

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

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Home page: <http://nhf.asiaep.com>**CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2003**

The Board of Directors is pleased to announce quarterly report on consolidated results of the Group for the first quarter ended 31 March 2003. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.03.2003 RM'000	Quarter Ended 31.03.2002 RM'000	Year To Date Ended 31.03.2003 RM'000	Year To Date Ended 31.03.2002 RM'000
Revenue	31,026	27,774	31,026	27,774
Cost of sales	<u>(23,910)</u>	<u>(19,781)</u>	<u>(23,910)</u>	<u>(19,781)</u>
Gross profit	7,116	7,993	7,116	7,993
Other operating income	449	451	449	451
Operating expenses	<u>(3,494)</u>	<u>(2,797)</u>	<u>(3,494)</u>	<u>(2,797)</u>
Profit from operations	4,071	5,647	4,071	5,647
Finance costs	<u>(65)</u>	<u>(115)</u>	<u>(65)</u>	<u>(115)</u>
Profit before taxation	4,006	5,532	4,006	5,532
Taxation	<u>(838)</u>	<u>(1,211)</u>	<u>(838)</u>	<u>(1,211)</u>
Profit after taxation	3,168	4,321	3,168	4,321
Minority interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net profit for the period	<u>3,168</u>	<u>4,321</u>	<u>3,168</u>	<u>4,321</u>
Basic earnings per ordinary share (sen)	4.39	6.00	4.39	6.00
Diluted earnings per ordinary share (sen)	4.39	6.00	4.39	6.00

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2002)

CONDENSED CONSOLIDATED BALANCE SHEETS

	Un-audited as at 31.03.2003 RM'000	Audited as at 31.12.2002 RM'000
Property, plant and equipment	100,593	100,377
Investments	83	83
Current Assets		
- Inventories	10,728	12,475
- Trade receivables	32,334	30,553
- Other receivables, deposits & prepayments	3,540	2,612
- Tax recoverable	173	108
- Fixed deposits	4,000	4,000
- Cash & bank balances	3,114	1,686
	53,889	51,434
Current Liabilities		
- Trade payables	12,993	12,224
- Other payables & accruals	2,049	4,089
- Overdraft	1,052	1,246
- Short term borrowings	3,900	3,200
- Term loan – secured	600	600
- Taxation	301	157
	20,895	21,516
Net Current Assets	32,994	29,918
	<u>133,670</u>	<u>130,378</u>
Financed by:		
Share capital	72,102	72,102
Reserves		
Non-Distributable :-		
- Share premium	131	131
- Revaluation reserve	3,727	3,727
Distributable :-		
- Retained profit	47,591	44,423
	51,449	48,281
Shareholders' fund	123,551	120,383
Long term liability		
- Deferred taxation	8,669	8,395
- Term loan – secured	1,450	1,600
	<u>133,670</u>	<u>130,378</u>
Net tangible assets per share (RM)	1.71	1.67

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2002)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Quarter Ended 31.03.2003 RM'000
Profit before taxation	4,006
Adjustments for:-	
Non-cash items	2,452
Non-operating items	23
Operating profit before working capital changes	6,481
Net change in current assets	(934)
Net change in current liabilities	(1,271)
Tax paid	(474)
Net cash from operating activities	3,802
Investing activities	
Proceeds from disposal of property, plant and equipment	1
Purchase of property, plant and equipment	(2,668)
Interest received	2
Net cash used in investing activities	(2,665)
Interest paid	(65)
Proceeds from issue of shares	-
Drawdown/(Repayment) of short term borrowings	700
Dividend paid	-
Repayment of term loan	(150)
Net cash used in financing activities	485
Net change in cash and cash equivalents	1,622
Cash and cash equivalents at beginning of financial year	4,440
Cash and cash equivalents at end of the financial period	<u>6,062</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2002)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2002	72,006	4	7,090	36,316	115,416
Prior year adjustment for deferred taxation	-	-	(555)	(5,363)	(5,918)
As restated	72,006	4	6,535	30,953	109,498
Profit after taxation	-	-	-	4,321	4,321
Balance as at 31 March 2002	72,006	4	6,535	35,274	113,819
Balance as at 1 January 2003	72,102	131	4,282	52,263	128,778
Prior year adjustment for deferred taxation	-	-	(555)	(7,840)	(8,395)
As restated	72,102	131	3,727	44,423	120,383
Profit after taxation	-	-	-	3,168	3,168
Balance as at 31 March 2003	72,102	131	3,727	47,591	123,551

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2002)

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statement of the Group for the financial year ended 31 December 2002.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2002 except with effective from financial year 2003, the Group is complying with MASB 25 Income Taxes. The effect of the change in the accounting policy is detailed in Note A14.

A2 Qualified audit report

The financial statement for the financial year ended 31 December 2002 was not qualified.

A3 Seasonal or cyclical factors

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

A4 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.

A5 Changes in estimates

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

A6 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 and financial year to date.

A7 Dividends paid

There were no dividends paid during the period under review.

A8 Segment information

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

A9 Valuation of property, plant and equipment

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

A10 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 1 May 2003, which is likely to affect substantially the results of the operations of the Group for the financial period ended 31 March 2003.

