002 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Revaluation RM	Balance at 31.12.2002 RM
2002							
Cost unless otherwise stated							
Freehold land							
- at 2002 valuation	-	-	-	-	15,384,638	-	15,384,638
- at 1997 valuation	8,445,339	-	(3,110,710)	-	(5,334,629)	-	-
- at cost	10,042,519	7,490	-	-	(10,050,009)	-	-
Freehold buildings							
- at 2002 valuation	-	-	-	-	29,347,794	(1,389,056)	27,958,738
- at 1997 valuation	11,280,911	-	(4,889,290)	-	(6,391,621)	-	-
- at cost	11,848,494	1,135,222	(487,313)	-	(12,496,403)	-	-
Building under construction	7,963,045	2,496,725	-	-	(10,459,770)	-	-
Plant and machinery	21,827,430	8,566,982	(257,305)	(29,230)	-	-	30,107,877
Tools, equipment and air-conditioners	1,152,446	592,378	(5,050)	(122,416)	-	-	1,617,358
Moulds and dies	42,877,059	4,975,515	-	-	4,643,237	-	52,495,811
Motor vehicles	3,607,670	454,890	(889,409)	-	-	-	3,173,151
Furniture, fittings and office equipment	1,625,457	509,762	(10,435)	(80,717)	-	-	2,044,067
Cabin containers	25,700	-	-	-	-	-	25,700
Tools and dies							
development costs	2,263,955	5,432,479	-	-	(4,643,237)	-	3,053,197
Renovation	110,407	53,042	(110,407)	-	-	-	53,042
	123,070,432	24,224,485	(9,759,919)	(232,363)	-	(1,389,056)	135,913,579
2002							
Accumulated depreciation		Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Revaluation RM	Balance at 31.12.2002 RM
Freehold land							
- at 1997 valuation	-	-	-	-	-	-	-
- at cost	-	-	-	-	-	-	-
Freehold buildings							
- at 1997 valuation	960,011	201,169	(525,345)	-	-	(635,835)	-
- at cost	431,364	348,455	(26,598)	-	-	(753,221)	-
Building under construction	-	-	-	-	-	-	-
Plant and machinery	10,750,960	2,728,121	(237,831)	(29,230)	-	-	13,212,020
Tools, equipment and air-conditioners	598,615	137,505	(3,574)	(66,366)	-	-	666,180
Moulds and dies	14,795,881	4,246,058	-	-	-	-	19,041,939
Motor vehicles	1,974,193	508,802	(857,616)	-	-	-	1,625,379
Furniture, fittings and office equipment	690,828	328,321	(6,086)	(48,324)	-	-	964,739
Cabin containers	21,798	2,570	-	-	-	-	24,368
Tools and dies							
development costs	-	-	-	-	-	-	-
Renovation	19,609	10,048	(27,889)	-	-	-	1,768
	30,243,259	8,511,049	(1,684,939)	(143,920)	-	(1,389,056)	35,536,393

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

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

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

	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
2001						
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 2002

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

Group

	Balance at 31.12.2002 RM	Balance at 31.12.2001 RM
Net book value		
Freehold land		
- at 2002 valuation	15,384,638	-
- at 1997 valuation	-	8,445,339
- at cost	-	10,042,519
Freehold buildings		
- at 2002 valuation	27,958,738	-
- at 1997 valuation	-	10,320,900
- at cost	-	11,417,130
Building under construction	-	7,963,045
Plant and machinery	16,895,857	11,076,470
Tools, equipment and air-conditioners	951,178	553,831
Moulds and dies	33,453,872	28,081,178
Motor vehicles	1,547,772	1,633,477
Furniture, fittings and office equipment	1,079,328	934,629
Cabin containers	1,332	3,902
Tools and dies development costs	3,053,197	2,263,955
Renovation	51,274	90,798
	<u>100,377,186</u>	<u>92,827,173</u>

