

**NEW HOONG FATT HOLDINGS BERHAD** (425709-K)

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➤ **Audited Consolidated Results for the Year Ended 31 December 2008 and Recommendation of Final Dividend**

Klang, Selangor Darul Ehsan, 26 February 2009 – New Hoong Fatt Holdings Berhad (“New Hoong Fatt” or “the Group” or “NHF”) is pleased to announce its audited results for the financial year ended 31 December 2008:

	Year to date ended 31 December 2008	Year to date ended 31 December 2007
Total Revenue (RM'000)	168,902	156,757
Profit Before Tax (RM'000)	21,601	24,891
Profit After Tax (RM'000)	18,281	23,003
Earnings per Share	24.32 sen	30.61 sen

Proposed Dividend per Share	8 sen (tax exempt)
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The Group's total revenue for the financial year ended 31 December 2008 was **RM168.9 million**, which was **7.7%** higher than RM156.8 million in the previous financial year.

Profit before tax decreased by **13.2%** from RM24.9 million previously to **RM21.6 million** this year. This was primarily due to the impact of goodwill impairment amounting to RM5.7 million during the quarter under review. Without taking goodwill impairment into consideration, the Group would have recorded profit before tax at **RM27.3 million** compared to RM24.9 million, representing an increase of **9.6%**. The higher profit was due to higher revenue achieved during the year.

Profit after tax was lower by **20.4%** at **RM18.3 million** this year compared to RM23.0 million previously. Correspondingly, New Hoong Fatt's Earnings Per Share for the year under review was lowered to **24.32 sen** compared to 30.61 sen previously.

During the year under review, an impairment loss on goodwill has been recognised 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.

As the Group was profitable, the Board of Directors is pleased to recommend a **final tax exempt dividend of 8 sen** per ordinary share in respect of the financial year ended 31 December 2008. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. The dividend entitlement and payment dates will be advised later.

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.