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CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

The Board of Directors is pleased to announce the Group's quarterly report on consolidated results for the period ended 31 December 2008. The cumulative quarter figures have been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.12.2008	Quarter ended 31.12.2007	Year to date ended 31.12.2008	Year to date ended 31.12.2007
		RM'000	RM'000	RM'000	RM'000
Revenue		40,494	41,860	168,902	156,757
Cost of sales		(30,765)	(29,182)	(123,005)	(111,914)
Gross profit		9,729	12,678	45,897	44,843
Other operating income		1,274	1,538	6,924	5,235
Operating expenses	14	(11,089)	(6,243)	(29,022)	(23,244)
Finance costs		(496)	(644)	(2,198)	(1,943)
(Loss)/Profit before tax		(582)	7,329	21,601	24,891
Tax expenses	18	(901)	(1,398)	(3,320)	(1,888)
(Loss)/Profit after tax		(1,483)	5,931	18,281	23,003
Minority interests		-	-	-	-
Net (loss)/profit for the period		(1,483)	5,931	18,281	23,003
Basic (loss)/earnings per share (sen)	26	(1.97)	7.89	24.32	30.61
Diluted earnings per share (sen)		N.A.	N.A.	N.A.	N.A.

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)

CONDENSED CONSOLIDATED BALANCE SHEET

		Audited As At 31.12.2008	Audited As At 31.12.2007
	Note	RM'000	RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		154,283	151,284
Prepaid lease payments for land		9,617	9,838
Investments		83	83
Intangible asset – Goodwill	14	25,519	31,226
		189,502	192,431
Current Assets			
Inventories		33,830	24,476
Trade receivables		40,547	40,268
Other receivables, deposits & prepayments		3,203	4,156
Tax recoverable		2	
Cash and cash equivalents		28,126	17,583
		105,708	86,483
Total Assets		295,210	278,914
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		75,157	75,157
Reserves			
<u>Non-Distributable:</u>			
Share premium		4,210	4,210
Revaluation reserve		13,513	13,513
<u>Distributable:</u>			
Retained profits		124,783	114,769
		142,506	132,492
Total Equity		217,663	207,649
Non-Current Liabilities			
Borrowings (interest bearing)	22	9,391	10,636
Deferred tax liabilities		14,223	13,987
		23,614	24,623
Current Liabilities			
Trade payables		4,542	5,394
Other payables & accruals		6,313	9,758
Borrowings (interest bearing)	22	42,274	30,642
Current tax payable		804	848
		53,933	46,642
Total Liabilities		77,547	71,265
Total Equity and Liabilities		295,210	278,914
Net assets per share attributable to ordinary equity holders of the parent (RM)		2.90	2.76

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Year to date ended 31.12.2008	Year to date ended 31.12.2007
	RM'000	RM'000
Cash Flow From Operating Activities		
Profit before tax	21,601	24,891
Adjustments for:-		
Non-cash items	22,189	15,191
Non-operating items	1,378	1,593
Operating profit before working capital changes	45,168	41,675
Net change in current assets	(8,694)	(7,191)
Net change in current liabilities	(4,297)	3,012
Tax paid	(3,130)	(2,848)
Net cash generated from operating activities	29,047	34,648
Cash Flows From Investing Activities		
Proceeds from disposal of investment property	-	7,140
Proceeds from disposal of property, plant and equipment	2,601	470
Purchase of property, plant and equipment	(21,847)	(26,072)
Purchase of prepaid land lease payments	-	(1,823)
Interest received	820	349
Net cash used in investing activities	(18,426)	(19,936)
Cash Flow From Financing Activities		
Interest paid	(2,198)	(1,943)
Drawdown/(Repayment) of short term borrowings	13,000	(6,081)
Dividend paid	(8,267)	(8,290)
(Repayment)/drawdown of term loan	(2,613)	7,377
Net cash used in financing activities	(78)	(8,937)
Net increase in cash and cash equivalents	10,543	5,775
Cash and cash equivalents at beginning of financial period	17,583	11,808
Cash and cash equivalents at end of the period	28,126	17,583

