NEW HOONG FATT HOLDINGS BERHAD

(425709-K)

annualreport 2006

laporan tahunan

VISION & MISSION

vision / *visi*

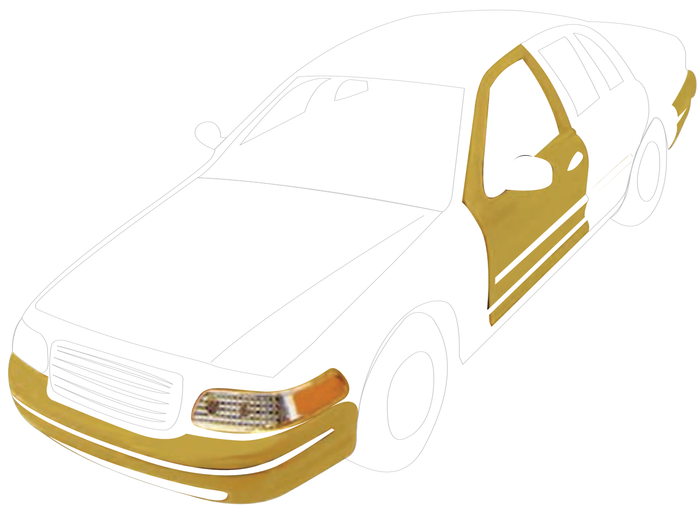
NHF is to be a leading autoparts solution provider in the world.

NHF akan menjadi pembekal utama untuk penyelesaian alat-alat automotif di seluruh dunia.

mission / *misi*

We provide a wide range of quality autoparts to our customers through a global distribution network and system.

Kami membekal pelbagai jenis alat-alat automotif yang berkualiti secara meluas kepada pelanggan kami melalui rangkaian dan sistem pengagihan di seluruh dunia.



cover rationale / *rasional muka depan*

The road to enhance revenue and capture market share is the chosen path for New Hoong Fatt Holdings Berhad as the Group steers to capitalize on the growing motor vehicle market in the ASEAN region. Firmly focused on the road marked ahead, the Group paves the way to increase global distribution of its autoparts by expanding plant capacity and investing in new production lines.

New Hoong Fatt Holdings Berhad telah memilih perjalanan menuju ke perkembangan hasil serta penguasaan pasaran dengan mengambil kesempatan ke atas pasaran kenderaan bermotor yang semakin meningkat di rantau ASEAN. Kumpulan ini membuka jalan yang mara ke hadapan untuk meningkatkan pengagihan alat-alat automotifnya dengan mengembangkan keupayaan kilang dan melabur dalam baris-baris produksi yang baru.

contents /

kandungan

New Hoong Fatt group structure

struktur kumpulan New Hoong Fatt

NEW HOONG FATT HOLDINGS BERHAD

100% Owned Subsidiaries
Subsidiari 100% milik

Manufacturing / Export
Perkilangan / Eksport

Marketing / Distribution / Trading
Pemasaran / Pengedaran / Perdagangan

Software Development & ICT Consultancy Services
Perkhidmatan pembangunan perisian dan perundingan ICT

Property Investment
Pelaburan dalam Hartanah

New Hoong Fatt Auto Supplies Sdn Bhd

AdvanceSoft ICT Sdn Bhd
(formerly known as /
dahulu dikenali sebagai
NS Plastic Industries Sdn Bhd)

Hoeken Industrial Sdn Bhd

NJ Manufacturing Industries Sdn Bhd

Jhi Soon Manufacturing Industries Sdn Bhd
(formerly known as /
dahulu dikenali sebagai
Jhi Soon Auto Metal Sdn Bhd)

New Hoong Fatt Industries Sdn Bhd
inactive / *tidak aktif*

Corporate information
maklumat korporat

BOARD OF DIRECTORS / *LEMBAGA PENGARAH*

Kam Lang Fatt @ Kim Leng Fatt
Chairman cum Managing Director /
Pengerusi dan Pengarah Urusan

Chin Jit Sin
Executive Director /
Pengarah Eksekutif

Kam Foong Keng
Executive Director /
Pengarah Eksekutif

Kam Foong Sim
Executive Director /
Pengarah Eksekutif

Wong Kwan @ Wong Kwong Kwan
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

Danny Ng Siew L'Leong
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

Datuk Dr. Anis bin Ahmad
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

AUDIT COMMITTEE / *JAWATANKUASA AUDIT*

Wong Kwan @ Wong Kwong Kwan
Chairman &
Independent Non-Executive Director /
Pengerusi &
Pengarah Bebas Bukan Eksekutif

Danny Ng Siew L'Leong
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

Datuk Dr. Anis bin Ahmad
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

Kam Foong Sim
Executive Director /
Pengarah Eksekutif

SECRETARY / *SETIAUSAHA*

Mah Li Chen (MAICSA 7022751)

REGISTERED OFFICE / *PEJABAT BERDAFTAR*

C15-1, Level 15, Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel/*Tel* : (603) 2166 2000
Fax/*Faks* : (603) 2166 3000

REGISTRAR / *PENDAFTAR*

Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Tel/*Tel* : (603) 4041 6522
Fax/*Faks* : (603) 4042 6352

AUDITORS / *JURUAUDIT*

BDO Binder
Chartered Accountants

PRINCIPAL BANKERS / *BANK-BANK UTAMA*

Citibank Berhad
EON Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING / *PENYENARAIAN BURSA SAHAM*

Main Board,
Bursa Malaysia Securities Berhad /
Papan Utama,
Bursa Malaysia Securities Berhad

Five-year group financial summary

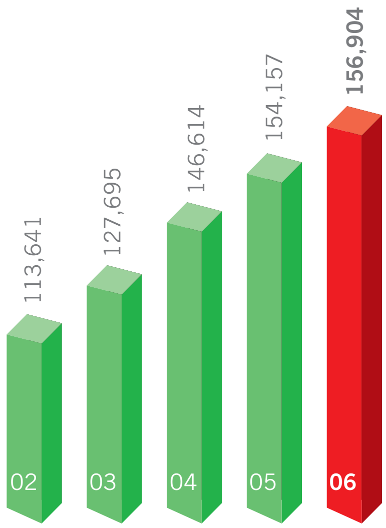
ringkasan kewangan kumpulan bagi lima tahun

	2006	2005	2004	2003	2002
Revenue (RM'000) *Hasil (RM'000)*	**156,904**	154,157	146,614	127,695	113,641
Profit Before Taxation (RM'000) *Keuntungan Sebelum Cukai (RM'000)*	**30,689**	25,131	27,899	20,022	19,693
Profit After Taxation (RM'000) # *Keuntungan Selepas Cukai (RM'000)*	**26,900**	20,785	22,494	15,788	15,027
Total Assets (RM'000) *Jumlah Aset (RM'000)*	**260,880**	258,439	230,806	164,297	151,894
Total Borrowings (RM'000) *Jumlah Pinjaman (RM'000)*	**39,982**	46,133	16,305	5,247	6,646
Shareholders' Fund (RM'000) # *Dana Pemegang Saham (RM'000)*	**192,322**	166,772	149,022	130,420	120,383
Basic Earnings Per Share # *Perolehan Asas Sesaham*	**35.79 sen**	27.73 sen	31.10 sen	21.90 sen	20.85 sen
Net Assets Per Share # *Aset Bersih Sesaham*	**RM2.56**	RM2.22	RM2.04	RM1.81	RM1.67
Dividend Per Share *Dividen Sesaham*	**3 sen (tax exempt) *(dikecualikan cukai)* and / *dan* 11 sen (less 27% tax) *(tolak 27% cukai)***	11 sen (tax exempt) *(dikecualikan cukai)*	11 sen (tax exempt) *(dikecualikan cukai)*	8 sen (tax exempt) *(dikecualikan cukai)*	8 sen (tax exempt) *(dikecualikan cukai)*

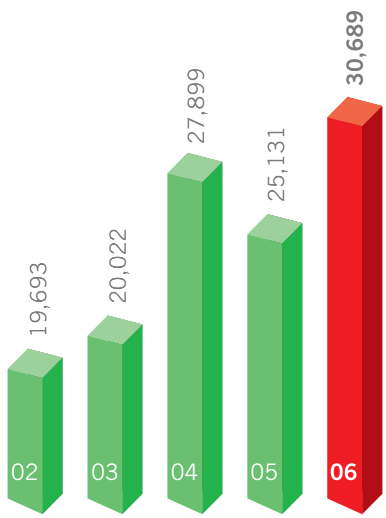
The Group applied MASB 25 Income Taxes, in financial year 2003, and comparative figures have been restated accordingly for financial year 2002.
Kumpulan telah mengambil kira MASB 25 Cukai Pendapatan pada tahun kewangan 2003. Angka perbandingan telah dinyatakan semula dengan sewajarnya bagi tahun kewangan 2002.

Five-year group financial summary (continued)

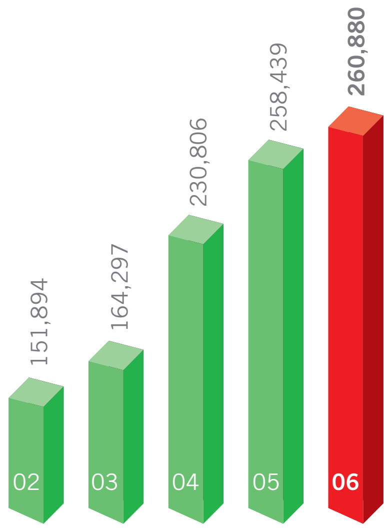
ringkasan kewangan kumpulan bagi lima tahun (sambungan)



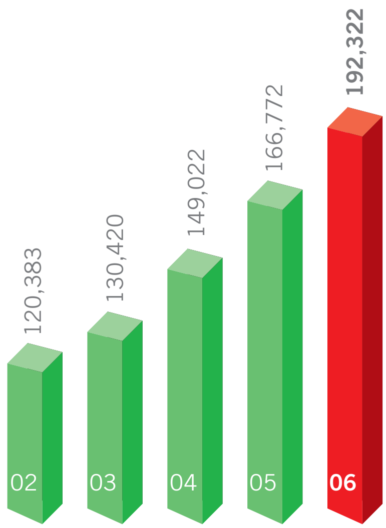
Revenue (RM'000)
Hasil (RM'000)



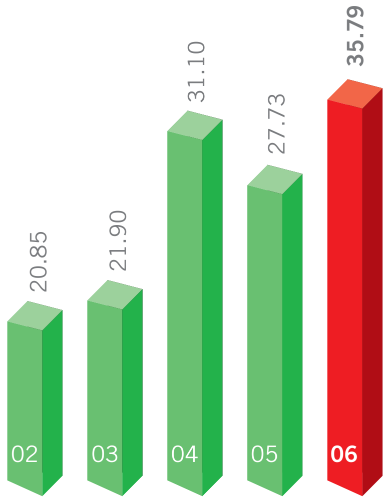
Profit Before Taxation (RM'000)
Keuntungan Sebelum Cukai (RM'000)



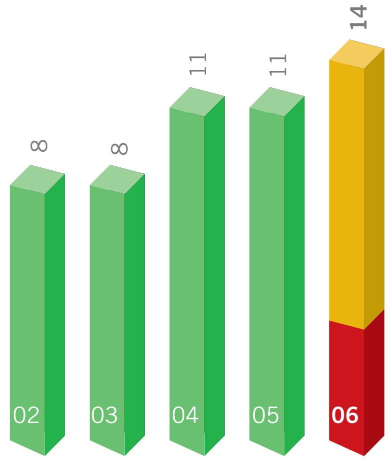
Total Assets (RM'000)
Jumlah Aset (RM'000)



Shareholders' Fund (RM'000)
Dana Pemegang Saham (RM'000)



Basic Earnings Per Share (Sen)
Perolehan Asas Sesaham (Sen)



Dividend Per Share (Sen)
Dividen Sesaham (Sen)

Financial calendar / *takwim kewangan*

for the financial year ended 31 December 2006 / *untuk tahun kewangan berakhir 31 Disember 2006*

Activities / *Aktiviti-aktiviti*	**Date / *Tarikh***
Announcement of Results ***Pengumuman Keputusan***	
Unaudited results for first quarter ended 31 March 2006 *Keputusan belum diaudit bagi suku pertama berakhir 31 Mac 2006*	27 April 2006 *27 April 2006*
Unaudited results for second quarter ended 30 June 2006 *Keputusan belum diaudit bagi suku kedua berakhir 30 Jun 2006*	27 July 2006 *27 Julai 2006*
Unaudited results for third quarter ended 30 September 2006 *Keputusan belum diaudit bagi suku ketiga berakhir 30 September 2006*	14 November 2006 *14 November 2006*
Audited results for fourth quarter ended 31 December 2006 *Keputusan diaudit bagi suku ke-empat berakhir 31 Disember 2006*	27 February 2007 *27 Februari 2007*
Interim Dividend ***Dividen Interim***	
- Declaration - *Pengisytiharan*	14 November 2006 *14 November 2006*
- Entitlement - *Kelayakan*	13 December 2006 *13 Disember 2006*
- Payment - *Pembayaran*	10 January 2007 *10 Januari 2007*
Final Dividend ***Dividen Akhir***	
- Recommendation - *Cadangan*	27 February 2007 *27 Februari 2007*
- Entitlement - *Kelayakan*	16 May 2007 *16 Mei 2007*
- Payment - *Pembayaran*	14 June 2007 *14 Jun 2007*
Issue of Annual Report 2006 ***Penerbitan Laporan Tahunan 2006***	18 April 2007 *18 April 2007*
Tenth (10th) Annual General Meeting ***Mesyuarat Agung Tahunan yang ke Sepuluh***	10 May 2007 *10 Mei 2007*

Chairman's message

perutusan pengerusi

On behalf of the Board of Directors of New Hoong Fatt Holdings Berhad ("NHF"), it is my pleasure to present the Annual Report incorporating the Audited Consolidated Financial Statements of the Group and the Company for the financial year ended 31 December 2006.