A11 Changes in the composition of the Group

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

A12 Changes in contingent liabilities

The contingent liabilities of the Company are as follows:

	Company	
	As at 31.03.2003 RM'000	As at 31.12.2002 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies		
– secured	2,611	3,111
– unsecured	4,391	3,535
Guarantee in favour of third parties for supply of goods to subsidiary companies – unsecured	407	259
	7,409	6,905

A13 Capital commitments

	Group As at 31.03.2003 RM'000
Contracted but not provided for in respect of property, plant and equipment	4,605

A14 Change in accounting policy and prior year adjustments

a) Change in accounting policy

During the financial period, the Group applied MASB 25, Income Taxes, which became effective from 1 January 2003 and accordingly, the accounting policy on deferred taxation has been modified.

Under MASB 25, deferred tax assets and liabilities are provided for under the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unutilised tax losses and capital allowance. A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Previously, 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.

A14 Change in accounting policy and prior year adjustments (cont'd)

b) Prior year adjustments

The change in accounting policy for deferred taxation has been applied retrospectively and the following comparative figures have been restated.

	As previously reported	Adjustments	As restated
<u>Quarter ended 31 March 2002</u>			
Income tax (RM'000)	592	619	1,211
Earnings per ordinary share (sen)	6.9	(0.9)	6.0
<u>As at 31 December 2002</u>			
Revaluation reserve (RM'000)	4,282	(555)	3,727
Retained profits (RM'000)	52,263	(7,840)	44,423
Deferred taxation (RM'000)	-	8,395	8,395
Net tangible asset per share (RM)	1.79	(0.12)	1.67

ADDITIONAL INFORMATION REQUIRED BY THE KLSE LISTING REQUIREMENTS**B1 Review of performance**

The Group's total revenue for the current financial quarter showed an increase of 12% from RM27.8 million achieved last year to RM31.0 million this year. The increase is mainly due to increase in export sales as compared to the corresponding quarter last year.

The profit before taxation for the current quarter reduced by 27% to RM4.0 million this quarter from RM5.5 million in the corresponding quarter last year. This is mainly due to lower profit margin and increase in fixed cost.

B2 Variation of results against preceding quarter

The profit before taxation for the current quarter has dropped by 26% as compared to the preceding quarter of RM5.4 million. This is mainly due to lower profit margin and increase in fixed cost.

B3 Current year prospects

Despite the current global uncertainties, which may cause the economy to slow down, the performance of the Group for the rest of the financial year would be satisfactory, barring any unforeseen circumstances.

B4 Profit forecast

Not applicable as no profit forecast was published.

B5 Tax expense

	Individual Quarter Current Year RM'000	Cumulative Quarter Current Year RM'000
– current taxation	564	564
– deferred taxation	274	274
– over provision in respect of prior year	-	-

The effective tax rates of the Group for the current quarter of 20.9% is lower than the statutory tax rate mainly due to the utilisation of reinvestment allowances of certain subsidiary companies.

B6 Unquoted investments and properties

There was no disposal of unquoted investments or properties during the current quarter and financial year to date.

B7 Quoted investments

There was no purchase nor disposal of quoted securities for the current quarter and financial year to date.

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

B8 Status of corporate proposal

(a) There were no corporate proposals announced but not completed as at 1 May 2003.

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

B9 Borrowings and debt securities

	As at 31.03.2003 RM'000
Short Term Borrowings	
<i>Secured:-</i>	
Portion of Long Term Loan payable within the next 12 months	600
Bank overdraft	561
	1,161
<i>Unsecured:-</i>	
Bankers' acceptance	3,900
Bank overdraft	491
	4,391
Sub-total	5,552
Long Term Borrowings	
<i>Secured:-</i>	
Portion of Long Term Loan payable after the next 12 months	1,450
Total Borrowings	7,002

There are no borrowings denominated in foreign currency.

B10 Off balance sheet financial instruments

There are no financial instruments with off balance sheet risk issued as at 1 May 2003.

B11 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 1 May 2003.

B12 Dividend

The Board of Directors has not recommended any interim dividend for the financial quarter ended 31 March 2003.

B13 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.03.2003	Quarter Ended 31.03.2002	Year To Date Ended 31.03.2003	Year To Date Ended 31.03.2002
<i>Earnings</i>				
Net profit for the period (RM'000)	3,168	4,321	3,168	4,321
<i>Weighted average number of shares</i>				
a) Basic earnings per share				
Issued ordinary shares at the beginning of the period	72,101,600	72,005,600	72,101,600	72,005,600
Weighted average no. of ordinary shares	72,101,600	72,005,600	72,101,600	72,005,600
b) Diluted earnings per share				
Weighted average no. of ordinary shares	72,101,600	72,005,600	72,101,600	72,005,600
Weighted average no. of ordinary shares deemed to have been issued for no consideration upon exercise of ESOS	77,996	6,494	77,996	6,494
Weighted average no. of ordinary shares (diluted)	72,179,596	72,012,094	72,179,596	72,012,094

Kuala Lumpur
8 May 2003

By Order of the Board
MAH LI CHEN
LEE MING LEONG
Secretaries