

A. Notes to the Interim Financial Report

A1. **Basis of preparation**

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") applicable to the Group, effective for financial period beginning 1 January 2006 :

FRS 3	Business Combinations
FRS 5	Non current assets held for sale
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of the above FRSs do not have significant financial impact on the Group, except as presented below :-

(a) **FRS 3 : Business Combination : FRS 136 : Impairment of Assets and FRS 138 : Intangible Assets**

The new FRS 3 has resulted in consequential amendments to two other accounting standards, i.e. FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortization. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognized in profit or loss and subsequent reversal is not allowed. Prior to 1 January 2006, goodwill was amortized on a straight-line basis over a period of 25 years. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006.

(b) **FRS 101 : Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of consolidated balance sheet, consolidated income statement as well as the consolidated statement of changes in equity. Among other things, minority interests are now presented within total equity in the consolidated balance sheet and are presented as an allocation of the total profit or loss for the period in the consolidated income statement.

FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The presentation of the current financial period of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the new presentation.

A2. Qualified audit report

The audit report of the Group's annual financial statement for the year ended 31 December 2008 was not subject to any qualification.

A3. Seasonal or cyclical factors

The performance of the Group is not affected by any seasonal or cyclical factors.

A4. Unusual items

There was no unusual item affecting asset, liability, equity, net income or cash flows for the quarter.

A5. Change in Estimate

Not applicable

A6. Debts and equity securities

There were no issuances and repayments of debts and equity securities for the quarter under review.

Details of share buy-back during the quarter under review are as follows:-

Month	No. of shares ('000)	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Paid (RM '000)
Bal b/f	17,487.2				10,428.9
Jan 2009	61.0	0.530	0.550	0.544	33.2
Feb 2009	27.0	0.535	0.545	0.544	14.7
Mar 2009	32.8	0.545	0.580	0.552	18.1
	17,608.0				10,494.9
Share dividend distribution	(12,856.5)	-	-	-	(7,662.9)
	4,751.5				2,832.0

As at the end of the current quarter, the company has a total of 4,751,500 treasury shares.

A7. Dividends

The Board has declared a distribution of the treasury shares as share dividend on 26 February 2009 to the shareholders on the basis of two (2) treasury shares for every twenty-five (25) shares held on 25 March 2009.

A total of 12,856,537 treasury shares were distributed.

A8. Segment information

No geographical segment has been presented as the Group operates principally in the automotive component manufacturing industry and income derived is mainly in Malaysia.

A9. Valuation of property, plant and equipment

The valuation of property, plant and equipment net of the impact of deferred tax has been brought forward from the previous annual financial statements.

A10. Subsequent event

There was no material event subsequent to the end of the quarter under review.

A11. Changes in the Composition of the Group

There was no change to the composition of the Group during the quarter under review.

A12. Contingent liabilities

There was no material contingent liability for the quarter under review.

A13. Capital commitments

The amount of capital commitments contracted but not provided for in respect of property, plant and equipment as at 31 March 2009 is RM1.5m.

B. Notes to KLSE's Listing Requirements

B1. Review of Performance (current quarter)

	Current Quarter	Preceding Quarter
	RM (' 000)	RM (' 000)
Turnover	37,946	44,336
Profit before tax	9,042	6,853
Profit after tax	6,741	8,705

Compared to the previous quarter, turnover reduced by 14% while PBT increased 32%. The better performance was mainly due to the reversal of provision of obsolete stock and reduced overhead in the current quarter. PAT on the other hand was lower mainly due to the adjustment of tax provision in the previous quarter.

B2. Review of Performance

Motor vehicle sales declined by 10% for the quarter under review compared to the corresponding quarter in the previous year. In line with this, turnover for the Group reduced 10%. However, profit before tax increased by 26%. The improved performance was mainly due to a change in the sales mix. The write off of obsolete stock in the previous year also contributed to the difference.

B3. Current Year Prospects

The Malaysian Automotive Association (MAA) forecasted a drop of 12% in total industry volume (TIV) for 2009. In the first quarter, TIV declined 10%. The continuing difficult economic situation and the hike in hire purchase rates for non national cars are affecting motor vehicles sales. However, the good response to the recent launch of Proton's multi purpose vehicles (MPV) is encouraging.

Given the above circumstances, the rest of the year is expected to be challenging.

B4. Profit Forecast

Not applicable.

B5. Taxation

	Current Quarter	Year-To-Date
	31/03/2009	31/03/2009
	(RM '000)	(RM ' 000)
Income tax expenses		
- current year provision	2292	2292
- under provision in prior years	-	-
Deferred taxation		
- transferred from deferred taxation	-	-
- RPGT	-	-
Tax expense on share of profit of an associate	9	9
Total	2301	2301

B6. Unquoted Investments & Properties

There was no sale of unquoted investments during the current quarter and financial year to-date.

B7. Quoted Investments

There was no sale or purchase of quoted securities during the current quarter and financial year to-date. Other than the treasury shares under Note A6, as at the end of the current quarter, the Group did not hold any investments in quoted shares.

B8. Status of Corporate Proposals

There was no outstanding corporate proposal during the quarter under review.

B9. Group Borrowings

The Group does not have any borrowings during the quarter under review.

B10. Off Balance Sheet Financial Investments

There was no off balance sheet financial investments for the quarter under review.

B11. Material Litigation

Save as disclosed below, HHB and its subsidiaries are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of HHB do not have any knowledge of any proceedings, pending or threatened, against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Company and/or its subsidiaries :

The Company received a notice on 7 September 1999 from the State of Selangor for the acquisition of the land owned by the Company held under CT 18105, Lot No. 7394, Mukim of Klang, District of Ulu Langat, Selangor (the "Land"). A hearing for the award of compensation was held on 7 December 1999. On 22 March 2000, the State of Selangor offered the Company RM3,885,000 as an award of compensation for the Land. The Company disagreed with the award and on 29 May 2000, the Company (through its solicitors) filed an appeal against the compensation award to Pejabat Tanah Dan Galian Selangor and this appeal was referred to the High Court of Shah Alam under No. MT3-15-159-2003. The matter was fixed for numerous mention dates for the parties to reach a settlement. On 19 July 2004, Kamar Penasihat Undang-Undang Negeri Selangor forwarded a settlement proposal whereby the State of Selangor proposed to increase the compensation award by 10% on top of the RM3,885,000 i.e. RM388,500 whereas the Company counter proposed a settlement sum of RM2,175,500 on top of the RM3,885,000. On 7 January 2004, Kamar Penasihat Undang-Undang Negeri Selangor informed the Company that the counter proposal was too high and not acceptable. The parties met on 7 April 2005 but was unsuccessful in reaching a settlement. The hearing was initially fixed on 14 December 2005 but has since been postponed to 18 June 2009.

B12. Dividends

Current Quarter ended 31/03/09 (RM'000)	Cumulative Year-To-Date 31/03/09 (RM'000)
-	-

B13. Earnings Per Share

	Current Quarter		Cumulative Quarter	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Weighted average number of ordinary shares in issue ('000)	162,869	163,168	162,869	163,168
Basic earnings per share (sen)	2.0	1.6	2.0	1.6
Diluted earnings per share (sen)	2.0	1.6	2.0	1.6