Bagi pihak Lembaga Pengarah New Hoong Fatt Holdings Berhad ("NHF"), saya dengan sukacitanya membentangkan Laporan Tahunan yang meliputi Penyata Kewangan Disatukan Beraudit Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2006.

INDUSTRY TREND AND DEVELOPMENT

The Malaysian Automotive Association ("MAA") reported that the automotive industry contracted sharply in 2006. Total industry volume only reached 490,768 units, which represented an 11.1% decline from 552,316 units in 2005. This was mainly attributed to the difficulty in securing hire-purchase loans and the extremely weak trade-in value of used cars.

Motor vehicle sales in 2007 are expected to recover with a projected growth, albeit slight, of 1.9% to reach 500,000 units. The second half of the year should see better figures as the MAA expects there to be new launches at competitive pricing.

In the longer term, the motor industry may be revitalised by the announcement of the National Automotive Policy ("NAP") in March 2006 as it sets clear policies to promote local manufacturing and assembly activities. The NAP is expected to be positive for the local automotive market and therefore, generally positive for the Group's business.

ARAH ALIRAN DAN PEMBANGUNAN INDUSTRI

Persatuan Automotif Malaysia ("MAA") melaporkan bahawa industri automotif mengecut dengan tajam dalam tahun 2006. Jumlah volum industri hanya mencapai 490,768 unit, yang melambangkan suatu penurunan sebanyak 11.1% dari 552,316 unit dalam tahun 2005. Ini adalah disebabkan terutamanya oleh kesukaran untuk mendapatkan pinjaman bayaran ansuran dan nilai tukar-ganti kereta lama adalah terlalu lemah.

Penjualan kenderaan bermotor dalam tahun 2007 adalah dijangka akan pulih dengan perkembangan anggaran sebanyak 1.9%, meskipun sedikit, sehingga mencapai 500,000 unit. Angka yang lebih baik patut disaksikan dalam separuh tahun yang kedua di mana MAA menjangkakan terdapat pelancaran-pelancaran baru pada harga yang kompetitif.

Pada jangka yang lebih panjang, industri motor mungkin digiatkan semula oleh pengumuman Polisi Automotif Nasional ("PAN") dalam bulan Mac 2006 kerana ianya menetapkan polisi-polisi yang nyata untuk mempromosikan aktiviti-aktiviti perkilangan dan pemasangan tempatan. PAN dijangkakan adalah positif bagi pasaran automotif tempatan dan oleh itu, pada umumnya adalah positif bagi perniagaan Kumpulan.

Chairman's message (continued)

perutusan pengerusi (sambungan)

FINANCIAL REVIEW

For the financial year under review, the Group delivered its highest ever net profit after-tax of RM26.9 million, a substantial increase of 29% over the previous year's net profit of RM20.8 million.

Profit before tax has increased by 22% from RM25.1 million previously to RM30.7 million in the financial year under review. Profit was affected mainly by the gain on the disposal of an investment property, the cessation of goodwill amortisation and revaluation surplus of properties.

Total revenue of RM156.9 million was achieved in the financial year ended 31 December 2006, which represented a slight increase of 2% from RM154.2 million last financial year.

The improvement in the Group's net profit has translated into a significant improvement in the Group's earnings per share to 35.8 sen for the financial year under review from 27.7 sen previously. Meanwhile, net assets per share as at 31 December 2006 has increased to RM2.56 from RM2.22 previously.

DIVIDENDS

In view of the improved financial performance of NHF during the year under review, the Board of Directors had on 14 November 2006 declared an interim tax exempt dividend of 3 sen per share in respect of the financial year ended 31 December 2006, which amounted to approximately RM2.3 million. This dividend had been paid on 10 January 2007.

In addition, the Board of Directors recommends a final dividend of 11 sen per share less 27% Malaysian Income Tax, subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on 10 May 2007.

New Hoong Fatt has been consistently paying dividends since 1999. The Group intends to continue distributing them while conserving adequate funds for reinvestments that are necessary to enhance revenue and capture market share.

TINJAUAN KEWANGAN

Bagi tahun kewangan yang ditinjau, Kumpulan telah mengemukakan keuntungan selepas cukai yang paling tinggi sebanyak RM26.9 juta, iaitu 29% lebih tinggi dari keuntungan selepas cukai tahun yang lepas sebanyak RM20.8 juta. Ini merupakan penambahan yang cukup besar.

Keuntungan sebelum cukai telah menambah sebanyak 22% dari RM25.1 juta pada tahun sebelumnya kepada RM30.7 juta pada tahun ini. Keuntungan adalah dipengaruhi oleh terutamanya keuntungan dari pelupusan hartanah pelaburan, muhibah yang tidak lagi dilunaskan dan lebihan yang timbul daripada penilaian semula hartanah.

Jumlah hasil sebanyak RM156.9 juta telah dicapai bagi tahun kewangan berakhir 31 Disember 2006, iaitu kenaikan marginal sebanyak 2% dari RM154.2 juta pada tahun lepas.

Peningkatan dalam keuntungan bersih Kumpulan diterjemahkan kepada kemajuan yang tinggi kepada perolehan sesaham kepada 35.8 sen pada tahun ini dari 27.7 sen pada tahun lepas. Sementara itu, aset bersih sesaham pada 31 Disember 2006 meningkat kepada RM2.56 dari RM2.22 pada tahun lepas.

DIVIDEN-DIVIDEN

Memandangkan prestasi kewangan NHF dalam tahun yang ditinjau, pada 14 November 2006, Lembaga Pengarah telah mengisytiharkan dividen interim dikecualikan cukai sebanyak 3 sen sesaham bagi tahun kewangan berakhir 31 Disember 2006 yang berjumlah lebih kurang RM2.3 juta. Dividen tersebut telah dibayar pada 10 Januari 2007.

Tambahan pula, Lembaga Pengarah juga mengesyorkan dividen akhir sebanyak 11 sen sesaham tolak 27% Cukai Pendapatan Malaysia tertakluk kepada kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang akan diadakan pada 10 Mei 2007.

New Hoong Fatt telah membayar dividen secara konsisten sejak tahun 1999. Kumpulan berniat untuk terus mengedarkannya sementara menyimpankan dana yang memadai bagi pelaburan semula yang perlu untuk mengembangkan hasil dan menguasa pasaran.

Chairman's message (continued)

perutusan pengerusi (sambungan)

BUSINESS REVIEW

While the Group's revenue are derived primarily from its local sales, contributions from exports have over the years become increasingly important. In both the local and export markets, the Group's products are distributed through major wholesalers and parts distributors. To stay competitive, the Group will have to focus on continuous pursuit of value in its products, while increasing the range of products to its customers.

TINJAUAN PERNIAGAAN

Walaupun kebanyakan hasil Kumpulan berpunca daripada jualan tempatan, sumbangan daripada eksport makin penting sepanjang tahun-tahun berlalu. Dalam kedua-dua pasaran tempatan dan eksport, produk Kumpulan diedarkan melalui pemborong-pemborong utama dan pengedar alat-alat ganti. Untuk tetap kompetitif, Kumpulan mesti tumpu kepada terus mengejar nilai untuk produknya, sementara meningkatkan barisan produk kepada pelanggan-pelanggannya.

The operating environment in 2006 was challenging due to rising costs, such as petrol and diesel prices and electricity charges, which in turn saw escalating prices in raw materials and operating costs.

As the Group seeks sustainable growth through expansion in its business operations, we strive to ensure that our workforce is equipped with the requisite knowledge, skills and attitude for delivery of optimum performance. Throughout the financial year under review, the Group brought in several Japanese consultants who are experts in their fields to train and educate our employees in production methodology and the Kaizen ("continuous improvement") methodology.

Besides investment in training and development, the Group also believes in forging strong team spirit and better interactions at all levels by providing for staff, activities such as badminton, bowling and futsal tournaments. For better awareness, the Group's employees were treated to a free health talk and screening.

Oleh kerana peningkatan kos seperti harga petrol dan diesel, yang menyebabkan harga bahan-bahan mentah dan kos operasi meningkat, keadaan operasi pada tahun 2006 adalah mencabarkan.

Sementara Kumpulan mencari peningkatan berterusan melalui pembesaran operasi perniagaannya, kami berusaha untuk memastikan tenaga kerja dilengkapi dengan pengetahuan yang diperlukan, kemahiran dan sikap untuk memberi prestasi yang optimum. Sepanjang tahun kewangan yang ditinjau, Kumpulan telah membawa beberapa orang perunding dari Jepun, yang merupakan pakar dalam jurusan mereka tersendiri, untuk melatih dan mengajar kakitangan kami dalam methodologi pengeluaran dan methodologi Kaizen yang melibatkan peningkatan berterusan proses.

Selain dari pelaburan dalam latihan dan perkembangan, Kumpulan juga percaya dalam memupuk semangat berpasukan dan tahap interaksi yang lebih baik di setiap peringkat dengan menyediakan aktiviti-aktiviti pekerja seperti pertandingan badminton, boling dan futsal. Untuk kesedaran yang lebih baik, Kumpulan telah menganjurkan suatu ceramah serta ujian kesihatan yang percuma bagi pekerjanya.

Chairman's message (continued)

perutusan pengerusi (sambungan)

FUTURE PROSPECTS

The road ahead for NHF is challenging, with ever increasing competition and uncertainties due to rising costs. It is our belief that the Group is adequately prepared to meet the challenges head on. The Group will continue its efforts to seek growth opportunities to increase market share and improve profit margins through operational efficiencies.

SPECIAL APPRECIATION

On behalf of the Company, I would like to thank the Board of Directors, the management and the employees for their commitment, tireless effort and dedication.

To our valued customers, investors, suppliers and financiers, we wish to extend our sincerest appreciation for your continued trust in us.

KAM LANG FATT @ KIM LENG FATT
Chairman cum Managing Director

PROSPEK MASA DEPAN

Perjalanan seterusnya bagi NHF amat mencabarkan, dengan persaingan yang semakin meninggi dan ketidakpastikan yang menimbul disebabkan oleh peningkatan kos. Adalah kepercayaan kami bahawa Kumpulan cukup bersedia untuk menghadapi cabaran-cabaran tersebut. Kumpulan akan meneruskan usaha-usahanya untuk mencari peluang pembesaran untuk mempertingkatkan penguasaan pasaran dan mempertingkatkan margin keuntungan melalui kecekapan operasi.

PENGHARGAAN KHAS

Bagi pihak Syarikat, saya ingin mengucapkan terima kasih kepada Lembaga Pengarah, pihak pengurusan dan kakitangan atas komitmen, usaha yang tidak kenal lelah dan dedikasi mereka.

Kepada para pelanggan, pelabur, pembekal dan pembiaya yang dihargai, kami mengucapkan penghargaan yang paling tulus ikhlas atas keyakinan anda dalam kami.

