



NEW HOONG FATT HOLDINGS BERHAD (425709-K)

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CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

The Board of Directors is pleased to announce the Group's un-audited quarterly report on consolidated results for the period ended 30 September 2011.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.09.2011 RM'000	Quarter ended 30.09.2010 RM'000	Year to date ended 30.09.2011 RM'000	Year to date ended 30.09.2010 RM'000
Revenue		50,755	56,771	163,798	167,164
Cost of sales		(36,390)	(42,050)	(120,858)	(123,811)
Gross profit		14,365	14,721	42,940	43,353
Other operating income		2,722	1,847	8,624	6,238
Operating expenses		(8,530)	(8,760)	(26,303)	(25,052)
Finance costs		(451)	(402)	(1,200)	(1,128)
Profit before tax		8,106	7,406	24,061	23,411
Tax expenses	19	(1,065)	(1,199)	(2,700)	(2,222)
Net profit for the period		7,041	6,207	21,361	21,189
Other comprehensive income, net of tax					
Foreign currency translation differences arising from consolidation		149	-	188	-
Total comprehensive income for the period		7,190	6,207	21,549	21,189
Profit attributable to :					
Owners of the parent		7,102	6,089	21,253	20,906
Non-controlling interest		(61)	118	108	283
Net profit for the period		7,041	6,207	21,361	21,189
Total comprehensive income attributable to :					
Owners of the parent		7,251	6,089	21,441	20,906
Non-controlling interest		(61)	118	108	283
Total comprehensive income for the period		7,190	6,207	21,549	21,189
Earnings per share attributable to equity holders of the Company:	28				
Basic (sen)		9.45	8.10	28.28	27.82
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 30.09.2011 RM'000	Audited As At 31.12.2010 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		174,456	172,223
Prepaid lease payments for land		1,456	1,520
Investment properties		8,300	8,300
Available- for- sale financial assets		83	83
Intangible asset – Goodwill		15,339	15,339
		199,634	197,465
Current Assets			
Inventories		37,712	41,868
Trade receivables		42,617	55,567
Other receivables, deposits & prepayments		5,689	3,383
Current tax assets		446	3
Cash and cash equivalents		35,188	33,328
		121,652	134,149
Total Assets		321,286	331,614
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		75,157	75,157
Reserves			
<u>Non-Distributable:</u>			
Share premium		4,210	4,210
Revaluation reserve		13,513	13,513
Foreign currency exchange reserves		188	-
<u>Distributable:</u>			
Retained profits		170,461	156,724
		188,372	174,447
Non-controlling Interest		-	2,597
Total Equity		263,529	252,201
Non-Current Liabilities			
Borrowings (interest bearing)	23	8,785	11,903
Deferred tax liabilities		14,134	14,210
		22,919	26,113
Current Liabilities			
Trade payables		6,022	10,944
Other payables & accruals		4,768	6,839
Borrowings (interest bearing)	23	23,103	35,050
Current tax payable		945	467
		34,838	53,300
Total Liabilities		57,757	79,413
Total Equity and Liabilities		321,286	331,614
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.51	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