Freehold land and building of a subsidiary company with net book value of RM6,061,981 (2001: RM6,019,624) 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 on 27 November 2002 and 4 December 2002 based on revaluation carried out by Mr. Lim Poh Huu, a registered valuer of Messrs. Konsortium Perunding Hartanah Sdn. Bhd. on an 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
2002			
Freehold land	12,582,429	-	12,582,429
Freehold buildings	28,231,609	(1,693,404)	26,538,205
	<u>40,814,038</u>	<u>(1,693,404)</u>	<u>39,120,634</u>
2001			
Freehold land	4,741,811	-	4,741,811
Freehold buildings	8,318,620	(1,199,716)	7,118,904
	<u>13,060,431</u>	<u>(1,199,716)</u>	<u>11,860,715</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2002 RM	2001 RM
Unquoted shares - at cost	20,966,951	20,966,951

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

Company name	Effective Equity Interest		Principal Activities
	2002	2001	
New Hoong Fatt Auto Supplies Sdn. Bhd.	100%	100%	Marketing, distribution and trading of automotive spare parts and accessories
NJ Manufacturing Industries Sdn. Bhd. (formerly known as 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%	Inactive
NJ Coatings Sdn. Bhd.	100%	100%	Dormant
NHF Mould Manufacturing Sdn. Bhd.	100%	100%	Dormant

8. 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.

9. INVESTMENTS - AT COST

	Group	
	2002 RM	2001 RM
Unquoted investments in Malaysia	83,000	83,000

10. INVENTORIES

	Group	
	2002 RM	2001 RM
<u>At cost</u>		
Raw materials	3,899,673	1,930,309
Work-in-progress	809,016	574,470
Finished goods	7,693,943	6,730,696
Consumables	72,612	86,188
	<u>12,475,244</u>	<u>9,321,663</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

11. TRADE RECEIVABLES

	Group	
	2002 RM	2001 RM
Trade receivables	31,063,105	30,426,060
Less: Allowance for doubtful debts, net of bad debts written off of RM24,466 (2001: RM37,371)	(510,181)	(195,246)
	<u>30,552,924</u>	<u>30,230,814</u>

Included in trade receivables of the Group are amounts totalling RM137,688 (2001: RM59,079) owing by companies in which a director of the Company has substantial financial interest.

The credit terms of trade receivables range from 60 days to 120 days. The foreign currency exposure of trade receivables of the Group are as follows :-

	2002	2001
US Dollar	511,959	357,875
New Taiwan Dollar	<u>320,193</u>	<u>7,275,826</u>

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Other receivables	440,567	1,925,893	28,384	532,000
Deposits	2,157,793	2,093,597	2,500	2,500
Prepayment	13,142	22,694	-	-
	<u>2,611,502</u>	<u>4,042,184</u>	<u>30,884</u>	<u>534,500</u>

The foreign currency exposure of other receivables and deposits of the Group are as follows:

	Group	
	2002	2001
US Dollar	162,438	381,014
New Taiwan Dollar	<u>10,370,908</u>	<u>8,312,312</u>

13. TRADE PAYABLES

Included in trade payables of the Group are amounts totalling RM8,642,903 (2001: RM8,341,586) owing to companies in which a director of the Company has substantial financial interest.

The credit terms of trade payables range from 30 days to 90 days. The foreign currency exposure of trade payables of the group are as follows:

	2002	2001
US Dollar	93	93
New Taiwan Dollar	<u>-</u>	<u>8,520,220</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

14. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Other payables	1,088,920	2,340,222	9,954	12,607
Accruals	2,999,784	2,981,892	85,834	86,161
	<u>4,088,704</u>	<u>5,322,114</u>	<u>95,788</u>	<u>98,768</u>

Included in other payables of the Group are amounts totalling RM1,060,835 (2001: RM1,709,079) owing to vendors of property, plant and equipment.

15. SHORT TERM BANK BORROWINGS

	Group	
	2002 RM	2001 RM
Secured		
Bank overdraft	910,728	610,835
Unsecured		
Bank overdraft	335,516	-
Bankers' acceptance	3,200,000	1,016,000
	<u>3,535,516</u>	<u>1,016,000</u>
	<u>4,446,244</u>	<u>1,626,835</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.