KAM LANG FATT @ KIM LENG FATT
Pengerusi dan Pengarah Urusan

Directors' profile

profil pengarah

Board of Directors
Lembaga Pengarah

From Left / *Dari kiri:*

Kam Foong Sim
Kam Foong Keng
Chin Jit Sin
Kam Lang Fatt @ Kim Leng Fatt
Datuk Dr. Anis bin Ahmad
Wong Kwan @ Wong Kwong Kwan
Danny Ng Siew L'Leong

Directors' profile (continued)

profil pengarah (sambungan)

Kam Lang Fatt @ Kim Leng Fatt
Aged 66, Chairman cum Managing Director
Berusia 66 tahun, Pengerusi dan Pengarah Urusan

Mr Kam was appointed to the Board on 8 April 1998 and also serves as a member of the Remuneration Committee. He is a businessman by profession and the founder of the New Hoong Fatt ("NHF") Group. With his extensive experience in the automotive industry, he oversees the strategic direction and operations of the Group.

After early venture into carpentry, he moved into businesses related to the automotive industry, such as repairing motor vehicles and trading in motorcycles and used cars. The experience gained therefrom, steered him to establish the NHF Group.

The Group grew from strength to strength under his leadership and reached a milestone when it was listed on the Second Board of the Bursa Malaysia Securities Berhad in 1998. NHF was subsequently transferred to the Main Board in 2001.

He is also a director on several private limited companies, including the subsidiaries of the NHF Group.

Mr Kam is the father of Kam Foong Keng and Kam Foong Sim, and father-in-law of Chin Jit Sin, who are all Executive Directors of the Company. His wife, Wong Ah Moy @ Wong Yoke Len, is a major shareholder of the Company.

He has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors and shareholders in the audited financial statements.

Encik Kam telah dilantik menganggotai Lembaga Pengarah pada 8 April 1998 serta ahli Jawatankuasa Ganjaran. Beliau merupakan seorang peniaga dan pengasas kepada Kumpulan New Hoong Fatt ("NHF"). Berdasarkan pengalamannya yang luas di dalam bidang industri automotif, beliau mengawasi arah strategi dan operasi Kumpulan.

Selepas menceburi dalam bidang pertukangan kayu, beliau beralih kepada perniagaan yang berkaitan dengan industri automotif, seperti memperbaiki kenderaan serta menjual motosikal dan kereta terpakai. Berdasarkan pengalaman yang diperolehi, beliau telah berjaya menubuhkan Kumpulan New Hoong Fatt.

Kumpulan ini semakin kuat atas pimpinan beliau sehingga mencapai penyenaraian di Papan Kedua, Bursa Malaysia Securities Berhad pada 1998. NHF kemudiannya diperkenalkan di Papan Utama pada 2001.

Beliau juga adalah pengarah beberapa syarikat swasta termasuk syarikat subsidiari Kumpulan NHF.

Encik Kam adalah bapa kepada Kam Foong Keng dan Kam Foong Sim serta bapa mertua kepada Chin Jit Sin, kesemuanya merupakan Pengarah Eksekutif Syarikat. Beliau adalah suami kepada Wong Ah Moy @ Wong Yoke Len, iaitu seorang pemegang saham utama Syarikat.

Beliau tidak mempunyai percanggahan kepentingan yang mustahak dengan Kumpulan ini, selain daripada yang telah dikemukakan kepada Lembaga Pengarah dan pemegang-pemegang saham di dalam penyata kewangan yang diaudit.

Directors' profile (continued)

profil pengarah (sambungan)

Chin Jit Sin
Aged 45, Non-Independent Executive Director
Berusia 45 tahun, Pengarah Eksekutif Bukan Bebas

Mr Chin was appointed as Executive Director on 8 April 1998. He holds a Bachelor of Economics (Hon) degree (major in Business Administration) from University of Malaya.

Prior to joining NHF, he worked in Malayan Banking Berhad. His experience covers a variety of industries including banking and financial institutions, manufacturing and trading. As an Executive Director in NHF, he oversees the manufacturing operations of the Group, particularly in operational effectiveness and efficiency and ensuring adherence to the Group's policies and procedures. Currently, he sits on the Board of several subsidiaries of the NHF Group.

Mr Chin is the spouse of Kam Foong Keng, an Executive Director and major shareholder of the Company, and is therefore related to members of her family. He has no direct conflict of interest with the Group.

Encik Chin dilantik sebagai Pengarah Eksekutif pada 8 April 1998. Beliau memperolehi Ijazah Sarjana Muda Ekonomi (Kepujian) dalam bidang Pentadbiran Perniagaan dari Universiti Malaya.

Sebelum menyertai NHF, beliau berkhidmat di Malayan Banking Berhad. Pengalaman beliau merangkumi pelbagai industri termasuk perbankan dan institusi kewangan, perkilangan dan perdagangan. Sebagai Pengarah Eksekutif NHF, beliau mengawasi operasi perkilangan Kumpulan, terutamanya dalam keberkesanan dan kecekapan operasi dan memastikan pematuhan terhadap polisi dan prosedur Kumpulan. Ketika ini, beliau merupakan ahli Lembaga Pengarah kepada beberapa syarikat subsidiari Kumpulan NHF.

Encik Chin adalah suami kepada Kam Foong Keng, seorang Pengarah Eksekutif dan pemegang saham utama Syarikat, dan oleh yang demikian, mempunyai hubungan dengan ahli keluarganya. Beliau tidak mempunyai sebarang percanggahan kepentingan yang terus dengan Kumpulan ini.

Directors' profile (continued)

profil pengarah (sambungan)

Kam Foong Keng
Aged 43, Non-Independent Executive Director
Berusia 43 tahun, Pengarah Eksekutif Bukan Bebas

Madam Kam was appointed on 8 April 1998, as Executive Director of the Group. She holds a Bachelor Degree in Business from South Australia Institute of Technology [now known as University of South Australia], Australia.

She has been a key person in the Group's management and organisation since graduation. As an Executive Director in NHF, she oversees the operations in the trading division and business development of the Group, particularly in operational effectiveness and efficiency and ensuring adherence to the Group's policies and procedures. Currently, she sits on the Board of the subsidiaries of the NHF Group and other private limited companies.

Madam Kam is the daughter of Kam Lang Fatt @ Kim Leng Fatt and Wong Ah Moy @ Wong Yoke Len, spouse of Chin Jit Sin and sibling of Kam Foong Sim, who are Directors and/or major shareholders of the Company.

She has no material conflict of interest with the Group other than that which has been disclosed to the Board of Directors and shareholders in the audited financial statements.

Puan Kam telah dilantik sebagai Pengarah Eksekutif bagi Kumpulan pada 8 April 1998. Beliau memiliki Ijazah Sarjana Muda dalam bidang perniagaan dari South Australia Institute of Technology [sekarang dikenali sebagai University of South Australia], Australia.

Beliau merupakan seorang penggerak utama dalam pengurusan dan organisasi Kumpulan semenjak memperolehi ijazahnya. Sebagai seorang Pengarah Eksekutif di NHF, beliau mengawasi operasi dalam divisi perniagaan dan perkembangan perniagaan Kumpulan, terutamanya dalam keberkesanan dan kecekapan operasi dan memastikan pematuhan terhadap polisi dan prosedur Kumpulan. Ketika ini, beliau merupakan ahli Lembaga Pengarah bagi subsidiari Kumpulan NHF dan syarikat-syarikat swasta yang lain.

Puan Kam adalah anak kepada Kam Lang Fatt @ Kim Leng Fatt dan Wong Ah Moy @ Wong Yoke Len, isteri kepada Chin Jit Sin serta kakak kepada Kam Foong Sim, yang merupakan Pengarah-Pengarah dan/atau pemegang saham utama Syarikat.

Beliau tidak mempunyai percanggahan kepentingan yang mustahak dengan Kumpulan ini, selain daripada yang telah dikemukakan kepada Lembaga Pengarah dan pemegang-pemegang saham di dalam penyata kewangan yang diaudit.

Directors' profile (continued)

profil pengarah (sambungan)

Kam Foong Sim
Aged 42, Non-Independent Executive Director
Berusia 42 tahun, Pengarah Eksekutif Bukan Bebas

Ms Kam was appointed as Executive Director and member of the Audit Committee on 17 May 2001. She holds a Bachelor Degree in Economics (major in Accounting) from University of Adelaide, Australia. She is an accountant by profession and a member of the Certified Practising Accountants Australia and the Malaysian Institute of Accountants.

She had several years of experience in accounting firms and in the commercial sector before joining the NHF Group in 1991, where she oversees finance and accounts. Currently, she sits on the Board of a subsidiary of the NHF Group.

Ms Kam is the daughter of Kam Lang Fatt @ Kim Leng Fatt and Wong Ah Moy @ Wong Yoke Len, sibling of Kam Foong Keng and sibling-in-law of Chin Jit Sin, who are Directors and/or major shareholders of the Company. She has no direct conflict of interest with the Group.

Cik Kam telah dilantik sebagai Pengarah Eksekutif dan ahli Jawatankuasa Audit pada 17 Mei 2001. Beliau memegang Ijazah Sarjana Muda Ekonomi dalam bidang perakaunan dari University of Adelaide, Australia. Beliau merupakan seorang akauntan yang berkelayakan serta ahli Certified Practising Accountants Australia dan Institut Akauntan Malaysia.

Beliau mempunyai beberapa tahun pengalaman di firma-firma perakaunan dan di bahagian komersil sebelum menyertai Kumpulan NHF pada 1991, dimana beliau ditugaskan mengawasi bahagian kewangan dan akaun. Ketika ini, beliau merupakan ahli Lembaga Pengarah bagi salah satu subsidiari Kumpulan NHF.

Cik Kam adalah anak kepada Kam Lang Fatt @ Kim Leng Fatt dan Wong Ah Moy @ Wong Yoke Len, adik kepada Kam Foong Keng dan adik ipar kepada Chin Jit Sin, yang merupakan Pengarah-Pengarah dan/atau pemegang saham utama Syarikat. Beliau tidak mempunyai percanggahan kepentingan yang terus dengan Kumpulan ini.

Wong Kwan @ Wong Kwong Kwan
Aged 77, Independent Non-Executive Director
Berusia 77 tahun, Pengarah Bebas Bukan Eksekutif

Mr Wong was appointed as Independent Non-Executive Director on 20 April 1998. He also serves as the Chairman of the Audit Committee and as a member of the Remuneration and Nomination Committees.

He obtained a LCC Higher Accounting Certificate from the London Chamber of Commerce before entering the banking industry. He commenced his career as an accountant in a private firm before joining Bank of China.

Subsequently, he moved to Overseas Union Bank (Malaysia) Berhad [now known as United Overseas Bank (Malaysia) Berhad], where he retired as a Branch Senior Manager in 1991. Currently, he does not sit on the Board of any other company.

Mr Wong does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group.

Encik Wong telah dilantik sebagai Pengarah Bebas Bukan Eksekutif pada 20 April 1998. Beliau juga merupakan Pengerusi Jawatankuasa Audit dan ahli jawatankuasa bagi Jawatankuasa Ganjaran dan Jawatankuasa Percalonan.

Beliau memperoleh Sijil Tinggi Perakaunan LCC dari London Chamber of Commerce sebelum menyertai industri perbankan. Beliau memulakan kerjayanya sebagai akauntan di firma swasta sebelum menyertai Bank of China.

Selepas itu, beliau bekerja di Overseas Union Bank (Malaysia) Berhad [sekarang dikenali sebagai United Overseas Bank (Malayisa) Berhad], dimana beliau telah bersara sebagai Pengurus Kanan Cawangan pada 1991. Ketika ini, beliau tidak memegang perjawatan pengarah yang lain.

Encik Wong tiada hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama Syarikat. Beliau tidak mempunyai sebarang percanggahan kepentingan dengan Kumpulan ini.

Directors' profile (continued)

profil pengarah (sambungan)

Danny Ng Siew L'Leong
Aged 48, Independent Non-Executive Director
Berusia 48 tahun, Pengarah Bebas Bukan Eksekutif

Mr Ng was appointed as Independent Non-Executive Director on 20 April 1998. He also serves as a member of the Audit Committee, Remuneration Committee and Nomination Committee of NHF.

He graduated with a Bachelor Degree in Agribusiness (Hon) from Universiti Pertanian Malaysia [now known as Universiti Putra Malaysia], Malaysia. He started his career in the banking and finance industry with United Malayan Banking Corporation Berhad [now known as RHB Bank Berhad] from 1982 to 1994.

He holds directorships in other public companies, namely Loh & Loh Corporation Berhad and SMIS Corporation Berhad, and various private limited companies.

Mr Ng does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group.

Encik Ng telah dilantik sebagai Pengarah Bebas Bukan Eksekutif pada 20 April 1998. Beliau merupakan ahli Jawatankuasa Audit, Jawatankuasa Ganjaran dan Jawatankuasa Percalonan NHF.

