



**CONSOLIDATED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011**

The Board of Directors is pleased to announce the Group's un-audited quarterly report on consolidated results for the period ended 31 March 2011.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.03.2011	Quarter ended 31.03.2010	Year to date ended 31.03.2011	Year to date ended 31.03.2010
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>53,710</b>	<b>52,845</b>	<b>53,710</b>	<b>52,845</b>
Cost of sales		(40,093)	(39,019)	(40,093)	(39,019)
Gross profit		13,617	13,826	13,617	13,826
Other operating income		3,068	1,893	3,068	1,893
Operating expenses		(8,490)	(8,138)	(8,490)	(8,138)
Finance costs		(386)	(391)	(386)	(391)
<b>Profit before tax</b>		<b>7,809</b>	<b>7,190</b>	<b>7,809</b>	<b>7,190</b>
Tax expenses	19	(640)	(734)	(640)	(734)
<b>Net profit for the period</b>		<b>7,169</b>	<b>6,456</b>	<b>7,169</b>	<b>6,456</b>
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>7,169</b>	<b>6,456</b>	<b>7,169</b>	<b>6,456</b>
Profit attributable to :					
Owners of the parent		7,082	6,405	7,082	6,405
Non-controlling interest		87	51	87	51
<b>Net profit for the period</b>		<b>7,169</b>	<b>6,456</b>	<b>7,169</b>	<b>6,456</b>
Total comprehensive income attributable to :					
Owners of the parent		7,082	6,405	7,082	6,405
Non-controlling interest		87	51	87	51
<b>Total comprehensive income for the period</b>		<b>7,169</b>	<b>6,456</b>	<b>7,169</b>	<b>6,456</b>
<b>Earnings per share attributable to equity holders of the Company:</b>	28				
Basic (sen)		9.42	8.52	9.42	8.52
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As At 31.03.2011 RM'000	Audited As At 31.12.2010 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		174,034	172,223
Prepaid lease payments for land		1,498	1,520
Investment properties		8,300	8,300
Available- for- sale financial assets		83	83
Intangible asset – Goodwill		15,339	15,339
		199,254	197,465
<b>Current Assets</b>			
Inventories		40,420	41,868
Trade receivables		53,913	55,567
Other receivables, deposits & prepayments		3,873	3,383
Current tax assets		147	3
Cash and cash equivalents		33,643	33,328
		131,996	134,149
<b>Total Assets</b>		<b>331,250</b>	<b>331,614</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
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		163,806	156,724
		181,529	174,447
<b>Non-controlling Interest</b>		2,684	2,597
<b>Total Equity</b>		<b>259,370</b>	<b>252,201</b>
<b>Non-Current Liabilities</b>			
Borrowings (interest bearing)	23	8,976	11,903
Deferred tax liabilities		14,032	14,210
		23,008	26,113
<b>Current Liabilities</b>			
Trade payables		12,725	10,944
Other payables & accruals		3,582	6,839
Borrowings (interest bearing)	23	32,059	35,050
Current tax payable		506	467
		48,872	53,300
<b>Total Liabilities</b>		<b>71,880</b>	<b>79,413</b>
<b>Total Equity and Liabilities</b>		<b>331,250</b>	<b>331,614</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.42	3.32