	Group	
	2002 %	2001 %
Weighted average effective interest rate :-		
Bank overdraft	5.90	5.25
Bankers' acceptance	3.44	4.08

16. TERM LOAN - SECURED

	Group	
	2002 RM	2001 RM
Term loan with interest at funding rate plus 1.25% per annum, repayable by 72 monthly instalments of RM50,000 each commenced September 2000	2,199,990	2,799,990
Repayable as follows: -		
- not later than one year	600,000	600,000
- later than one year and not later than five years	1,599,990	2,199,990
	<u>2,199,990</u>	<u>2,799,990</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

16. TERM LOAN- SECURED (cont'd)

Weighted average effective interest rate :-

Term loan

Group	
2002 %	2001 %
5.25	5.25

17. SHARE CAPITAL

	Group/Company			
	2002		2001	
	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	72,005,600	72,005,600	60,000,000	60,000,000
Bonus issue	-	-	12,000,600	12,000,600
Exercise of ESOS	96,000	96,000	5,000	5,000
Balance as at 31 December	72,101,600	72,101,600	72,005,600	72,005,600

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM72,005,600 to RM72,101,600 by the issuance of 96,000 new ordinary shares of RM1.00 each pursuant to the exercise of the Employee Share Option Scheme ("ESOS").

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

18. RESERVES

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
(a) Non-distributable:-				
Share premium	131,210	4,340	131,210	4,340
Revaluation reserve	4,281,595	7,089,745	-	-
(b) Distributable:-				
Retained profits	52,263,351	36,316,296	10,073,676	10,034,192
	56,676,156	43,410,381	10,204,886	10,038,532

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

- tax exempt income amounting to approximately RM17,496,000 (2001: RM18,522,000) 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 2002 without incurring additional tax liability.

19. REVENUE

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Sale of goods	110,921,108	108,573,274	-	-
Rendering of services	2,720,189	2,512,018	-	-
Management fee	-	-	102,000	252,000
Dividends	-	-	4,800,000	1,000,000
	113,641,297	111,085,292	4,902,000	1,252,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

20. PROFIT BEFORE TAXATION

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for doubtful debts	371,011	61,698	-	-
Auditors' remuneration:-				
- current year	45,500	44,000	5,000	5,000
- underprovision in prior year	2,000	500	-	-
Bad debts written off	10,103	7,271	-	-
Depreciation of property, plant and equipment	8,511,049	6,995,203	-	-
Directors' remuneration:-				
- fees	319,834	291,475	65,834	63,125
- emoluments other than fees	1,200,880	1,092,672	38,000	44,000
Interest expenses on:-				
- bankers' acceptance and trust receipts	193,241	41,449	-	-
- bank overdraft	26,623	15,088	-	-
- term loans	135,724	170,955	-	-
Property, plant and equipment written off	88,443	18,303	-	-
Rental of:-				
- factory and premises	386,700	155,600	-	-
- mould	4,376	5,648	-	-
Loss/(gain) on disposal of property, plant and equipment	63,012	(172,435)	-	-
Interest income on fixed deposits	(41,577)	(22,994)	(28,384)	(6,846)
Allowance for doubtful debts no longer required	(31,610)	(27,526)	-	-
Realised gain on foreign exchange	(17,166)	(69,570)	-	-
Rental income	(625,500)	(153,000)	-	-
Tax exempt dividend from unquoted subsidiary companies	-	-	(3,300,000)	-
Gross dividend from an unquoted subsidiary company	-	-	(1,500,000)	(1,000,000)

The estimated monetary value of benefits-in-kind received by the directors in respect of the Group amounted to RM76,994 (2001: RM73,613).

21. TAXATION

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Taxation:-				
- current year	2,256,653	2,593,458	420,000	310,034
- (over)/under provision in prior years	(28,492)	(141,463)	(17,214)	324
	2,228,161	2,451,995	402,786	310,358

The effective tax rates of the Group in year 2002 and 2001 are lower than the statutory tax rate due mainly to utilisation of reinvestment allowances which resulted in tax savings of approximately RM1,109,000 (2001: RM1,784,000).

The effective tax rate of the Company in year 2002 is lower than the statutory tax rate due mainly to tax exempt dividend income received.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

22. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing the consolidated profit after taxation of RM17,464,521 (2001: RM18,480,821) by the weighted average number of shares in issue during the financial year of 72,073,479 (2001: 72,003,226).