	Year to date ended 30.09.2011 RM'000	Year to date ended 30.09.2010 RM'000
Cash Flow From Operating Activities		
Profit before tax	24,061	23,411
Adjustments for:-		
Non-cash items	13,288	13,126
Non-operating items	708	595
Loss on disposal of subsidiary	459	-
Operating profit before changes in working capital	38,516	37,132
Net change in current assets	(3,653)	(6,073)
Net change in current liabilities	2,014	(3,313)
Tax paid	(2,578)	(2,608)
Net cash generated from operating activities	34,299	25,138
Cash Flow From Investing Activities		
Proceeds from disposal of property, plant and equipment	206	704
Purchase of property, plant and equipment	(16,605)	(28,851)
Cash flow on disposal of subsidiary, net of cash and cash equivalents	1,118	-
Interest received	492	532
Net cash used in investing activities	(14,789)	(27,615)
Cash Flow From Financing Activities		
Interest paid	(1,200)	(1,128)
(Repayment) / Drawdown of short term borrowings	(6,681)	269
Dividend paid	(7,516)	(6,764)
Proceeds from / (Repayment of) hire purchase	13	(56)
(Repayment) / Drawdown of term loan	(2,454)	6,870
Net cash used in financing activities	(17,838)	(809)
Net increase / (decrease) in cash and cash equivalents	1,672	(3,286)
Effects of exchange rate changes on cash & cash equivalents	188	-
Cash and cash equivalents at beginning of financial period	33,328	34,523
Cash and cash equivalents at end of the financial period	35,188	31,237
Cash and cash equivalents comprise of :		
Cash and bank balances	19,019	16,789
Short term placements	16,169	14,448
	35,188	31,237

(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-distributable				Distributable		Total	Non-controlling interest	Total Equity
	Share capital	Share premium	Revaluation reserves	Foreign currency exchange reserves	Retained profits				
RM'000	RM'000	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	-	-	-	-	20,906	20,906	283	21,189	
Dividend	-	-	-	-	(6,764)	(6,764)	-	(6,764)	
Balance as at 30 September 2010	75,157	4,210	13,513	-	152,631	245,511	2,555	248,066	
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	-	-	-	188	21,253	21,441	108	21,549	
Disposal of investment in a subsidiary	-	-	-	-	-	-	(2,705)	(2,705)	
Dividend	-	-	-	-	(7,516)	(7,516)	-	(7,516)	
Balance as at 30 September 2011	75,157	4,210	13,513	188	170,461	263,529	-	263,529	

(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”) which came into effect on 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 (continued)

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.

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9 Segmental information

By Business Segment	Quarter ended		Year to date ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Trading	35,614	43,964	116,663	127,221
- Manufacturing	35,056	32,905	105,168	97,245
- Investment Holding	(210)	96	55,800	7,088
- Others	-	30	-	90
Elimination of inter segment revenue	(19,705)	(20,224)	(113,833)	(64,480)
Total Segment Revenue	50,755	56,771	163,798	167,164
<u>Segment Results</u>				
- Trading	(363)	1,682	984	4,255
- Manufacturing	9,240	6,170	24,694	20,322
- Investment Holding	(319)	(74)	55,400	6,677
- Others	(1)	30	(17)	85
Consolidated Adjustment	-	-	(55,800)	(6,800)
Total Segment Results	8,557	7,808	25,261	24,539
Finance Costs	(451)	(402)	(1,200)	(1,128)
Group Results	8,106	7,406	24,061	23,411

By Geographical Segment	Quarter ended		Year to date ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	50,859	56,771	163,902	167,164
- Overseas	123	-	123	-
Elimination of inter segment revenue	(227)	-	(227)	-
Total Segment Revenue	50,755	56,771	163,798	167,164
<u>Segment Results</u>				
- Malaysia	9,226	7,808	26,054	24,539
- Overseas	(669)	-	(793)	-
Consolidated Adjustment	-	-	-	-
Total Segment Results	8,557	7,808	25,261	24,539
Finance Costs	(451)	(402)	(1,200)	(1,128)
Group Results	8,106	7,406	24,061	23,411

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 03 November 2011 which is likely to affect substantially the results of the operations of the Group for the financial period ended 30 September 2011.

12 Changes in the composition of the Group

The Group had on 26 August 2011 announced the completion of the disposal of the entire equity interest held by its wholly owned subsidiaries, New Hoong Fatt Auto Supplies Sdn Bhd and New Hoong Fatt Industries Sdn Bhd in New Kean Tat Auto Parts Sdn Bhd (NKT), and NKT has since ceased to be a subsidiary of NHFHB Group.