Beliau berkelulusan Ijazah Sarjana Muda Perniagaan Tanian (Kepujian) dari Universiti Pertanian Malaysia [sekarang dikenali sebagai Universiti Putra Malaysia], Malaysia. Beliau memulakan kerjayanya dalam bidang perbankan dan kewangan di United Malayan Banking Corporation Berhad [sekarang dikenali sebagai RHB Bank Berhad] dari 1982 hingga 1994.

Beliau juga merupakan Pengarah syarikat awam lain iaitu Loh & Loh Corporation Berhad dan SMIS Corporation Berhad serta beberapa buah syarikat swasta.

Encik Ng tiada hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama Syarikat. Beliau tidak mempunyai sebarang percanggahan kepentingan dengan Kumpulan ini.

Directors' profile (continued)

profil pengarah (sambungan)

Datuk Dr. Anis bin Ahmad
Aged 61, Independent Non-Executive Director
Berusia 61 tahun, Pengarah Bebas Bukan Eksekutif

Datuk Dr. Anis was appointed as Independent Non-Executive Director on 2 December 2002. He also serves as a member of the Audit Committee, Nomination and Remuneration Committees.

He holds a Ph.D. in Pharmacology from University of Bath, United Kingdom, Master of Science in Pharmaceutical Technology from University of London and Bachelor of Pharmacy from University of Singapore.

Datuk Dr. Anis began his career with the Ministry of Health ("MoH") in 1968 and served the Malaysian Government in various capacities as lecturer and Head of Department of Pharmacology in Universiti Kebangsaan Malaysia, Director of the National Pharmaceutical Control Bureau ("NPCB") of MoH, Secretary of the Drug Control Authority of MoH, Deputy Director of the Pharmacy Division of MoH and Deputy Director of Health (Pharmacy) for the Department of Health, Johor. He was promoted to Director of NPCB and then Director of Pharmacy of MoH, where he served until his retirement in 2001.

Currently, Datuk Dr. Anis acts as the Chairman of the Board of Directors of Y.S.P. Southeast Asia Holding Berhad, and a Director of several private limited companies.

Datuk Dr. Anis does not have any family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Group.

Datuk Dr. Anis telah dilantik sebagai Pengarah Bebas Bukan Eksekutif pada 2 Disember 2002. Beliau juga merupakan ahli Jawatankuasa Audit, Jawatankuasa Ganjaran dan Jawatankuasa Percalonan.

Beliau memiliki Falsafah Kedoktoran ("Ph.D.") dalam Ilmu Khasiat Ubat dari University of Bath, United Kingdom, Ijazah Sarjana dalam Ilmu Perubatan Teknologi dari University of London dan Sarjana Muda Perubatan dari University of Singapore.

Datuk Dr. Anis memulakan kerjayanya dengan Kementerian Kesihatan ("MoH") pada 1968 dan berkhidmat dengan Kerajaan Malaysia dalam pelbagai jawatan sebagai pensyarah dan Ketua Jabatan Ilmu Khasiat Ubat di Universiti Kebangsaan Malaysia, Pengarah kepada National Pharmaceutical Control Bureau ("NPCB") di MoH, Setiausaha di Penguasaan Kawalan Ubat ("Drug Control Authority") di MoH, Naib Pengarah di Bahagian Perubatan di MoH dan Naib Pengarah Kesihatan (Perubatan) bagi Jabatan Kesihatan, Johor. Beliau dinaikkan pangkat kepada Pengarah NPCB dan seterusnya Pengarah Perubatan bagi MoH, dimana beliau berkhidmat sehingga persaraannya pada 2001.

Ketika ini, Datuk Dr. Anis adalah Pengerusi bagi Lembaga Pengarah di Y.S.P. Southeast Asia Holding Berhad, dan pengarah di beberapa buah syarikat swasta.

Datuk Dr. Anis tiada hubungan kekeluargaan dengan mana-mana Pengarah dan/atau pemegang saham utama Syarikat. Beliau tidak mempunyai sebarang percanggahan kepentingan dengan Kumpulan ini.

Notes To Directors' Profile / *Nota-nota kepada Profil Pengarah*

1. All of the Directors of New Hoong Fatt Holdings Berhad are Malaysians.
   Semua Pengarah New Hoong Fatt Holdings Berhad adalah warganegara Malaysia.

2. None of the Directors have any conviction for offences within the past ten (10) years, other than traffic offences, if any.
   Tiada Pengarah pernah disabitkan dengan kesalahan undang-undang dalam tempoh sepuluh (10) tahun yang lalu, selain dari kesalahan undang-undang trafik, jikalau ada.

Calendar of events 2006

takwim peristiwa 2006

Date / *Tarikh*	Activities / *Aktiviti-aktiviti*
8 Jan 2006	Annual Lunch 2005/ 2006
19 March 2006	Bowling Tournament
13 - 14 April 2006	In-house Training on "Managing Difficult People for the Best Results"
27 April 2006	Ninth (9th) Annual General Meeting
10 - 13 May 2006	Participation in Auto Mechanika Thailand 2006
7 June 2006	Plant visit by the Chief Executive Officer and the Senior Management Team of Employees Provident Fund, Malaysia
12 - 20 June 2006	In-house Training by Japanese Consultant, Mr Shuichi Yoshida : Kaizen Blitz for Jhi Soon Manufacturing Industries Sdn Bhd
18 June 2006	Participation in PJ Half Marathon
24 April - 14 July 2006	In-house Training by Japanese Consultant, Mr Haruyuki Yamaguchi on Part 1 - Spot Welding; Hydraulic; Robot; Standard Operating Procedures; Air Circuit and Programmable Logic Control
6 August 2006	Badminton Tournament

25 August 2006
Health Talk and Health Screening for employees

Date / *Tarikh*	Activities / *Aktiviti-aktiviti*
29 August 2006	Workshop on Strategic Team Integration
8 - 9 September 2006	Workshop on Strategic Business Planning Enhancement
18 - 22 September 2006	In-house Training by Japanese Consultant, Mr Shuichi Yoshida : Kaizen Blitz for NJ Manufacturing Industries Sdn Bhd
28 August - 4 October 2006	In-house Training by Japanese Consultant, Mr Haruyuki Yamaguchi on Part 2 - Spot Welding; Robot; Standard Operating Procedures; Total Productive Maintenance and Programmable Logic Control
11 November 2006	Workshop on Management Styles

19 November 2006
Futsal Tournament

Statement on corporate governance

The statement below reports on how New Hoong Fatt Holdings Berhad ("NHF") has applied the principles and best practices as set out in the Malaysian Code on Corporate Governance in the Group's business and affairs.

THE BOARD OF DIRECTORS

Composition and Role of the Board

The NHF Group is led and managed by a Board that has the overall responsibility for corporate governance, strategic direction and overseeing the investments and operations of the Group.

The Board comprises of seven (7) members, of which more than one-third (1/3) of its members are independent as defined under the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities Listing Requirements"). Three (3) are Independent Non-Executive Directors and four (4) are Executive Directors.

In recognition of the Managing Director's role as the founder and leader of the Group in terms of its business, operations and formulating its strategies, he is also appointed the Chairman of the Board. The Board is comfortable that there is no undue risk involved in this convergence of roles as all related party transactions are strictly dealt with in accordance with the Bursa Securities Listing Requirements. Over and above that, as Managing Director, he is required to retire by rotation, once in every three (3) years, pursuant to the Company's Articles of Association. The Managing Director is effectively the chief executive officer of the Group.

The responsibility for managing the business, implementing policies and monitoring the Group's business performance is delegated to the Executive Directors, who practice a "hands-on" management approach.

The three (3) Independent Non-Executive Directors bring a wide range of business and financial experience gained from senior positions held in private and public service sectors. All Directors are expected to bring independent judgment and participate objectively in the Board's deliberations and decision-making process.

The Independent Non-Executive Directors represent the minority shareholders and stakeholders of the Group. The Board, on the recommendation of the Nomination Committee, has renewed the nomination of Mr. Danny Ng Siew L'Leong as the Senior Independent Director of the Board, to whom concerns of shareholders may be conveyed.

The brief profiles of the Directors are published on pages 11 to 17 of the Annual Report.

Retirement

All Directors who are appointed by the Board during the year are subject to election by shareholders at the next following Annual General Meeting (AGM). Additionally, one-third (1/3) of the Directors, including the Managing Director, are subject to retirement by rotation at every AGM but shall be eligible for re-election.

Directors who are over the age of seventy (70) years are required to retire annually and if desired, offer themselves for re-appointment by the shareholders in accordance with Section 129(2) of the Companies Act, 1965.

In this Annual Report, details of Directors seeking re-election and re-appointment are set out in the Notice of AGM on page 91 and Directors' Profile on pages 11 to 17.

Statement on corporate governance (continued)

Board Meetings and Supply of Information to the Board

The Board meets at least four (4) times a year. When the need arises, additional meetings are also convened. During the year under review, four (4) Board meetings were held. The attendance record of each Director is as follows:

Name of Director	No. of Meetings Attended	% of Attendance
Executive Directors		
Kam Lang Fatt @ Kim Leng Fatt	4/4	100 %
Chin Jit Sin	4/4	100 %
Kam Foong Keng	4/4	100 %
Kam Foong Sim	4/4	100 %
Non-Executive Directors		
Wong Kwan @ Wong Kwong Kwan	4/4	100 %
Danny Ng Siew L'Leong	4/4	100 %
Datuk Dr. Anis bin Ahmad	4/4	100 %

The Board has adopted a formal schedule of matters specifically reserved to itself for decision and approval to ensure that overall control of the Group is firmly in its hands. These include approval of corporate proposals, appointment of directors and major acquisitions and disposals.

Prior to the Board and Board Committee meetings, all Directors and respective Committee members receive the agenda and a set of Board papers containing information relevant to the matters to be deliberated at the respective meetings.

Minutes of every Board meeting are circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting.

All Directors have access to the advice and services of the Company Secretary in furtherance of their duties. The Directors may also obtain independent professional advice in furtherance of their duties, at the Company's expense.

Nomination Committee

The Nomination Committee has been charged with identifying and recommending new nominees to the Board as well as to the Board Committees. All decisions on an appointment shall be made by the Board after considering the recommendation of the Committee. After the appointment to the Board, the Committee will ensure that the newly appointed Director undergo the Director Induction Program to facilitate their understanding of the Group's operations, products and services. The Company Secretary ensures all appointments are properly made and all necessary information is obtained.

It also monitors and oversees succession planning. Its other duties include reviewing annually the mix of skills, experience and other qualities of the existing Board and reviewing the performance of retiring directors who are subject to re-election.

Annually, it assesses the effectiveness of the Board as a whole and the contribution of individual directors. It reviews the size of the Board against the size of the Group and the complexity of its business to determine impact of the number upon its effectiveness.

Statement on corporate governance (continued)

The Nomination Committee is made up entirely of Independent Non-Executive Directors, who meets as and when required, at least once a year, and reports to the Board after each meeting.

The composition of the Nomination Committee is as follows:

(a)	Wong Kwan @ Wong Kwong Kwan	(Independent Non-Executive Director)
(b)	Danny Ng Siew L'Leong	(Independent Non-Executive Director)
(c)	Datuk Dr. Anis bin Ahmad	(Independent Non-Executive Director)

Remuneration Committee

The Remuneration Committee consists of the following members:

(a)	Kam Lang Fatt @ Kim Leng Fatt	(Chairman cum Managing Director)
(b)	Wong Kwan @ Wong Kwong Kwan	(Independent Non-Executive Director)
(c)	Danny Ng Siew L'Leong	(Independent Non-Executive Director)
(d)	Datuk Dr. Anis bin Ahmad	(Independent Non-Executive Director)

The Remuneration Committee meets as and when required, and at least once a year. Their task is to recommend to and advise the Board on the remuneration of the Executive Directors. The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole. Directors abstain from any discussions and decisions concerning their own remuneration. Directors' fees are endorsed by the Board for approval by the shareholders of the Company at AGMs.

The details of the remuneration of the Directors of the Company (not including directors of the subsidiaries) during the year under review are as follows:

	Salaries and Other Emoluments (RM)	Fees (RM)	Attendance Fees (RM)	Benefits in Kind (RM)
Executive Directors	1,365,439	332,500	20,000	55,088
Non-Executive Directors	-	75,000	27,000	-

Range of Remuneration per annum	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM150,000 to RM200,000	1	-
RM400,000 to RM450,000	2	-
RM650,000 to RM700,000	1	-

Pursuant to their respective service contracts with the Group's subsidiaries, the remuneration package of the Executive Directors include a compensation for loss of office amounting up to six (6) months' of that directors' last drawn salary.

