

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

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CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2007

The Board of Directors is pleased to announce the Group's quarterly report on consolidated results for the second financial quarter ended 30 June 2007. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter Ended 30.06.2007 RM'000	Quarter Ended 30.06.2006 RM'000	Year To Date Ended 30.06.2007 RM'000	Year To Date Ended 30.06.2006 RM'000
Revenue		36,342	40,109	72,898	79,358
Cost of sales		(26,116)	(28,316)	(53,179)	(56,904)
Gross profit		10,226	11,793	19,719	22,454
Other operating income		1,122	1,296	2,296	2,606
Operating expenses		(5,282)	(5,287)	(10,659)	(10,698)
Finance costs		(413)	(644)	(892)	(1,174)
Profit before tax		5,653	7,158	10,464	13,188
Tax expenses	18	(206)	(1,005)	281	(1,767)
Profit after tax		5,447	6,153	10,745	11,421
Minority interests		-	-	-	-
Net profit for the period		<u>5,447</u>	<u>6,153</u>	<u>10,745</u>	<u>11,421</u>
Basic earnings per ordinary share (sen)	26	7.25	8.19	14.30	15.20
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 30.06.2007 RM'000	Audited As at 31.12.2006 RM'000
Non-Current Assets			
- Property, plant and equipment		143,226	140,621
- Prepaid land lease payments		9,948	8,200
- Investment Properties		7,200	7,200
- Investments		83	83
- Goodwill on consolidation		31,226	31,226
		191,683	187,330
Current Assets			
- Inventories		25,679	22,887
- Trade receivables		36,079	36,510
- Other receivables, deposits & prepayments		5,346	2,320
- Tax recoverable		-	25
- Cash and bank balances		9,302	11,808
		76,406	73,550
Total Assets		268,089	260,880
Current Liabilities			
- Trade payables		5,605	4,480
- Other payables & accruals		3,883	7,662
- Short term borrowings	22	43,045	37,869
- Taxation		455	707
		52,988	50,718
Non-Current Liabilities			
- Deferred taxation		13,647	15,727
- Borrowings	22	3,890	2,113
		17,537	17,840
Total Liabilities		70,525	68,558
Net Assets		197,564	192,322
Financed by:			
Share capital			
Reserves			
Non-Distributable :-			
- Share premium		4,210	4,210
- Revaluation reserve	9	13,431	12,899
Distributable :-			
- Retained profits		104,766	100,056
		122,407	117,165
Shareholders' fund		197,564	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 30.06.2007 RM'000	Period Ended 30.06.2006 RM'000
Profit before tax	10,464	13,188
Adjustments for:-		
Non-cash items	7,237	7,258
Non-operating items	741	1,033
Operating profit before working capital changes	18,442	21,479
Net change in current assets	(5,322)	(1,084)
Net change in current liabilities	(398)	(804)
Tax paid	(1,494)	(1,461)
Net cash from operating activities	11,228	18,130
Investing activities		
Proceeds from disposal of property, plant and equipment	261	119
Purchase of property, plant and equipment	(11,916)	(5,994)
Acquisition of subsidiaries, net of cash acquired	-	(20,285)
Interest received	150	140
Net cash used in investing activities	(11,505)	(26,020)
Interest paid	(892)	(1,174)
Drawdown of short term borrowings	6,469	25,484
Dividend paid	(8,290)	(2,255)
Drawdown/(Repayment) of term loan	484	(4,499)
Net cash (used in)/ from financing activities	(2,229)	17,556
Net (decrease)/increase in cash and cash equivalents	(2,506)	9,666
Cash and cash equivalents at beginning of financial period	11,808	9,357
Cash and cash equivalents at end of the financial period	9,302	19,023

(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	-	-	-	11,421	11,421
Dividend	-	-	-	(2,255)	(2,255)
Balance as at 30 June 2006	<u>75,157</u>	<u>4,210</u>	<u>3,727</u>	<u>92,844</u>	<u>175,938</u>
Balance as at 1 January 2007	75,157	4,210	12,899	100,056	192,322
Profit after tax	-	-	-	10,745	10,745
Dividend	7	-	-	(6,035)	(6,035)
Revaluation surplus	9	-	532	-	532
Balance as at 30 June 2007	<u>75,157</u>	<u>4,210</u>	<u>13,431</u>	<u>104,766</u>	<u>197,564</u>