The diluted earnings per ordinary share is calculated based on the consolidated profit after taxation of RM17,464,521 (2001: RM18,480,821) and on the adjusted weighted average number of ordinary shares issued and issuable of 72,236,419 (2001: 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:-

	2002	2001
Weighted average number of ordinary shares in issue	72,073,479	72,003,226
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of ESOS	162,940	16,176
Weighted average number of ordinary shares for diluted earnings per share	72,236,419	72,019,402

23. DIVIDENDS PER SHARE

	Group/Company	
	2002 RM	2001 RM
Tax exempt dividend of 8 sen (2001: 6 sen) per ordinary share	5,768,128	4,325,616

As approved by the shareholders at the Annual General Meeting held on 16 May 2002, a final tax exempt dividend of 6%, amounting to RM4,325,616 in respect of the previous financial year was paid on 6 June 2002.

The amount paid of RM4,325,616 is in excess of the dividend of 6%, tax exempt, totalling RM4,320,366 as proposed in last year's directors' report. An additional dividend of RM5,280 were paid on additional ordinary shares arising from the exercise of the share options under the ESOS subsequent to the balance sheet date but prior to the closing date of the entitlement of the dividend.

The proposed first and final tax exempt dividend of 8%, amounting to RM5,768,128 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.

24. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group purchased property, plant and equipment amounting to RM24,224,485 (2001: RM23,913,629) of which RM1,060,835 (2001: RM1,709,079) remained outstanding as at the end of the financial year. Cash payments of RM23,163,650 (2001: RM22,204,550) was made to acquire the property, plant and equipment.

25. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Fixed deposit with licensed banks	4,000,000	-	3,000,000	-
Cash and bank balances	1,686,129	2,556,979	46,841	54,353
Bank overdrafts	(1,246,244)	(610,835)	-	-
	4,439,885	1,946,144	3,046,841	54,353

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

25. CASH AND CASH EQUIVALENTS (cont'd)

	Group		Company	
	2002 %	2001 %	2002 %	2001 %
Weighted average effective interest rate:-				
Fixed deposits	3.20	-	4.00	-

26. 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 RM7,684,000 (2001: RM5,264,000).

27. FINANCIAL INSTRUMENTS

a) Credit risk

The Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and the Company as at 31 December 2002 approximate their fair values except for the following:-

	Company	
	Carrying Amount RM	Fair Value RM
Amounts owing by subsidiary companies	58,334,144	*

* A reasonable estimate of fair value could not be made as the repayment term is not determinable currently. These balances are valued at cost.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Sales to:-				
- Hoeken Industrial Sdn. Bhd.	809,536	169,412	-	-
- NS Plastic Industries Sdn. Bhd.	37,192	25,390	-	-
- Pong Codan Marketing Sdn. Bhd.	19,861	17,906	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	4,146	20,331	-	-
Purchases from:-				
- Hoeken Industrial Sdn. Bhd.	26,357,190	24,917,771	-	-
- NS Plastic Industries Sdn. Bhd.	534,804	118,962	-	-
- Pong Codan Marketing Sdn. Bhd.	637,924	557,416	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	119,360	43,900	-	-
Rental paid to:-				
- LF Kim Holdings Sdn. Bhd.	108,000	108,000	-	-
- Hoeken Industrial Sdn. Bhd.	210,000	-	-	-
Rental received from				
NS Plastic Industries Sdn. Bhd.	166,500	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

28. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

	Group		Company	
	2002 RM	2001 RM	2002 RM	2001 RM
Directors' fees:-				
- Kam Lang Fatt @ Kim Leng Fatt	121,000	113,000	5,000	5,000
- Chin Jit Sin	65,000	57,000	5,000	5,000
- Kam Foong Keng	65,000	57,000	5,000	5,000
- Huang, Ching-Ho	-	5,000	-	5,000
- Wong Kwan @ Wong Kwong Kwan	22,000	20,000	22,000	20,000
- Danny Ng Siew L'Leong	22,000	20,000	22,000	20,000
- Kam Foong Sim	17,000	13,475	5,000	3,125
- Wong Ah Moy @ Wong Yoke Len	6,000	6,000	-	-
- Datuk Dr. Anis bin Ahmad	1,834	-	1,834	-
	319,834	291,475	65,834	63,125
Directors' emoluments other than fees:-				
- Kam Lang Fatt @ Kim Leng Fatt	473,640	443,320	5,000	7,000
- Chin Jit Sin	247,400	217,080	5,000	7,000
- Kam Foong Keng	247,400	217,080	5,000	7,000
- Huang, Ching-Ho	-	4,000	-	4,000
- Wong Kwan @ Wong Kwong Kwan	9,000	7,000	9,000	7,000
- Danny Ng Siew L'Leong	9,000	7,000	9,000	7,000
- Kam Foong Sim	130,440	113,192	5,000	5,000
- Wong Ah Moy @ Wong Yoke Len	84,000	84,000	-	-
	1,200,880	1,092,672	38,000	44,000
Emoluments paid to the Corporate & Legal Affairs Manager, Kam Fong Mei	98,882	90,057	-	-