(For security and confidentiality reasons, the details of individual Directors' remuneration are not shown. The Board is of the opinion that the transparency and accountability aspects of corporate governance as applicable to Directors' remuneration are appropriately served by the disclosures made above.)

Statement on corporate governance (continued)

Continuing Education of Directors

All the Directors had attended various education programmes and seminars to keep abreast with developments in the market place. The Company continuously identifies conferences and seminars which will be beneficial to the Directors.

The training programmes, seminars and conferences attended include Building World Class Boards, The 24 Carrot Manager, Developing Winning KPIs, National Entrepreneurs Convention on Corporate Growth Strategy and Blue Ocean Innovalue.

SHAREHOLDERS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group.

The Board communicates information on operations, activities and performance of the Group through the following:

(i) the Annual Report, which contains information such as financial and operational review of the Group's business, financial statements, Audit Committee report and activities;
(ii) various announcements made to the Bursa Securities, which include timely release of financial results on a quarterly basis. Concurrently with these releases, the Company practices a policy to issue public announcements to major newspapers and publications; and
(iii) regular dialogues with analysts and fund managers representing the Company's individual and institutional shareholders.

The Company has been using the AGM as a means of communicating with shareholders, whereby shareholders are welcomed to raise questions on the agenda items of the general meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcement of results, the Directors aim to present a balanced and understandable assessment of the Group's financial position and prospects. The Audit Committee reviews each financial report and the information to be disclosed before recommending them to the Board for its approval.

The Report of the Audit Committee is set out in pages 29 to 30 of the Annual Report.

Statement of Directors' Responsibility in respect of the Financial Statements

The Directors strive to ensure that financial statements for each financial year give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results for the year then ended. As required by the Companies Act, 1965 and the Bursa Securities' Listing Requirements, the financial statements have been prepared in accordance with applicable approved accounting standards in Malaysia.

In preparing the financial statements, the Directors have adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent estimates and judgements. The financial statements had been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy the financial position of the Group and of the Company. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other such irregularities.

Relationship with Auditors

The role of the Audit Committee in relation to the Auditors is stated on pages 29 to 30 of the Annual Report.

Through the Audit Committee, the Board has established a transparent relationship with its Auditors, both internal and external. The Auditors would first highlight to Management, and then if necessary, to the Audit Committee and the Board, matters that would require their attention and response, especially those pertaining to the area of risk management and any significant defects in the Group's system of control and compliance. The Audit Committee is encouraged to meet with the external auditors, without any executive or Management present.

OTHER INFORMATION

Material Contracts involving Directors and/or Major Shareholders

Other than those disclosed in the financial statements of the Group and of the Company for the financial year ended 31 December 2006, there were no material contracts entered into or subsisting between the Company and/or its subsidiaries involving Directors and major shareholders' interest during the financial year.

Non-Audit Fees

The non-audit fees incurred for services rendered to the Group for the financial year ended 31 December 2006 by the external auditors or a firm or company affiliated to the external auditors firm amounted to RM2,000.

Penyata tadbir urus korporat

Penyata dibawah menzahirkan bagaimana New Hoong Fatt Holdings Berhad ("NHF") telah menguna pakai prinsip-prinsip dan amalan-amalan terbaik yang termaktub di dalam Kod Tadbir Urus Korporat Malaysia dalam urusniaga dan hal-ehwal Kumpulan NHF.

LEMBAGA PENGARAH

Komposisi Dan Tanggungjawab Pengarah

Kumpulan NHF dipimpin dan diurus oleh Lembaga Pengarah yang bertanggungjawab keseluruhannya terhadap tadbir urus korporat, arah tuju strategik dan mengawasi pelaburan dan operasi Kumpulan.

Lembaga Pengarah terdiri daripada tujuh (7) ahli, dimana lebih daripada satu pertiga (1/3) keahliannya merupakan pengarah bebas seperti yang ditakrifkan di bawah Syarat-Syarat Penyenaraian Bursa Malaysia Securities Berhad ("Syarat-Syarat Penyenaraian Bursa Securities"). Tiga (3) orang merupakan Pengarah Bebas Bukan Eksekutif dan empat (4) orang merupakan Pengarah Eksekutif.

Pengiktirafan peranan Pengarah Urusan sebagai pengasas dan pemimpin Kumpulan dari segi perniagaan, operasi dan juga pembentukan strategi, beliau juga dilantik sebagai Pengerusi kepada Lembaga Pengarah. Lembaga Pengarah percaya bahawa tiada risiko yang tidak wajar dengan pergabungan jawatan ini kerana semua urusniaga pihak berkaitan dikendalikan menurut Syarat-Syarat Penyenaraian Bursa Securities. Di samping itu, sebagai Pengarah Urusan, beliau dikehendaki bersara mengikut giliran, sekali dalam tiga (3) tahun mengikut Tataurusan Syarikat. Pengarah Urusan adalah selakunya ketua pegawai eksekutif Kumpulan.

Tanggungjawab terhadap pengurusan perniagaan, perlaksanaan polisi dan mengawasi prestasi perniagaan Kumpulan telah dideligasikan kepada Pengarah-Pengarah Eksekutif, di mana mereka mengamalkan cara pengurusan terus-menerus.

Ketiga-tiga Pengarah Bebas Bukan Eksekutif membawa pengalaman yang luas dalam bidang perniagaan dan kewangan yang didapati dari sandangan jawatan kanan di dalam sektor awam dan swasta. Semua Pengarah diharapkan memberi pertimbangan yang bebas dan menyertai dengan objektif dalam perbincangan dan proses membuat keputusan Lembaga Pengarah.

Pengarah-Pengarah Bebas Bukan Eksekutif mewakili pemegang saham minoriti dan pemegang kepentingan Kumpulan NHF. Menurut cadangan Jawatankuasa Percalonan, Lembaga Pengarah telah memperbahrui perlantikan Encik Danny Ng Siew L'Leong sebagai Pengarah Bebas Bukan Eksekutif Kanan. Pemegang-pemegang saham boleh merujuk segala permasalahan kepada beliau.

Profil Pengarah-Pengarah yang ringkas dikemukakan di mukasurat 11 hingga 17 di dalam Laporan Tahunan ini.

Persaraan

Semua Pengarah yang dilantik oleh Lembaga Pengarah pada tahun berkenaan adalah tertakluk kepada pemilihan oleh pemegang saham di Mesyuarat Agung Tahunan yang akan datang. Tambahan pula, satu pertiga (1/3) daripada Pengarah, termasuk Pengarah Urusan, adalah tertakluk pada persaraan mengikut giliran di setiap Mesyuarat Agung Tahunan tetapi layak dipilih semula.

Pengarah-Pengarah yang berumur lebih daripada tujuh-puluh (70) tahun, dikehendaki bersara pada setiap tahun dan jika berhasrat, boleh menawarkan diri mereka untuk dilantik semula oleh pemegang saham menurut Seksyen 129(2), Akta Syarikat, 1965.

Butir-butir Pengarah untuk pemilihan dan perlantikan semula dibentangkan di Notis Mesyuarat Agung Tahunan pada mukasurat 93 dan Profil Pengarah pada mukasurat 11 hingga 17 di dalam Laporan Tahunan ini.

Penyata tadbir urus korporat (sambungan)

Mesyuarat Lembaga Pengarah dan Penyampaian Maklumat kepadanya

Lembaga Pengarah bermesyuarat sekurang-kurangnya empat (4) kali dalam setahun. Apabila diperlukan, mesyuarat tambahan akan diadakan. Di dalam tahun yang dikaji ini, sejumlah empat (4) Mesyuarat Lembaga Pengarah telah diadakan. Rekod kehadiran untuk setiap Pengarah adalah seperti berikut:

Nama Pengarah	Bilangan Mesyuarat Dihadiri	% Kehadiran
Pengarah Eksekutif		
Kam Lang Fatt @ Kim Leng Fatt	4/4	100 %
Chin Jit Sin	4/4	100 %
Kam Foong Keng	4/4	100 %
Kam Foong Sim	4/4	100 %
Pengarah Bukan Eksekutif		
Wong Kwan @ Wong Kwong Kwan	4/4	100 %
Danny Ng Siew L'Leong	4/4	100 %
Datuk Dr. Anis bin Ahmad	4/4	100 %

Lembaga Pengarah telah mengkhususkan dengan rasmi perkara-perkara yang perlu diputuskan dan diluluskan olehnya ini memastikan keseluruhan kuasa terhadap Syarikat berada dalam kawalannya. Ini termasuk kelulusan untuk cadangan korporat, perlantikan pengarah dan perolehan dan penjualan yang utama.

Sebelum setiap Mesyuarat Lembaga Pengarah dan Jawatankuasa Lembaga Pengarah diadakan, semua Pengarah dan ahli jawatankuasanya akan menerima agenda dan satu set dokumen untuk mesyuarat yang meliputi maklumat yang berkenaan dengan perkara-perkara yang diperundingkan di mesyuarat berkenaan.

Setiap minit mesyuarat Lembaga diedarkan kepada semua Pengarah sebelum pengesahan minit di mesyuarat Lembaga akan datang.

Semua Pengarah mempunyai akses terhadap nasihat dan perkhidmatan Setiausaha Syarikat untuk menjalankan tugas mereka. Pengarah-Pengarah boleh mendapat nasihat profesional bebas untuk menjalankan tugas mereka atas tanggungan Syarikat.

Jawatankuasa Percalonan

Jawatankuasa Percalonan telah ditugaskan untuk mengenal pasti dan mencadangkan calon-calon baru untuk Lembaga Pengarah dan juga Jawatankuasa Lembaga Pengarah. Semua keputusan atas perlantikan adalah diputus oleh Lembaga Pengarah selepas mempertimbangkan cadangan Jawatankuasa. Selepas perlantikan, Jawatankuasa akan memastikan Pengarah baru menjalani Program Induksi Pengarah untuk memudahkan pemahamannya mengenai operasi, produk dan perkhidmatan Kumpulan. Setiausaha Syarikat memastikan setiap perlantikan dijalankan dengan betul dan segala maklumat yang diperlukan telah diperolehi.

Jawatankuasa juga mengawal dan mengawasi rancangan penggantian berturut-turut. Tugas-tugas yang lain termasuk mengkaji semula secara tahunan, gabungan kemahiran dan pengalaman serta lain-lain kebolehan Lembaga Pengarah semasa dan mengkaji semula prestasi Pengarah-Pengarah yang akan bersara dan tertakluk kepada pemilihan semula.

Setiap tahun, Jawatankuasa ini juga menilai keberkesanan Lembaga Pengarah secara menyeluruh dan pengarah individu. Ia mengkaji saiz Lembaga Pengarah selaras dengan saiz Kumpulan dan kesulitan perniagaan untuk menentukan bilangan perlagaan ke atas keberkesanan Lembaga.

Penyata tadbir urus korporat (sambungan)

Jawatankuasa Percalonan terdiri dari Pengarah Bebas Bukan Eksekutif yang akan bermesyuarat apabila perlu, sekurang-kurangnya setahun sekali, dan melapor kepada Lembaga Pengarah selepas setiap mesyuarat.

Komposisi Jawatankuasa Percalonan adalah seperti berikut:

(a) Wong Kwan @ Wong Kwong Kwan (Pengarah Bebas Bukan Eksekutif)
(b) Danny Ng Siew L'Leong (Pengarah Bebas Bukan Eksekutif)
(c) Datuk Dr. Anis bin Ahmad (Pengarah Bebas Bukan Eksekutif)

Jawatankuasa Ganjaran

Jawatankuasa Ganjaran terdiri daripada ahli-ahli berikut:

(a) Kam Lang Fatt @ Kim Leng Fatt (Pengerusi dan Pengarah Urusan)
(b) Wong Kwan @ Wong Kwong Kwan (Pengarah Bebas Bukan Eksekutif)
(c) Danny Ng Siew L'Leong (Pengarah Bebas Bukan Eksekutif)
(d) Datuk Dr. Anis bin Ahmad (Pengarah Bebas Bukan Eksekutif)

Jawatankuasa Ganjaran bermesyuarat apabila perlu, sekurang-kurangnya setahun sekali. Tugas mereka adalah untuk mencadang dan menasihat Lembaga Pengarah mengenai ganjaran untuk Pengarah Eksekutif. Penentuan ganjaran bagi Pengarah Bukan Eksekutif adalah urusan Lembaga Pengarah keseluruhannya. Pengarah-Pengarah tidak terlibat dalam perbincangan ataupun keputusan mengenai ganjaran mereka sendiri. Lembaga Pengarah akan mengesyorkan yuran bagi Pengarah-Pengarah supaya diluluskan oleh pemegang saham pada Mesyuarat Agung Tahunan Syarikat.