(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

	Quarter ended 30.06.2007 RM'000	Year to date ended 30.06.2007 RM'000
Interim tax exempt dividend of 3 sen per ordinary share declared in 2006	-	2,255
Final dividend of 11 sen gross, less tax at 27% per ordinary share	6,035	6,035
	<u>6,035</u>	<u>8,290</u>

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

There is no revaluation of Property, Plant and Equipment during the period under review. The movement of the revaluation reserve is mainly due to the exemption on the real property gain tax of 5% with effect from 1 April 2007 and the reduction in the statutory tax rate from 28% to 27% and subsequently to 26% for year of assessment 2007 and 2008. These have resulted in a decrease in the Group's deferred tax liability on revaluation surplus of land and buildings in the Balance Sheet by RM0.6 million, an increase in the revaluation reserve on Property, Plant & Equipment by RM0.5 million and a decrease in deferred tax on Investment Property in the Income Statement by RM0.1 million.

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 31 July 2007 which is likely to affect substantially the results of the operations of the Group for the financial period ended 30 June 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 30.06.2007 RM'000	As at 31.12.2006 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	46,935	39,982
Guarantee in favour of third parties for supply of goods to subsidiary companies	1,219	295
	48,154	40,277

13 Capital commitments

	Group As at 30.06. 2007 RM'000
Contracted but not provided for in respect of property, plant and equipment	7,679

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 9.5% from RM40.1 million achieved in corresponding quarter last year to RM36.3 million this quarter. Total revenue for current financial period to date had decreased by 8.2% to RM72.9 million from RM79.4 million last financial period.

Profit before tax for the current quarter decreased by 20.8% to RM5.7 million from RM7.2 million in the corresponding quarter last year. For the current financial period to date, profit before tax has decreased by 20.5% from RM13.2 million previously to RM10.5 million this year. This was mainly due to lower sales achieved.

15 Variation of results against preceding quarter

Profit before tax for the current quarter has increased by 18.8% to RM5.7 million from RM4.8 million in the preceding quarter. This was mainly due to payment of annual insurance premium in preceding quarter.

16 Current year prospects

Barring any unforeseen circumstances, the Group will remain profitable for the rest of this financial year.

17 Profit forecast

Not applicable as no profit forecast was published.

18 Tax expenses

	Individual Quarter Current Year RM'000	Cumulative Quarter Current Year RM'000
Tax expenses for the period	691	1,227
Under provision of tax expense in prior year	40	40
Deferred tax liabilities	(525)	(1,548)
	206	(281)
	206	(281)

The effective tax rate of the Group for the current quarter is 2.9% and year to date is -3.1%. 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 on revaluation surplus of investment property and Property, Plant and Equipment due to reduction in statutory tax rate and the abolishment of real property gains tax.

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 31 July 2007.

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

22 Borrowings and debt securities

	As at 30.06.2007 RM'000
Current	
- <i>Unsecured</i>	
Term loans	5,595
Bankers' acceptance	27,450
Revolving credit	10,000
	43,045
Non-current	
- <i>Unsecured</i>	
Term loans	3,890
Total Borrowings	46,935

There are no borrowings denominated in foreign currency.

23 Off balance sheet financial instruments

As at 31 July 2007, the Group had entered into forward foreign exchange contracts amounted to US Dollar 1.4 million equivalent to approximately RM4.7 million. The latest maturity date of these contracts is 20 September 2007.

These contracts were entered into as hedges for the Group's purchase of machineries and export sales proceed. 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 31 July 2007.

25 Dividend

The Board of Directors has not recommended any interim dividend for the financial quarter ended 30 June 2007.

26 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter	Quarter	Year To	Year To
	Ended	Ended	Date Ended	Date Ended
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
Net profit for the quarter (RM'000)	5,447	6,153	10,745	11,421
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	7.25	8.19	14.30	15.20

Kuala Lumpur
7 August 2007

By Order of the Board
MAH LI CHEN
Secretary