The directors are of the opinion that all the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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

Identities of related parties

Hoeken Industrial Sdn. Bhd. }
 NS Plastic Industries Sdn. Bhd. }
 Pong Codan Marketing Sdn. Bhd. }
 Pong Codan Rubber (M) Sdn. Bhd. }
 LF Kim Holdings Sdn. Bhd. }

Relationship with the Group

Companies in which a director
 of the Company,
 Mr. Kam Lang Fatt @ Kim Leng Fatt
 has substantial financial interest.

29. CAPITAL COMMITMENTS

	Group	
	2002 RM	2001 RM
Contracted but not provided for in respect of property, plant and equipment	4,899,500	8,316,668

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 DECEMBER 2002

30. CONTINGENT LIABILITIES

	Company 2002 RM	2001 RM
Guarantee in favour of banks for banking facilities granted to subsidiary companies		
- secured	3,110,718	3,410,825
- unsecured	3,535,516	1,016,000
Guarantee in favour of third parties for supply of goods to subsidiary companies - unsecured	258,913	404,087
	<u>6,905,147</u>	<u>4,830,912</u>

31. EMPLOYEES AND STAFF COSTS

	Group 2002	2001	Company 2002	2001
Number of employees, including executive directors, as at 31 December	508	404	4	4

	Group 2002 RM	2001 RM	Company 2002 RM	2001 RM
Staff costs				
Salaries, fee, wages, overtime and allowances	7,993,371	6,803,703	40,000	44,125
EPF and SOCSO contributions	1,055,712	911,993	-	-
Bonus	878,372	1,098,006	-	-
Commission	146,865	174,333	-	-
	<u>10,074,320</u>	<u>8,988,035</u>	<u>40,000</u>	<u>44,125</u>

32. SEGMENTAL INFORMATION

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

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by Board of Directors on 27 February 2003.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2002

Location	Description	Land Area/ Built-Up Area	Usage	Tenure/ Approximate Age of Building	Date of Revaluation	Net Book Value (RM'000)
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/ 34 years	4.12.02	487
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/ 4-11 years	27.11.02	14,767
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/ 2 years	27.11.02	5,287
GM 1587, Lot 5045, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	12,145 sq m/ 5,520 sq m	Factory Buildings	Freehold/ 2 years	27.11.02	6,062
GM 1672, Lot 5044, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	12,145 sq m/ 16,560 sq m	Factory/ Warehouse	Freehold/ -	27.11.02	8,281
GM 3890, Lot 5043, Mukim of Kapar, District of Klang, Selangor.	Industrial land and building	10,921 sq m/ 7,184 sq m	Office and Factory/ Warehouse	Freehold/ -	27.11.02	5,885
GM 3476, Lot 5047, Mukim of Kapar, District of Klang, Selangor.	Industrial land	12,145 sq m/ -	Development of Factory	Freehold/ -	27.11.02	2,574

ANALYSIS OF SHAREHOLDINGS

AS AT 7 MARCH 2003

ANALYSIS OF SHAREHOLDINGS (AS AT 7 MARCH 2003)

Authorised Capital:	RM100,000,000.00
Issued and Paid-Up Capital:	RM72,101,600.00
Class of Shares:	Ordinary shares of RM1.00 each
No. of Shareholders:	1311
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	68	36,510	0.05
1,000-10,000	964	3,099,290	4.30
10,001-100,000	217	6,357,400	8.82
100,001 to less than 5% of issued shares	59	28,050,513	38.90
5% and above of issued shares	3	34,557,887	47.93
TOTAL	1,311	72,101,600	100.00

REGISTER OF SUBSTANTIAL SHAREHOLDERS (Excluding Bare Trustees)