Ganjaran bagi Pengarah-Pengarah Syarikat (tidak termasuk Pengarah-Pengarah anak syarikat) untuk tahun kewangan dalam kajian adalah seperti berikut:

	Gaji dan Lain-lain Emolumen (RM)	Yuran (RM)	Yuran Kehadiran (RM)	Manfaat (RM)
Pengarah Eksekutif	1,365,439	332,500	20,000	55,088
Pengarah Bukan Eksekutif	-	75,000	27,000	-

Bidang Ganjaran Setahun	Pengarah Eksekutif	Pengarah Bukan Eksekutif
RM50,000 ke bawah	-	3
RM150,000 ke RM200,000	1	-
RM400,000 ke RM450,000	2	-
RM650,000 ke RM700,000	1	-

Menurut kontrak perkhidmatan mereka dengan subsidiari Kumpulan, pakej ganjaran Pengarah Eksekutif termasuk gantirugi bagi kehilangan jawatan adalah sehingga enam (6) bulan gaji yang terakhir Pengarah tersebut.

(Bagi tujuan keselamatan dan kesulitan, ganjaran pengarah individu tidak ditunjukkan. Lembaga Pengarah berpendapat bahawa ganjaran yang dibentangkan di atas telah memenuhi aspek ketelusan dan tanggungjawab dibawah tadbir urus korporat mengenai ganjaran pengarah telah dilayani dengan sepatutnya.)

Penyata tadbir urus korporat (sambungan)

Pendidikan Berterusan Pengarah

Kesemua Pengarah telah menghadiri pelbagai program pendidikan dan seminar untuk meningkatkan pengetahuan dengan perkembangan di pasaran. Syarikat ini sentiasa mengenal pasti persidangan dan seminar-seminar yang memanfaatkan Pengarah-Pengarah.

Diantara program latihan, seminar dan persidangan yang dihadiri termasuk Mendirikan Lembaga Pengarah yang bertaraf dunia, "The 24 Carrot Manager", Memperkembangkan KPI yang berjaya, serta Konvensyen Pengusaha Nasional mengenai Strategi Pertumbuhan Korporat dan "Blue Ocean Innovalue".

PEMEGANG SAHAM

Lembaga Pengarah mengakui bahawa pemegang saham perlu diberitahu kesemua maklumat penting yang mempengaruhi perniagaan Syarikat.

Lembaga Pengarah berkomunikasikan maklumat mengenai operasi, aktiviti dan prestasi Kumpulan melalui:

- *(i) Laporan Tahunan, yang mengandungi maklumat mengenai tinjauan kewangan dan operasi terhadap perniagaan, penyata kewangan Kumpulan, laporan Jawatankuasa Audit dan kegiatannya;*
- *(ii) pelbagai pengumuman kepada Bursa Securities, termasuk pengumuman mengenai keputusan kewangan yang tepat pada setiap suku tahun. Pada masa yang sama, Syarikat mengamalkan polisi untuk mengeluarkan pengumuman awam kepada suratkhabar dan penerbitan utama; dan*
- *(iii) dialog kerap dengan penganalisis dan pengurus dana yang mewakili pemegang saham Syarikat, samada orang persendirian atau institusi.*

Syarikat mengunakan Mesyuarat Agung Tahunan sebagai cara untuk berkomunikasi dengan pemegang saham, di mana pemegang saham dialu-alukan untuk mengemukakan soalan-soalan mengenai agenda-agenda mesyuarat agung tersebut.

AKAUNTABILITI DAN AUDIT

Pelaporan Kewangan

Dalam mengemukakan penyata kewangan tahunan dan pengumuman keputusan suku tahun, Pengarah-Pengarah berhasrat untuk membentangkan penilaian kedudukan kewangan serta prospek Kumpulan yang seimbang dan dapat difahami. Jawatankuasa Audit mengkaji semula setiap laporan kewangan dan maklumat yang akan dikemukakan sebelum mengesyorkannya kepada Lembaga untuk kelulusannya.

Laporan oleh Jawatankuasa Audit dibentangkan di mukasurat 31 hingga 33 di dalam Laporan Tahunan ini.

Penyata tadbir urus korporat (sambungan)

Penyata Tanggungjawab Pengarah-Pengarah Berhubung Dengan Penyata Kewangan

Pengarah-Pengarah berusaha untuk menyediakan penyata-penyata kewangan bagi setiap tahun kewangan yang memberikan pandangan yang benar dan saksama mengenai hal-ehwal Kumpulan dan Syarikat pada akhir tahun kewangan dan keputusannya bagi tahun tersebut. Seperti yang diwajibkan oleh Akta Syarikat 1965 dan Syarat-syarat Penyenaraian Bursa Securities, penyata-penyata kewangan disediakan menurut piawaian-piawaian perakaunan diluluskan di Malaysia.

Dalam menyediakan penyata-penyata kewangan, Pengarah-Pengarah telah mengamalkan polisi perakaunan yang patut dan menggunakannya secara konsisten, serta disokong oleh anggaran dan keputusan yang munasabah dan berhemat. Penyata-penyata kewangan telah disediakan berasaskan dengan andaian perniagaan berterusan.

Pengarah-Pengarah bertanggungjawab untuk memastikan bahawa Kumpulan dan Syarikat menyimpan rekod-rekod perakaunan yang memberikan maklumat yang tepat dan munasabah tentang kedudukan kewangan mereka. Pengarah-Pengarah juga bertanggungjawab untuk mengambil langkah yang sewajarnya untuk melindungi aset Kumpulan bagi mencegah dan mengesan penipuan serta kepincangan yang lain.

Hubungan Dengan Juruaudit

Peranan Jawatankuasa Audit berkaitan dengan Juruaudit-Juruaudit dinyatakan pada mukasurat 31 hingga 33 di dalam Laporan Tahunan ini.

Melalui Jawatankuasa Audit, Lembaga Pengarah telah mewujudkan perhubungan yang telus dengan kedua-dua juruaudit luaran dan dalaman. Juruaudit-Juruaudit akan memberitahu pihak pengurusan dahulu, dan kemudiannya jika perlu, Jawantankuasa Audit dan Lembaga, mengenai perkara-perkara yang memerlukan perhatian mereka, terutamanya mengenai urusan risiko dan segala kekurangan yang mustahak dalam sistem kawalan dan pematuhan Kumpulan. Jawatankuasa Audit digalakkan untuk mengadakan mesyuarat dengan juruaudit luar, tanpa kehadiran Pengarah Eksekutif dan pihak pengurusan.

MAKLUMAT LAIN

Kontrak-Kontrak Penting yang melibatkan Pengarah-Pengarah dan/atau Pemegang-Pemegang Saham Utama

Selain daripada yang dikemukakan di penyata-penyata kewangan Kumpulan dan Syarikat untuk tahun kewangan 31 Disember 2006, Syarikat dan/atau anak-anak syarikatnya tidak meterai sebarang kontrak mustahak yang melibatkan kepentingan Pengarah-Pengarah dan pemegang saham utama.

Yuran Bukan Audit

Untuk tahun kewangan berakhir 31 Disember 2006, yuran bukan audit yang datang dari servis kepada Syarikat atau anak syarikatnya oleh juruaudit luaran atau firma atau pertubuhan yang berkaitan dengannya, adalah sebanyak RM2,000.

Audit committee report

MEMBERSHIP AND MEETINGS

The Audit Committee was established by the Board of Directors in 1998. The members of the Committee comprise the following directors and details of attendance of each member at the Committee meetings during the financial year ended 31 December 2006 are as follows:

Name	Status of Directorship	Attendance of Meetings	%
Wong Kwan @ Wong Kwong Kwan (Audit Committee Chairman)	Independent Non-Executive Director	4/4	100
Danny Ng Siew L'Leong	Independent Non-Executive Director	4/4	100
Datuk Dr. Anis bin Ahmad	Independent Non-Executive Director	4/4	100
Kam Foong Sim	Executive Director (and a member of Malaysian Institute of Accountants)	4/4	100

ACTIVITIES

During the financial year under review, the activities of the Audit Committee included the following:

(a) Review the external audit plan, scope and nature of statutory audit of the Group's financial statements;
(b) Review the external audit reports and the results of the external auditors' examination;
(c) Review the external auditor's recommendations and Management responses in relation thereto;
(d) Review the financial results of the Group;
(e) Review the risk assessment of the Group;
(f) Review the internal audit plan and reports with its issues and recommendations arising from the audit;
(g) Review related party transactions and conflict of interest situations that may arise within the Group;
(h) Review the budget for the coming year and monitor the Group's financial results against the budget; and
(i) Consider the appointment of Internal and External Auditors and their audit fee.

INTERNAL AUDIT FUNCTION

The Internal Auditor, an external consultant, is responsible for reviewing the process of the internal control functions as well as enhancing the efficiency and effectiveness of the internal control system of the Group by providing constructive and value-added recommendations. It provides the Audit Committee with independent and objective reports on the state of internal control of the various operating divisions within the Group, and the extent of compliance of the divisions with the Group's established policies and procedures as well as relevant statutory requirements.

The Audit Committee reviewed all the internal audit reports generated by the Internal Auditors and ensured that appropriate actions were taken on the recommendations arising from the audits.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Composition

* The Committee shall be appointed from amongst the Board and shall:
  (i) comprise no fewer than three (3) members;
  (ii) comprise a majority of independent directors; and
  (iii) have at least one (1) member who is a member of the Malaysian Institute of Accountants or who complies with paragraph 15.10 of the Listing Requirements of Bursa Malaysia Securities Berhad.
* The Chairman, who shall be elected by the Audit Committee, shall be an independent director.
* In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.

Audit committee report (continued)

Duties

* To review with the external auditors on:
  (i) the audit plan, its scope and nature;
  (ii) the audit report;
  (iii) the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
  (iv) the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.
* To review with Management on:
  (i) audit reports and management letter issued by the external auditors and the implementation of audit recommendations;
  (ii) interim financial information; and
  (iii) the assistance given by the officers of the Company to external auditors.
* To review the quarterly reports on consolidated results and annual financial statements prior to submission to the Board of Directors, focusing particularly on:
  (i) changes in or implementation of major accounting policy;
  (ii) significant and unusual events;
  (iii) the going concern assumption; and
  (iv) compliance with accounting standards and other legal requirements.
* To review whether there is reason (supported by grounds) to believe that the Group's external auditors is not suitable for re-appointment.
* To consider the audit fee and any questions of resignation or dismissal of the external auditors of the Group.
* To review the adequacy of the scope, functions and resources and setting of performance standards of the internal audit function.
* To review the internal audit programme, processes and the results thereof or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
* To provide assurance to the Board of Directors on the effectiveness of the system of internal controls and risk management practices of the Group.
* To consider the nomination of a person or persons as auditors (whether internal or external).
* To review any related party transaction and conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

Rights

The Audit Committee shall:

(a) have authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Group;
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) have the right to obtain independent professional or other advice at the Company's expense;
(f) have the right to convene meetings with the external auditors, excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary; and
(g) promptly report to the Bursa Malaysia Securities Berhad matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad.

Meetings

* The Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.
* The Company Secretary shall be the Secretary of the Committee.
* The Chairman shall upon request of the auditors convene a meeting of the Audit Committee to consider any matter the auditors believe should be brought to the attention of the directors or shareholders.
* The external auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee.

