

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

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CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2007

The Board of Directors is pleased to announce the Group's quarterly report on consolidated results for the first financial quarter ended 31 March 2007. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter Ended 31.03.2007 RM'000	Quarter Ended 31.03.2006 RM'000	Year To Date Ended 31.03.2007 RM'000	Year To Date Ended 31.03.2006 RM'000
Revenue		36,556	39,249	36,556	39,249
Cost of sales		(27,064)	(28,588)	(27,064)	(28,588)
Gross profit		9,492	10,661	9,492	10,661
Other operating income		1,174	1,310	1,174	1,310
Operating expenses		(5,377)	(5,412)	(5,377)	(5,412)
Finance costs		(479)	(529)	(479)	(529)
Profit before tax		4,810	6,030	4,810	6,030
Tax expenses	18	487	(762)	487	(762)
Profit after tax		5,297	5,268	5,297	5,268
Minority interests		-	-	-	-
Net profit for the period		5,297	5,268	5,297	5,268
Basic earnings per ordinary share (sen)	26	7.05	7.01	7.05	7.01
Diluted earnings per ordinary share (sen)	26	N.A.	N.A.	N.A.	N.A.

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)

CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	Unaudited As at 31.03.2007 RM'000	Audited As at 31.12.2006 RM'000
Non-Current Assets			
- Property, plant and equipment		141,128	140,621
- Prepaid land lease payments		8,167	8,200
- Investment Properties		7,200	7,200
- Investments		83	83
- Goodwill on consolidation		31,226	31,226
		187,804	187,330
Current Assets			
- Inventories		24,658	22,887
- Trade receivables		34,839	36,510
- Other receivables, deposits & prepayments		2,916	2,320
- Tax recoverable		25	25
- Cash and bank balances		12,991	11,808
		75,429	73,550
Total Assets		263,233	260,880
Current Liabilities			
- Trade payables		4,677	4,480
- Other payables & accruals		2,622	7,662
- Short term borrowings	22	42,214	37,869
- Taxation		594	707
		50,107	50,718
Non-Current Liabilities			
- Deferred taxation		14,703	15,727
- Borrowings	22	804	2,113
		15,507	17,840
Total Liabilities		65,614	68,558
Net Assets		197,619	192,322
Financed by:			
Share capital		75,157	75,157
Reserves			
Non-Distributable :-			
- Share premium		4,210	4,210
- Revaluation reserve		12,899	12,899
Distributable :-			
- Retained profits		105,353	100,056
		122,462	117,165
Shareholders' fund		197,619	192,322
Net assets per share attributable to ordinary equity holders of the parent (RM)		2.63	2.56

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Period Ended 31.03.2007 RM'000	Period Ended 31.03.2006 RM'000
Profit before tax	4,810	6,030
Adjustments for:-		
Non-cash items	3,550	3,665
Non-operating items	423	470
Operating profit before working capital changes	8,783	10,165
Net change in current assets	(659)	502
Net change in current liabilities	(2,587)	(1,712)
Tax paid	(649)	(597)
Net cash from operating activities	4,888	8,358
Investing activities		
Proceeds from disposal of property, plant and equipment	247	80
Purchase of property, plant and equipment	(4,310)	(4,075)
Interest received	55	60
Net cash used in investing activities	(4,008)	(3,935)
Interest paid	(479)	(529)
Drawdown of short term borrowings	5,179	8,434
Dividend paid	(2,255)	-
Repayment of term loan	(2,142)	(2,128)
Net cash from financing activities	303	5,777
Net increase in cash and cash equivalents	1,183	10,200
Cash and cash equivalents at beginning of financial period	11,808	9,357
Cash and cash equivalents at end of the financial period	12,991	19,557

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital Note	Share premium RM'000	Revaluation reserve RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2006	75,157	4,210	3,727	83,678	166,772
Profit after tax	-	-	-	5,268	5,268
Balance as at 31 March 2006	75,157	4,210	3,727	88,946	172,040
Balance as at 1 January 2007	75,157	4,210	12,899	100,056	192,322
Profit after tax	-	-	-	5,297	5,297
Balance as at 31 March 2007	75,157	4,210	12,899	105,353	197,619

(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 2006)

NOTES TO THE INTERIM FINANCIAL REPORT

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 2006.