Save for the above, there are 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 30.09.2011 RM'000	As at 31.12.2010 RM'000
Guarantee in favour of banks for banking facilities granted to subsidiary companies	31,888	46,830
Guarantee in favour of third parties for supply of goods to subsidiary companies	327	1,619
	32,215	48,449

14 Capital commitments

	Group As at 30.09.2011 RM'000
Contracted but not provided for in respect of Property, Plant and equipment	8,163

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 third quarter of 2011, the Group recorded total revenue of RM50.8 million which was 10.6% lower as compared to RM56.8 million in the corresponding quarter of last year. Total revenue for the nine months was RM163.8 million which was 2.0% lower as compared to RM167.2 million in the corresponding period of last year. The decrease in revenue was mainly due to the reduction in the contribution of revenue from the disposed subsidiary, New Kean Tat Auto Parts Sdn. Bhd., the disposal of which was completed during the quarter under review.

The Group recorded a Profit Before Tax of RM8.1 million in the current quarter under review as compared to RM7.4 million in the corresponding quarter of last year, representing an increase of 9.5%. Total Profit Before Tax for the cumulative nine months was RM24.1 million as compared to RM23.4 million in the corresponding period last year, an increase of 3.0%. The increase was mainly due to higher income from the sale of steel scrap.

16 Variation of results against preceding quarter

The Group's Profit Before Tax was substantially the same as the result recorded in the immediate preceding quarter.

17 Current year prospects

The Group expects the operating conditions for the fourth quarter of 2011 remain challenging due to the continuing uncertainties in the global economy. 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 30.09.2011 RM'000	Year to date ended 30.09.2011 RM'000
Tax expenses	968	2,674
Deferred tax liabilities	97	26
	<u>1,065</u>	<u>2,700</u>

The effective tax rate of the Group for the current quarter is 13.1% and year to date is 11.2%. 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 03 November 2011.
- (b) Utilisation of proceeds raised from corporate proposals: Not applicable.

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23 Group borrowings and debt securities (unsecured)

	As at 30.09.2011 RM'000
Current	
Term loans	5,407
Bankers' acceptance	17,696
	<u>23,103</u>
Non-current	
Term loans	8,785
	<u>31,888</u>
Total Borrowings	
Term Loans	14,192
Bankers' acceptance	17,696
	<u>31,888</u>

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:

	Group	
	Carrying amount RM'000	Fair Value RM'000
At 30 September 2011		
Fixed Rate Term loans	<u>2,522</u>	<u>2,446</u>

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 03 November 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 03 November 2011.

27 Dividends

The Board of Directors is pleased to declare an interim single tier dividend of 3 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2011 amounting to RM2,254,698 (2010 : interim single tier 3 sen per ordinary share of RM1.00 each, RM2,254,698).

The dividend will be paid on 20 December 2011 to shareholders registered in the Record of Depositors on 30 November 2011.

The interim dividend will be accounted for as an appropriation of retained earnings in the year in which it is declared.

28 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2011	Quarter ended 30.09.2010	Year to date ended 30.09.2011	Year to date ended 30.09.2010
Net profit attributable to equity holders of the Company (RM'000)	7,102	6,089	21,253	20,906
Number of ordinary shares in issue	75,156,600	75,156,600	75,156,600	75,156,600
Basic earnings per share (sen)	9.45	8.10	28.28	27.82

29 Realised and Unrealised Profits/Losses Disclosure

	As At 30.09.2011 RM'000	As At 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries :		
- Realised	215,100	258,283
- Unrealised	(11,219)	(11,243)
	<u>203,881</u>	<u>247,040</u>
Less : Consolidated adjustments	(33,420)	(90,316)
Total group retained profits as per consolidated financial statements	<u>170,461</u>	<u>156,724</u>

By Order of the Board

YEOH CHONG KEAT
REBECCA LEONG SIEW KWAN
Secretaries

Kuala Lumpur
10 November 2011