Laporan jawatankuasa audit

KEAHLIAN DAN MESYUARAT

Jawatankuasa Audit telah ditubuhkan oleh Lembaga Pengarah pada 1998. Ahli-ahli Jawatankuasa ini terdiri daripada Pengarah-Pengarah yang berikut dan butir-butir kehadiran setiap ahli di mesyuarat jawatankuasa pada tahun kewangan berakhir 31 Disember 2006 adalah seperti berikut:

Nama	Taraf Ahli Lembaga Pengarah	Kehadiran Untuk Mesyuarat	%
Wong Kwan @ Wong Kwong Kwan (Pengerusi Jawatankuasa Audit)	Pengarah Bebas Bukan Eksekutif	4/4	100
Danny Ng Siew L'Leong	Pengarah Bebas Bukan Eksekutif	4/4	100
Datuk Dr. Anis bin Ahmad	Pengarah Bebas Bukan Eksekutif	4/4	100
Kam Foong Sim	Pengarah Eksekutif (dan ahli Institut Akauntan Malaysia)	4/4	100

KEGIATAN

Berikut ialah kegiatan Jawatankuasa Audit sepanjang tahun kewangan dalam kajian:

(a) *Menyemak perancangan audit luaran, skop dan dasar audit berkanun ke atas penyata kewangan Kumpulan;*
(b) *Menyemak laporan audit dari juruaudit luaran dan keputusan pemeriksaan juruaudit luaran;*
(c) *Menyemak saranan dari juruaudit luaran dan respons pihak pengurusan sehubungan dengan itu;*
(d) *Menyemak keputusan kewangan Kumpulan;*
(e) *Menyemak penilaian risiko Kumpulan;*
(f) *Menyemak perancangan audit dalaman dan laporan juruaudit dalaman, serta isu-isu dan saranan yang timbul dari audit;*
(g) *Menyemak urus niaga pihak berkaitan dan percanggahan faedah yang mungkin timbul dalam Kumpulan;*
(h) *Menyemak belanjawan untuk tahun yang akan datang dan mengawasi keputusan kewangan Kumpulan berbanding dengan belanjawan; dan*
(i) *Mempertimbangkan perlantikan juruaudit dalaman dan luaran serta yuran audit mereka.*

FUNGSI AUDIT DALAMAN

Juruaudit Dalaman, iaitu penasihat luar, bertanggungjawab untuk mengkaji proses fungsi kawalan dalaman serta mempertinggikan kecekapan dan keberkesanan sistem kawalan dalaman Kumpulan dengan memberi saranan yang membina dan menambah nilai. Ia memberi Jawatankuasa Audit laporan yang bebas dan objektif mengenai keadaan kawalan dalaman di bahagian-bahagian operasi Kumpulan, dan tahap pematuhan oleh bahagian-bahagian tersebut kepada polisi dan prosedur yang ditubuhkan oleh Kumpulan serta tuntutan berkanun berkaitan.

Jawatankuasa Audit menyemak kesemua laporan audit dalaman yang diterbitkan oleh Juruaudit Dalaman dan memastikan bahawa tindakan yang sewajarnya telah diambil ke atas saranan yang timbul dari audit.

Laporan jawatankuasa audit (sambungan)

TERMA-TERMA RUJUKAN JAWATANKUASA AUDIT

Komposisi

* *Jawatankuasa ini akan dilantik dari kalangan Lembaga Pengarah dan akan:*
  - *(i) terdiri tidak kurang daripada tiga (3) orang ahli;*
  - *(ii) majoriti ahlinya mestilah pengarah bebas; dan*
  - *(iii) sekurang-kurangnya seorang ahli adalah ahli Institut Akauntan Malaysia atau beliau mestilah seorang yang mematuhi perenggan 15.10 dari Syarat-Syarat Penyenaraian Bursa Malaysia Securities Berhad.*
* *Pengerusi yang dilantik oleh Jawatankuasa Audit mestilah seorang pengarah bebas.*
* *Jikalau ada jawatan kosong yang menyebabkan ketidakpatuhan sebarang terma-terma ini, penggantiannya mesti dilantik dalam masa tiga (3) bulan.*

Tugas

* *Untuk menyemak bersama dengan juruaudit luaran perkara-perkara berikut:*
  - *(i) perancangan audit, skop dan dasarnya;*
  - *(ii) laporan audit;*
  - *(iii) keputusan daripada penilaian terhadap polisi perakaunan dan sistem kawalan dalaman perakaunan dalam Kumpulan; dan*
  - *(iv) bantuan yang diberi oleh pegawai Syarikat kepada juruaudit luaran, termasuk sebarang masalah atau perselisihan dengan pihak pengurusan semasa audit.*
* *Untuk menyemak bersama dengan pihak pengurusan perkara-perkara berikut:*
  - *(i) laporan audit dan surat pihak pengurusan yang dikeluarkan oleh juruaudit luaran dan perlaksanaan saranan audit;*
  - *(ii) maklumat interim kewangan; dan*
  - *(iii) bantuan yang diberi oleh pegawai Syarikat kepada juruaudit luaran.*
* *Untuk menyemak laporan suku tahun atas keputusan kewangan yang disatukan dan penyata kewangan tahunan sebelum penyerahan kepada Lembaga Pengarah, yang mana fokus utama adalah:*
  - *(i) perubahan atau perlaksanaan polisi perakaunan yang utama;*
  - *(ii) peristiwa penting dan luar biasa;*
  - *(iii) andaian kemajuan; dan*
  - *(iv) pematuhan terhadap piawaian perakaunan dan lain-lain tuntutan undang-undang.*
* *Untuk menyemak sama ada terdapat alasan yang disokong dengan bukti untuk mempercayai bahawa juruaudit luaran Kumpulan tidak sesuai untuk dilantik semula.*
* *Untuk mempertimbangkan yuran audit dan sebarang persoalan mengenai perletakan jawatan atau pemecatan juruaudit luaran Kumpulan.*
* *Untuk menyemak kecukupan skop, fungsi dan sumber dan menentukan standard prestasi untuk audit dalaman.*
* *Untuk menyemak program audit dalaman, proses dan keputusan darinya atau penyiasatan yang dijalankan dan sama ada tindakan yang sewajarnya dilaksanakan ke atas saranan fungsi audit dalaman.*
* *Untuk memberi jaminan kepada Lembaga Pengarah mengenai kecekapan sistem kawalan dalaman dan amalan pengurusan risiko Kumpulan.*
* *Untuk mempertimbangkan pencalonan seseorang sebagai juruaudit (sama ada dalaman atau luaran).*
* *Untuk menyemak sebarang urusan pihak berkaitan dan percanggahan faedah yang mungkin timbul dalam Syarikat atau Kumpulan termasuk sebarang urusan, prosedur atau perlaksanaan yang menimbulkan persoalan mengenai integriti pihak pengurusan.*

Laporan jawatankuasa audit (sambungan)

Hak-hak

Jawatankuasa Audit akan:

(a) mempunyai kuasa untuk menyiasat sebarang perkara di dalam terma-terma rujukannya;
(b) mempunyai sumber-sumber yang diperlukan untuk menjalankan tugasnya;
(c) mempunyai akses sepenuhnya kepada semua maklumat mengenai Kumpulan;
(d) mempunyai saluran komunikasi terus dengan juruaudit luaran dan orang-orang yang menjalankan fungsi atau aktiviti audit dalaman;
(e) berhak untuk mendapatkan sebarang nasihat profesional di atas perbelanjaan Syarikat;
(f) berhak untuk mengadakan mesyuarat dengan juruaudit luaran, tanpa kehadiran ahli-ahli eksekutif jawatankuasa bila diperlukan; dan
(g) laporan segera kepada Bursa Malaysia Securities Berhad sebarang urusan yang belum diselesaikan dengan memuaskan oleh Lembaga Pengarah, menyebabkan pengabaian terhadap Syarat-Syarat Penyenaraian Bursa Malaysia Securities Berhad.

Mesyuarat

* *Jawatankuasa ini akan mengadakan mesyuarat sekurang-kurangnya empat (4) kali setiap tahun kewangan. Koram mesyuarat mestilah terdiri daripada dua (2) orang ahli, dimana kebanyakan ahli yang menghadiri mesyuarat tersebut mestilah pengarah bebas.*
* *Setiausaha Syarikat akan menjadi Setiausaha Jawatankuasa.*
* *Atas permintaan juruaudit luaran, Pengerusi Jawatankuasa Audit akan mengadakan mesyuarat Jawatankuasa Audit untuk mempertimbangkan sebarang perkara yang juruaudit luaran fikir perlu dimaklumkan kepada para Pengarah atau pemegang saham.*
* *Juruaudit luaran berhak untuk hadir di mana-mana mesyuarat Jawatankuasa Audit dan mesti hadir apabila dikehendaki oleh Jawatankuasa.*

Statement on internal control

The Board of Directors is primarily responsible for the Group's system of internal controls and for reviewing its adequacy and integrity. In view of the inherent limitations in any system of internal controls, this system is designed to manage rather than eliminate the multitude of risks to which the Group is exposed. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal controls includes, inter-alia, financial, budgetary, operational and compliance controls.

The New Hoong Fatt Group has implemented a risk management framework to identify, evaluate and manage the significant risks affecting the Group's operations and business. Management is responsible for the identification and evaluation of the significance of each risk applicable to their business together with the implementation of suitable internal controls. Monitoring risk is a continuous and ongoing process.

The Group has also appointed a professional firm of consultants to carry out regular reviews on the system of internal controls to provide an independent assessment of its adequacy and integrity in managing the significant risks. After every review, a report on the audit findings will be submitted to the Audit Committee for their consideration.

The Board of Directors
New Hoong Fatt Holdings Berhad

Penyata kawalan dalaman

Lembaga Pengarah bertanggungjawab ke atas sistem kawalan dalaman Kumpulan dan menilai kecukupan dan integriti sistemnya. Berikutan pembatasan yang sedia ada dalam sebarang sistem kawalan dalaman, sistem ini adalah direka untuk mengurus dan bukannya untuk menghapuskan kesemua risiko-risiko yang dihadapi Kumpulan. Oleh itu, sistem tersebut hanya dapat memberi jaminan berpatutan dan bukan menyeluruh terhadap sebarang salah penyataan atau kerugian ketara. Sistem kawalan dalaman Kumpulan meliputi, antara lainnya, kawalan-kawalan kewangan, urusan belanjawan, operasi dan pematuhan.

Kumpulan New Hoong Fatt telah menubuhkan suatu Rangka Kerja Pengurusan Risiko bagi mengenal pasti, menilai dan mengurus risiko penting yang mempengaruhi operasi dan perniagaan Kumpulan. Pihak Pengurusan bertanggungjawab ke atas mengenal pasti dan menilai kepentingan setiap risiko ke atas perniagaan mereka bersama dengan penubuhan kawalan dalaman yang sesuai. Pemantauan risiko adalah suatu proses yang berterusan.

Kumpulan juga telah melantik suatu firma penasihat profesional untuk menjalankan kajian-kajian yang kerap ke atas sistem kawalan dalaman untuk memberi penilaian berkecuali mengenai kecukupan dan integriti sistemnya dari segi pengurusan risiko utama. Selepas setiap kajian, suatu laporan ke atas keputusan audit di serahkan kepada Jawatankuasa Audit untuk pertimbangan mereka.

Lembaga Pengarah
New Hoong Fatt Holdings Berhad

financial statements

Directors' report

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary companies during the financial year other than as disclosed in Note 8 to the financial statements.

RESULTS

	Group RM	Company RM
Net profit for the financial year	26,899,714	10,950,537

DIVIDENDS

Dividends paid since the end of the previous financial year in respect of the financial year ended 31 December 2005 were as follows:-

	RM
An interim tax exempt dividend of 3% paid on 6 April 2006	2,254,698
A final tax exempt dividend of 8% paid on 7 July 2006	6,012,528
	8,267,226

On 14 November 2006, the directors declared an interim tax exempt dividend of 3%, amounting to RM2,254,698 in respect of the current financial year and was paid on 10 January 2007. The directors also proposed a final dividend of 11% gross, less tax at 27%, amounting to RM6,035,075 in respect of the current financial year which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the financial statements.

DIRECTORS

The directors who held office since the date of the last report are:-

Kam Lang Fatt @ Kim Leng Fatt
Chin Jit Sin
Kam Foong Keng
Wong Kwan @ Wong Kwong Kwan
Danny Ng Siew L'Leong
Kam Foong Sim
Datuk Dr Anis Bin Ahmad

In accordance with Article 78 of the Company's Articles of Association, Mr. Kam Lang Fatt @ Kim Leng Fatt and Ms. Kam Foong Sim retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. Wong Kwan @ Wong Kwong Kwan retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that Mr. Wong Kwan @ Wong Kwong Kwan be re-appointed as director of the Company pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' INTERESTS

Except as stated below, no other directors holding office at the end of the financial year had any beneficial interests in the ordinary shares of the Company and related companies during the financial year ended 31 December 2006, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965:-

	Number of ordinary shares of RM1.00 each			
Shares in the Company	**Balance at 1.1.2006**	**Bought**	**Sold**	**Balance at 31.12.2006**
Direct interest				
Kam Lang Fatt @ Kim Leng Fatt	21,700,400	-	-	21,700,400
Kam Foong Keng	3,920,542	-	-	3,920,542
Chin Jit Sin	838,200	-	-	838,200
Wong Kwan @ Wong Kwong Kwan	24,000	-	-	24,000
Kam Foong Sim	652,400	675,000	-	1,327,400
Indirect interest				
Kam Lang Fatt @ Kim Leng Fatt	720,000	-	-	720,000

By virtue of Section 6A of the Companies Act, 1965, Mr. Kam Lang Fatt @ Kim Leng Fatt, Madam Kam Foong Keng, Mr. Chin Jit Sin and Ms. Kam Foong Sim are also deemed to have beneficial interest in the shares of the subsidiary companies to the extent the Company has an interest.