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserves	Retained profits	Total	
	Note	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2007		75,157	4,210	12,899	100,056	192,322
Profit after tax		-	-	-	23,003	23,003
Dividends 11% gross, less tax 27% for financial year ended - 31 December 2006		-	-	-	(6,035)	(6,035)
Tax exempt dividends for financial year ended - 31 December 2007		-	-	-	(2,255)	(2,255)
Revaluation surplus		-	-	614	-	614
Balance as at 31 December 2007		75,157	4,210	13,513	114,769	207,649
Balance as at 1 January 2008		75,157	4,210	13,513	114,769	207,649
Profit after tax		-	-	-	18,281	18,281
Tax exempt dividends for financial year ended - 31 December 2007		-	-	-	(6,012)	(6,012)
- 31 December 2008		-	-	-	(2,255)	(2,255)
Balance as at 31 December 2008		75,157	4,210	13,513	124,783	217,663

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (FRS) 134, INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysia Accounting Standards Board (“MASB”) and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2007.

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2007 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) which are effective for the financial year beginning 1 January 2008:-

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 112 Income Taxes
- FRS 118 Revenue
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of the FRS 107, 112, 118, 134 and 137 do not have any significant financial impact on the results of the Group. FRS 111 and 120 are not relevant to the Group’s operations.

2 Qualified audit report

The financial statements for the financial year ended 31 December 2007 was not qualified.

3 Seasonal or cyclical factors

The Group’s operation is not significantly affected by seasonal or cyclical factors.

4 Unusual items

Other than those stated in the notes, there are no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

5 Changes in estimates

There is no significant change in estimates of amounts reported in prior interim periods of the current or previous financial year.

6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current quarter under review.

7 Dividends paid

	Quarter ended 31.12.2008 RM'000	Year to date ended 31.12.2008 RM'000
Interim tax exempt dividend of 3 sen per ordinary share declared in 2007 paid on 11 January 2008	-	2,255
Final tax exempt dividend of 8 sen per ordinary share declared in 2008 paid on 26 June 2008	-	6,012
Interim tax exempt dividend of 3 sen per ordinary share declared in 2008 paid on 18 December 2008	2,255	2,255
	<u>2,255</u>	<u>10,522</u>

8 Segmental information

	Quarter ended		Year to date ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	31,191	31,810	127,713	115,535
- Manufacturing	27,975	29,432	117,683	110,980
- Investment Holding	84	2,396	8,636	10,763
- Others	108	143	498	884
Elimination of inter segment sales	(18,864)	(21,921)	(85,628)	(81,405)
Group Revenue	40,494	41,860	168,902	156,757
<u>Segment Results</u>				
- Trading	1,335	1,438	5,978	4,576
- Manufacturing	(1,353)	6,532	17,997	22,027
- Investment Holding	(62)	2,295	8,111	10,322
- Others	(6)	8	13	288
Consolidated Adjustment	-	(2,300)	(8,300)	(10,379)
Segment Results	(86)	7,973	23,799	26,834
Finance Costs	(496)	(644)	(2,198)	(1,943)
Group Results	(582)	7,329	21,601	24,891

9 Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.

10 Subsequent events

In the opinion of the Directors, no item, transaction or event of a material nature has arisen during the period from the end of the reporting period to 19 February 2009 which is likely to affect substantially the results of the operations of the Group for the financial period ended 31 December 2008.

11 Changes in the composition of the Group

There was no change in the composition of the Group for the current quarter under review.

12 Changes in contingent liabilities - unsecured

The contingent liabilities of the Company are as follows:

	Company	
	As at 31.12.2008 RM'000	As at 31.12.2007 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	51,665	41,278
Guarantee in favour of third parties for supply of goods to subsidiary companies	484	1,142
	<u>52,149</u>	<u>42,420</u>

13 Capital commitments

	Group As at 31.12.2008 RM'000
Contracted but not provided for in respect of :-	
Property, plant and equipment	3,131
An investment in a subsidiary	3,000
	<u>6,131</u>

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

14 Review of performance

The Group recorded a revenue of RM40.5 million for the current quarter under review which is substantially the same as compared to RM41.9 million in the corresponding quarter of last year. The cumulative revenue for the current financial year ended 31 December 2008 was RM168.9 million, 7.7% higher than the cumulative revenue of RM156.8 million in the previous financial year. The increase in revenue is mainly due to increase in local sales.

The Group recorded a Loss Before Tax of RM0.6 million in the current quarter under review compared to Profit Before Tax of RM7.3 million in the corresponding period of last year. The cumulative Profit Before Tax of the Group for the current financial year to date was RM21.6 million, a decrease of 13.2% as compared to RM24.9 million posted in the previous financial year to date.