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 2006 except for the adoption of revised FRS117 Leases issued by MASB that is effective for the Group’s financial statement commencing 1 January 2007. The principal effects of the change in accounting policy resulting from the adoption of the revised FRS117 are as below:-

Prior to 1 January 2007, lease of land and buildings held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117 Leases in 2007 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment made for the leasehold land represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2007, the unamortized carrying amount of leasehold land of RM8.2 million is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively. Certain comparative figures of the balance sheets of the Group as at 31 December 2006 have been restated. With the adoption of FRS 117, there was no effect on the income statements of the Group.

2 Qualified audit report

The financial statements for the financial year ended 31 December 2006 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

	Year to date ended 31.03.2007 RM'000
Interim tax exempt dividend of 3 sen per ordinary share	2,255

8 Segment information

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

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 3 May 2007 which is likely to affect substantially the results of the operations of the Group for the financial period ended 31 March 2007.

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 31.03.2007 RM'000	As at 31.12.2006 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	43,018	39,982
Guarantee in favour of third parties for supply of goods to subsidiary companies	496	295
	43,514	40,277
	43,514	40,277

13 Capital commitments

	Group As at 31.03. 2007 RM'000
Contracted but not provided for in respect of property, plant and equipment	<u>9,102</u>

ADDITIONAL INFORMATION REQUIRED BY BMS LISTING REQUIREMENTS

14 Review of performance

The Group's total revenue for the current financial quarter showed a decrease of 6.6% from RM39.2 million achieved in corresponding quarter last year to RM36.6 million this quarter.

Profit before tax for the current quarter decreased by 20% to RM4.8 million from RM6.0 million in the corresponding quarter last year. This was mainly due to lower sales and increase in competition this quarter.

15 Variation of results against preceding quarter

Profit before tax for the current quarter has decreased by 36.8% to RM4.8 million from RM7.6 million in the preceding quarter. This was mainly due to revaluation surplus of investment properties in the preceding quarter.

16 Current year prospects

With the increase in competition and price of raw material unstable, NHF Group foresees greater challenges this year. Barring any unforeseen circumstances, the Group will remain profitable.

17 Profit forecast

Not applicable as no profit forecast was published.

18 Tax expenses

	Individual Quarter Current Year RM'000
Tax expenses for the current period	536
Deferred tax liabilities	(1,023)
	<u>(487)</u>

The effective tax rate of the Group for the current quarter is -10.1%. This is lower than the statutory tax rate mainly because of the utilisation of reinvestment allowances by certain subsidiary companies of the Group and decrease in deferred tax liabilities due to reduction in statutory tax rate from 28% to 27% and subsequently to 26% for year of assessment 2007 and 2008.

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 and financial year to date.

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

21 Status of corporate proposal

(a) There were no corporate proposals announced but not completed as at 3 May 2007.

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

22 Borrowings and debt securities

	As at 31.03.2007 RM'000
Current	
- Unsecured	
Term loans	6,054
Bankers' acceptance	26,160
Revolving credit	10,000
	<u>42,214</u>
Non-current	
- Unsecured	
Term loans	804
Total Borrowings	<u><u>43,018</u></u>

There are no borrowings denominated in foreign currency.

23 Off balance sheet financial instruments

As at 3 May 2007, the Group had entered into forward foreign exchange contracts amounted to US Dollar 1,240,000 and Euro 455,000 equivalent to RM6,376,368. The latest maturity period of these contracts is 29 July 2007.

These contracts were entered into as hedges for the Group's purchase of machineries. These transactions will subsequently be recorded in the books and the difference will be taken up in the income statement upon maturity. The Group does not foresee any significant currency risk from the above contracts.

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 3 May 2007.

25 Dividend

The Board of Directors has not recommended any interim dividend for the financial quarter ended 31 March 2007.

26 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter	Quarter	Year To	Year To
	Ended	Ended	Date Ended	Date Ended
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Net profit for the quarter (RM'000)	<u>5,297</u>	<u>5,268</u>	<u>5,297</u>	<u>5,268</u>
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	7.05	7.01	7.05	7.01

Kuala Lumpur
10 May 2007

By Order of the Board
MAH LI CHEN
Secretary