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Year to date ended 31.03.2011</b>	<b>Year to date ended 31.03.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit before tax	7,809	7,190
Adjustments for:-		
Non-cash items	4,277	4,480
Non-operating items	241	213
Operating profit before changes in working capital	12,327	11,883
Net change in current assets	2,614	2,736
Net change in current liabilities	(1,475)	(4,466)
Tax paid	(923)	(796)
<b>Net cash generated from operating activities</b>	<b>12,543</b>	<b>9,357</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	175	42
Purchase of property, plant and equipment	(6,243)	(15,806)
Interest received	145	178
<b>Net cash used in investing activities</b>	<b>(5,923)</b>	<b>(15,586)</b>
<b>Cash Flow From Financing Activities</b>		
Interest paid	(386)	(391)
(Repayment)/Drawdown of short term borrowings	(4,714)	13,569
Repayment of hire purchase	(21)	(16)
Repayment of term loan	(1,184)	(546)
<b>Net cash (used in)/from financing activities</b>	<b>(6,305)</b>	<b>12,616</b>
Net increase in cash and cash equivalents	315	6,387
Cash and cash equivalents at beginning of financial period	33,328	34,523
<b>Cash and cash equivalents at end of the financial period</b>	<b>33,643</b>	<b>40,910</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	11,725	11,423
Short term placements	21,918	29,487
	<b>33,643</b>	<b>40,910</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the parent						Non-controlling interest	Total Equity
	Non-distributable			Distributable		Total		
	Share capital	Share premium	Revaluation reserves	Retained profits				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 January 2010	75,157	4,210	13,513	138,489	231,369	2,272	233,641	
Total comprehensive income for the period	-	-	-	6,405	6,405	51	6,456	
<b>Balance as at 31 March 2010</b>	<b>75,157</b>	<b>4,210</b>	<b>13,513</b>	<b>144,894</b>	<b>237,774</b>	<b>2,323</b>	<b>240,097</b>	
Balance as at 1 January 2011	75,157	4,210	13,513	156,724	249,604	2,597	252,201	
Total comprehensive income for the period	-	-	-	7,082	7,082	87	7,169	
<b>Balance as at 31 March 2011</b>	<b>75,157</b>	<b>4,210</b>	<b>13,513</b>	<b>163,806</b>	<b>256,686</b>	<b>2,684</b>	<b>259,370</b>	

*(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 2010)*

## 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 paragraph 9.22 of the Main Market 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 2010.

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 2010.

### 2 Adoption of Revised Financial Reporting Standards

The significant accounting policies 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 2010 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and new IC Interpretations (“IC”) with effective from 1 July 2010 and 1 January 2011:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidation and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payments
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	Business Combination
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 13	Customer Loyalty Programmes

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any impact on the financial statements of the Group.

**2 Adoption of Revised Financial Reporting Standards (cont.)**

The Group has not adopted the following new/revised FRSs, Amendments to FRSs and IC that were in issue but not yet effective:

		<u>Effective Date</u>
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 15	Agreement for the Construction of Real Estate	1 January 2012

**3 Qualified audit report**

The financial statements for the financial year ended 31 December 2010 was not qualified.

**4 Seasonal or cyclical factors**

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

**5 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.

**6 Changes in estimates**

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

**7 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.

**8 Dividends paid**

There were no dividends paid during the quarter under review.

**9 Segmental information**

	<b>Quarter ended</b>		<b>Year to date ended</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Segment Revenue</u>				
– Trading	38,974	40,146	38,974	40,146
– Manufacturing	33,385	30,742	33,385	30,742
– Investment Holding	3,555	96	3,555	96
– Others	-	-	-	-
Elimination of inter segment sales	(22,204)	(18,139)	(22,204)	(18,139)
<b>Total Segment Revenue</b>	<b>53,710</b>	<b>52,845</b>	<b>53,710</b>	<b>52,845</b>

**9 Segmental information (cont.)**

	Quarter ended		Year to date ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
<u>Segment Results</u>				
- Trading	717	1,077	717	1,077
- Manufacturing	10,701	6,530	10,701	6,530
- Investment Holding	232	(21)	232	(21)
- Others	(5)	(5)	(5)	(5)
Consolidated Adjustment	(3,450)	-	(3,450)	-
Total Segment Results	8,195	7,581	8,195	7,581
Finance Costs	(386)	(391)	(386)	(391)
Group Results	7,809	7,190	7,809	7,190

**10 Valuation of property, plant and equipment**

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

**11 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 28 April 2011 which is likely to affect substantially the results of the operations of the Group for the financial period ended 31 March 2011.

**12 Changes in the composition of the Group**

The Group had incorporated a wholly-owned subsidiary in Indonesia, namely PT. NHF Auto Supplies Indonesia on 11 January 2011 with an initial paid-up capital of USD250,000. The new subsidiary is principally involved in marketing, distribution and trading of automotive spare parts.

Subsequent to the quarter ended 31 March 2011, the Group had on 4 April 2011 acquired the entire equity interest totaling two (2) ordinary shares of RM1.00 each in NHF Ventures Sdn Bhd. This will be an investment holding company.

Save for the above, there have been no other changes in the composition of the Group.