The decrease in profits is mainly due to the impact of goodwill impairment amounting to RM5.7 million taken up in the current quarter under review. Without taking goodwill impairment into consideration, the Group would have recorded a Profit Before Tax of RM5.1 million this quarter which is 30.1% lower compare to last year quarter. This is due to higher raw material prices.

As for the current financial year to date, without taking the impact of goodwill impairment, Profit Before Tax would be RM27.3 million, a 9.6% increase over last year's Profit Before Tax of RM24.9 million. This is the result of higher revenue achieved.

An impairment loss on goodwill has been recognised during the quarter due to declining economic benefits expected from the Cash Generating Unit of which the goodwill was allocated to. This is a result of reducing economic life of the products for which the business operation and assets acquired can produce.

15 Variation of results against preceding quarter

For the current quarter, the Group posted a Loss Before Tax of RM0.6 million compared to Profit Before Tax of RM7.4 million in the immediate preceding quarter. This was primarily due to the impact of the goodwill impairment of RM5.7 million, higher raw material prices and lower steel scrap price during the quarter under review.

16 Current year prospects

The Group expects the operating conditions for the coming financial year to be uncertain and challenging in the face of the prevailing global economic slowdown and uncertainties. The Group will continue to build on its core strength by controlling costs and managing its resources better in order to ensure that the Group can emerge strongly from these challenging economic conditions.

Barring any unforeseen circumstances, the Group will continue its positive performance in the coming financial year.

17 Profit forecast

Not applicable as no profit forecast was published.

18 Tax expenses

	Quarter ended 31.12.2008 RM'000	Year to date ended 31.12.2008 RM'000
Tax expenses for the period	523	3,084
Deferred tax liabilities	378	236
	<u>901</u>	<u>3,320</u>

The effective tax rate of the Group for the year to date is 15.4%. However, without taking impact of goodwill impairment, the effective tax rate for the current quarter is 17.6% and year to date is 12.2%. This is lower than the statutory tax rate mainly because of the utilisation of reinvestment allowances by certain subsidiary companies of the Group.

19 Unquoted investments and properties

There was no disposal of unquoted investments or properties during the quarter under review.

20 Quoted investments

There was no purchase nor disposal of quoted securities for the current quarter.

As at the end of the current quarter, the Group does not hold any investment in quoted shares.

21 Status of corporate proposal

(a) On 18 November 2008, the Group has entered into an agreement to subscribe for 3,000,000 shares representing 60% of the total issued and paid –up ordinary share capital of New Kean Tat Auto Parts Sdn Bhd for a cash consideration of RM3,000,000. The Group has subsequently subscribed for the shares on 15 January 2009.

There were no corporate proposals announced but not completed as at 19 February 2009.

(b) Utilisation of proceeds raised from corporate proposals: Not applicable.

22 Borrowings and debt securities

	As at 31.12.2008 RM'000
Current	
- <i>Unsecured</i>	
Term loans	4,374
Bankers' acceptance	32,900
Revolving credit	5,000
	<u>42,274</u>
Non-current	
- <i>Unsecured</i>	
Term loans	9,391
Total Borrowings	<u>51,665</u>

There are no borrowings denominated in foreign currency.

23 Off balance sheet financial instruments

There are no financial instruments with off balance sheet risks as at 19 February 2008.

24 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at 19 February 2008.

25 Dividend

The Board of Directors is pleased to propose a final tax exempt dividend of 8 sen per ordinary share in respect of the financial year ended 31 December 2008, amounting to RM6,012,528 (2007 : 8 sen (tax exempt) per ordinary share, amounted to RM6,012,528).

The proposed final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company. This dividend, upon approval of the shareholders, will be accounted for as an appropriation of retained earnings in the year in which it is declared. The dividend payment date and entitlement date will be advised later.

26 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31.12.2008	Quarter ended 31.12.2007	Year to date ended 31.12.2008	Year to date ended 31.12.2007
Net (loss) / profit for the quarter (RM'000)	<u>(1,483)</u>	<u>5,931</u>	<u>18,281</u>	<u>23,003</u>
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic (loss) / earnings per share (sen)	(1.97)	7.89	24.32	30.61

By Order of the Board
MAH LI CHEN
Secretary

Kuala Lumpur
26 February 2009