No.	Names	No. of Shares Held		Total Shareholding	%
		Direct	Indirect		
1.	Kam Lang Fatt @ Kim Leng Fatt	21,200,400	720,000*	21,920,400	30.40
2.	Wong Ah Moy @ Wong Yoke Len	9,736,945	720,000*	10,456,945	14.50
3.	Kam Foong Keng	3,620,542	-	3,620,542	5.02

* 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	30.40
2.	Chin Jit Sin	538,200	-	538,200	0.75
3.	Kam Foong Keng	3,620,542	-	3,620,542	5.02
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 L'Leong	-	-	-	-
7.	Datuk Dr. Anis bin Ahmad	-	-	-	-

* Indirect interest through L F Kim Holdings Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	Shareholdings	%
1.	Kam Lang Fatt @ Kim Leng Fatt	21,200,400	29.40
2.	Wong Ah Moy @ Wong Yoke Len	9,736,945	13.50
3.	Kam Foong Keng	3,620,542	5.02
4.	OSK Nominees (Tempatan) Sdn Berhad - Diong Siew Gi	2,276,913	3.16
5.	OSK Ventures Equities Sdn Bhd	2,110,000	2.93
6.	OSK Nominees (Tempatan) Sdn Berhad - Lim Pin Kong	1,974,800	2.74
7.	Patricia Lim Pek Yew	1,630,200	2.26
8.	Wong Fong Ngoh	1,439,600	2.00
9.	HSBC Nominees (Tempatan) Sdn Bhd		
	HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	1,320,000	1.83
10.	Yogeswaran a/l Subramaniam	1,275,000	1.77
11.	Pui Cheng Wui	1,120,000	1.55
12.	Allianz General Insurance Malaysia Berhad	849,000	1.18
13.	AMMB Nominees (Tempatan) Sdn Bhd		
	AmTrustee Berhad For Pacific Pearl Fund	808,000	1.12
14.	Jason Lim Yu Sang	774,000	1.07
15.	Wong Fong Ngoh	744,000	1.03
16.	L F Kim Holdings Sdn Bhd	720,000	1.00
17.	Chin Jit Sin	520,200	0.72
18.	BHLB Trustee Berhad - Prugrowth Fund	505,000	0.70
19.	Malaysia Nominees (Tempatan) Sendirian Berhad		
	Malaysian Trustee Berhad for Alliance Vision Fund	470,000	0.65
20.	Lien, Li-Yu	463,800	0.64
21.	Allianz Life Insurance Malaysia Berhad	429,000	0.60
22.	Hui Wai Kuan	372,600	0.52
23.	Lim Pin Kong	372,000	0.52
24.	Mayban Securities Nominees (Tempatan) Sdn Bhd		
	Pledged Securities Account for Lim Hak Hoo	354,600	0.49
25.	Lim Pin Kong	306,000	0.42
26.	Tseng Wan-I	306,000	0.42
27.	Peh Seng Sdn Bhd	306,000	0.42
28.	Kam Foong Sim	302,400	0.42
29.	Lee Kam Tai	270,000	0.37
30.	Kam Kin Foong	270,000	0.37
	TOTAL	56,847,000	78.84

PROXY FORM



NEW HOONG FATT HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA)

(Company No. 425709-K)

I/We

(in block letters)

of (full address)

being (a) member(s) of NEW HOONG FATT HOLDINGS BERHAD, hereby appoint(s)

(full name)

of (full address)

or failing him/her, (full name)

of (full address)

or failing which, the Chairman of The Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Sixth Annual General Meeting of the Company to be held at East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 8 May 2003 at 10.00 a.m. or at any adjournment thereof and to vote as indicated below.

(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.)

Resolutions		For	Against
1	Adoption of Financial Statements and Reports		
2	Declaration of first and final tax exempt dividend of 8%		
3	Re-election of Mr. Chin Jit Sin as Director		
4	Re-election of Mr. Danny Ng Siew L' Leong as Director		
5	Re-election of Datuk Dr. Anis bin Ahmad as Director		
6	Re-appointment of Mr. Wong Kwan @ Wong Kwong Kwan as Director		
7	Approval of Directors' Fees of RM65,834.00		
8	Re-appointment of Auditors		
9	Authority to Directors to Issue Shares Pursuant to Section 132D		

Signed this _____ day of _____ 2003

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