**13 Changes in contingent liabilities - unsecured**

The contingent liabilities of the Company are as follows:

	Company	
	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	40,932	46,830
Guarantee in favour of third parties for supply of goods to subsidiary companies	1,775	1,619
	<u>42,707</u>	<u>48,449</u>

**14 Capital commitments**

**Group  
As at  
31.03.2011  
RM'000**

Contracted but not provided for in respect of Property, Plant and equipment 3,055

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

**15 Review of performance**

For the first quarter of 2011, the Group recorded a marginal increase in total revenue of RM53.7 million as compared to RM52.8 million in the corresponding quarter of last year.

The Group recorded a Profit Before Tax of RM7.8 million in the current quarter under review as compared to RM7.2 million in the corresponding quarter of last year, representing an increase of 8.3%. The increase in profit was mainly due to higher income from sale of steel scrap.

**16 Variation of results against preceding quarter**

The Group's Profit Before Tax for the current quarter of RM7.8 million was lower as compared to RM7.9 million in the preceding quarter. Without taking into consideration the impact of goodwill impairment of RM4.9 million and gain on fair value of investment property of RM2.4 million in the preceding quarter, the current quarter profit would have decreased by 25.0% as compared to the preceding quarter. The decrease was due to lower revenue and higher operating costs in the current quarter.

**17 Current year prospects**

The Group expects the operating conditions to remain challenging and competitive. Rising cost pressures and margin squeeze will remain a challenge for the Group. Barring unforeseen circumstances, the Group is optimistic that it will continue its positive performance in the current financial year.

**18 Profit forecast**

Not applicable as no profit forecast was published.

**19 Tax expenses**

**Quarter  
ended  
31.03.2011  
RM'000**

Tax expenses	818
Deferred tax liabilities	(178)
	<u>640</u>

The effective tax rate of the Group for the current quarter is 8.2%. This is lower than the statutory tax rate mainly because of the utilisation of reinvestment allowances by certain subsidiary companies of the Group.



**20 Unquoted investments**

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

**21 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.

**22 Status of corporate proposal**

(a) There were no corporate proposals announced but not completed as at 28 April 2011.

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

**23 Group borrowings and debt securities (unsecured)**

	<b>As at 31.03.2011 RM'000</b>
<b>Current</b>	
Term loans	6,506
Bankers' acceptance	25,469
Hire purchase creditors	84
	32,059
<b>Non-current</b>	
Term loans	8,958
Hire purchase creditors	18
	8,976
	41,035
<b>Total Borrowings</b>	
Term Loans	15,464
Bankers' acceptance	25,469
Hire purchase creditors	102
	41,035

There are no borrowings denominated in foreign currency.

**24 Changes in fair value of financial instruments**

The carrying amounts of the financial instruments of the Group as at balance sheet date approximate their fair values due to relatively short term maturity of these financial instruments except as set out below:

	<b>Group</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>At 31 March 2011</b>		
Fixed Rate Term loans	3,649	3,550
Hire purchase creditors	102	102
	3,751	3,652

Fair value is determined by using estimated discounting future cash flows at the current market interest rate available to the Group for similar instruments.

**25 Off balance sheet financial instruments**

There are no financial instruments with off balance sheet risks as at 28 April 2011.

**26 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 28 April 2011.

**27 Dividends**

The Board of Directors has not recommended any interim dividend for the financial quarter ended 31 March 2011.

**28 Earnings per share**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended 31.03.2011</u>	<u>Quarter ended 31.03.2010</u>	<u>Year to date ended 31.03.2011</u>	<u>Year to date ended 31.03.2010</u>
Net profit attributable to equity holders of the Company (RM'000)	7,082	6,405	7,082	6,405
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	9.42	8.52	9.42	8.52

**29 Realised and Unrealised Profits/Losses Disclosure**

	<b>As At 31.03.2011 RM'000</b>	<b>As At 31.12.2010 RM'000</b>
Total retained profits of the Company and its subsidiaries :		
- Realised	261,377	258,283
- Unrealised	(10,946)	(11,243)
	250,431	247,040
Less : Consolidated adjustments	(86,625)	(90,316)
Total group retained profits as per consolidated financial statements	163,806	156,724

By Order of the Board

YEOH CHONG KEAT  
REBECCA LEONG SIEW KWAN  
Secretaries

Kuala Lumpur  
5 May 2011