Directors' report (continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for:-

(a) a director who may be deemed to derive benefits by virtue of the following:-

    (i) trade transactions entered into with companies in which the director has substantial financial interest;

    (ii) rental of RM108,000 paid to a company in which the director has substantial financial interest; and

(b) certain directors who received remuneration from the subsidiary companies as directors or executive of the subsidiary companies.

The details of the above transactions are disclosed in Note 26 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY: -

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:-

    (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

    (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The directors are not aware of any circumstances:-

    (i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

    (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

    (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY: - (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

(d) In the opinion of the directors:-

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of financial year.

(g) The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Kam Foong Keng
Director

Kam Foong Sim
Director

Kuala Lumpur
27 February 2007

Statement by directors

In the opinion of the directors, the financial statements set out on pages 42 to 84 have been drawn up in accordance with applicable approved accounting standards in Malaysia for entities other than private entities so as to give a true and fair view of:-

(i) the state of affairs of the Group and of the Company as at 31 December 2006 and of their results for the financial year then ended; and

(ii) the cash flows of the Group and of the Company for the financial year ended 31 December 2006.

On behalf of the Board,

Kam Foong Keng
Director

Kam Foong Sim
Director

Kuala Lumpur
27 February 2007

Statutory declaration

I, Tan Man Soon (MIA 11717), being the officer primarily responsible for the financial management of New Hoong Fatt Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 42 to 84 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
27 February 2007)

Before me:-

A.T. Velu
No. W240
Commissioner for Oaths

Report of the auditors

to the members of NEW HOONG FATT HOLDINGS BERHAD

We have audited the financial statements set out on pages 42 to 84.

These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

(a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia for entities other than private entities and the provisions of the Companies Act, 1965 so as to give a true and fair view of:-

  (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

  (ii) the state of affairs of the Group and of the Company as at 31 December 2006 and of their results and cash flows for the financial year then ended;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

BDO Binder
AF : 0206
Chartered Accountants

Ng Chee Hoong
2278/10/08 (J)
Partner

Kuala Lumpur
27 February 2007

Balance sheets

as at 31 December 2006

		Group		Company	
		2006	2005	2006	2005
	NOTE	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**148,820,597**	151,277,432	**-**	-
Investment properties	7	**7,200,000**	-	**-**	-
Investment in subsidiary companies	8	**-**	-	**80,751,949**	81,251,949
Trade and other receivables	9	**-**	-	**3,832,982**	22,190,255
Investments	10	**83,000**	83,000	**-**	-
Goodwill on business combinations	11	**31,225,470**	31,225,470	**-**	-
Total non-current assets		**187,329,067**	182,585,902	**84,584,931**	103,442,204
Current assets					
Inventories	12	**22,886,688**	25,826,600	**-**	-
Trade and other receivables	9	**38,829,559**	40,663,501	**2,370**	17,500
Tax recoverable		**25,148**	5,258	**13,958**	5,258
Cash and bank balances		**11,807,687**	9,357,429	**78,258**	43,998
Total current assets		**73,549,082**	75,852,788	**94,586**	66,756
Total assets		**260,878,149**	258,438,690	**84,679,517**	103,508,960
LIABILITIES					
Current liabilities					
Trade and other payables	13	**12,140,616**	31,936,524	**2,363,599**	20,394,251
Borrowings (interest bearing)	14	**37,868,874**	37,125,708	**-**	-
Tax liability		**706,888**	492,347	**5,011**	-
Total current liabilities		**50,716,378**	69,554,579	**2,368,610**	20,394,251

The attached notes form an integral part of the financial statements.

Balance sheets (continued)

as at 31 December 2006

	NOTE	Group 2006 RM	Group 2005 RM	Company 2006 RM	Company 2005 RM
Non-current liabilities					
Trade and other payables	13	**-**	-	**-**	1,232,415
Borrowings (interest bearing)	14	**2,112,739**	9,006,957	**-**	-
Deferred tax liabilities	16	**15,727,037**	13,104,468	**-**	-
Total non-current liabilities		**17,839,776**	22,111,425	**-**	1,232,415
Total liabilities		**68,556,154**	91,666,004	**2,368,610**	21,626,666
NET ASSETS		**192,321,995**	166,772,686	**82,310,907**	81,882,294
EQUITY					
Equity attributable to equity holders of the parent					
Share capital	17	**75,156,600**	75,156,600	**75,156,600**	75,156,600
Reserves	18	**117,165,395**	91,616,086	**7,154,307**	6,725,694
Total equity		**192,321,995**	166,772,686	**82,310,907**	81,882,294

The attached notes form an integral part of the financial statements.

Income statements

for the financial year ended 31 December 2006

		Group		Company	
		2006	2005	2006	2005
	NOTE	RM	RM	RM	RM
Revenue	19	**156,904,042**	154,156,787	**12,020,000**	12,146,234
Cost of sales		**(111,273,061)**	(109,694,270)	**-**	-
Gross profit		**45,630,981**	44,462,517	**12,020,000**	12,146,234
Other operating income		**9,678,544**	4,385,592	**-**	21
Selling and distribution expenses		**(5,958,069)**	(5,394,600)	**-**	-
Administration expenses		**(15,665,467)**	(16,804,300)	**(656,450)**	(1,094,283)
Other operating expenses		**(735,409)**	-	**-**	-
Finance costs		**(2,262,089)**	(1,517,750)	**-**	-
Profit before tax	20	**30,688,491**	25,131,459	**11,363,550**	11,051,972
Tax expenses	22	**(3,788,777)**	(4,346,470)	**(413,013)**	(2,723,250)
Net profit for the financial year		**26,899,714**	20,784,989	**10,950,537**	8,328,722
Basic earnings per ordinary share (sen)	23	**35.79**	27.73		
Diluted earnings per ordinary share (sen)	23	**-**	27.70		
Dividends per share (sen)	24				
- interim dividend of 3% (2005: 3%), tax exempt		**3.00**	3.00		
- final dividend of 11% gross, less tax (2005: 8%, tax exempt)		**8.03**	8.00		

The attached notes form an integral part of the financial statements.

Statement of changes in equity

for the financial year ended 31 December 2006

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Group					
Balance as at 31 December 2004	72,931,600	1,211,550	3,727,256	71,151,237	149,021,643
Net profit for the financial year	-	-	-	20,784,989	20,784,989
Tax exempt dividends for financial year ended 31 December 2004					
- interim dividend	-	-	-	(2,249,178)	(2,249,178)
- final dividend	-	-	-	(6,008,288)	(6,008,288)
Share options exercised	2,225,000	2,998,520	-	-	5,223,520
Balance as at 31 December 2005	75,156,600	4,210,070	3,727,256	83,678,760	166,772,686
Net profit for the financial year	-	-	-	26,899,714	26,899,714
Revaluation surplus, net of deferred tax	-	-	9,171,519	-	9,171,519
Tax exempt dividends for financial year ended 31 December 2005 (Note 24)					
- interim dividend	-	-	-	(2,254,698)	(2,254,698)
- final dividend	-	-	-	(6,012,528)	(6,012,528)
Tax exempt dividend for financial year ended 31 December 2006 (Note 24)					
- interim dividend	-	-	-	(2,254,698)	(2,254,698)
Balance as at 31 December 2006	75,156,600	4,210,070	12,898,775	100,056,550	192,321,995

The attached notes form an integral part of the financial statements.

Statement of changes in equity (continued)

for the financial year ended 31 December 2006

	Share capital RM	Share premium RM	Retained profits RM	Total RM
Company				
Balance as at 31 December 2004	72,931,600	1,211,550	2,444,368	76,587,518
Net profit for the financial year	-	-	8,328,722	8,328,722
Tax exempt dividends for financial year ended 31 December 2004				
- interim dividend	-	-	(2,249,178)	(2,249,178)
- final dividend	-	-	(6,008,288)	(6,008,288)
Share options exercised	2,225,000	2,998,520	-	5,223,520
Balance as at 31 December 2005	75,156,600	4,210,070	2,515,624	81,882,294
Net profit for the financial year	-	-	10,950,537	10,950,537
Tax exempt dividends for financial year ended 31 December 2005 (Note 24)				
- interim dividend	-	-	(2,254,698)	(2,254,698)
- final dividend	-	-	(6,012,528)	(6,012,528)
Tax exempt dividends for financial year ended 31 December 2006 (Note 24)				
- interim dividend	-	-	(2,254,698)	(2,254,698)
Balance as at 31 December 2006	75,156,600	4,210,070	2,944,237	82,310,907

The attached notes form an integral part of the financial statements.

Cash flow statements

for the financial year ended 31 December 2006

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**30,688,491**	25,131,459	**11,363,550**	11,051,972
Adjustments for:-				
Allowance for doubtful debts	**163,523**	64,039	**-**	-
Allowance for doubtful debts no longer required	**(9,400)**	(62,189)	**-**	-
Amortisation of goodwill	**-**	1,335,158	**-**	-
Bad debts written off	**1,160**	263	**-**	-
Depreciation of property, plant and equipment	**14,611,267**	14,632,775	**-**	-
Dividend income	**-**	-	**(11,660,000)**	(12,020,234)
Gain from fair value adjustment of investment properties	**(2,531,377)**	-	**-**	-
Gain on disposal of investment properties	**(2,628,981)**	-	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(224,416)**	43,856	**-**	-
Impairment loss on property, plant and equipment	**317,989**	-	**-**	-
Interest expense	**2,486,253**	2,354,793	**224,164**	837,043
Interest income	**(317,719)**	(148,136)	**-**	-
Loss on striking off of a subsidiary company	**-**	-	**-**	9,206
Loss on voluntary winding up of a subsidiary company	**-**	-	**14,738**	-
Property, plant and equipment written off	**19,137**	18,868	**-**	-
Revaluation deficit on property, plant and equipment	**417,420**	-	**-**	-
Unrealised loss on foreign exchange	**199,351**	-	**-**	-
Operating profit/(loss) before working capital changes	**43,192,698**	43,370,886	**(57,548)**	(122,013)
Decrease/(Increase) in inventories	**2,939,912**	(5,666,354)	**-**	-
Decrease/(Increase) in trade and other receivables	**1,479,308**	(1,118,765)	**15,130**	(13,450)
(Decrease)/Increase in trade and other payables	**(1,890,378)**	(272,439)	**(350)**	993
Cash generated from/(used in) operations	**45,721,540**	36,313,328	**(42,768)**	(134,470)
Dividend received	**-**	-	**7,938,040**	9,297,794
Interest paid	**(942)**	(3,865)	**-**	-
Tax (paid)/refund	**(3,083,213)**	(3,980,774)	**5,258**	7,784
Net cash from operating activities	**42,637,385**	32,328,689	**7,900,530**	9,171,108

Cash flow statements (continued)

for the financial year ended 31 December 2006

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of investment properties	**7,858,124**	-	**-**	-
Proceeds from disposal of property, plant and equipment	**494,118**	1,118,272	**-**	-
Purchase of property, plant and equipment	**(11,668,499)**	(33,464,828)	**-**	-
Repayment from subsidiary companies	**-**	-	**21,657,273**	13,467,778
Interest received	**317,719**	148,136	**-**	-
Net cash (used in)/from investing activities	**(2,998,538)**	(32,198,420)	**21,657,273**	13,467,778
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment to directors	**(20,285,000)**	(20,000,000)	**(20,285,000)**	(20,000,000)
(Repayment to)/Advances from subsidiary companies	**-**	-	**(747,153)**	1,232,415
Interest paid	**(2,485,311)**	(2,350,928)	**(224,164)**	(837,043)
Proceeds from issue of shares	**-**	5,223,520	**-**	5,223,520
(Repayment)/Drawdown of banker's acceptance	**(6,753,000)**	22,734,000	**-**	-
Drawdown of revolving credit	**10,000,000**	-	**-**	-
Dividend paid	**(8,267,226)**	(8,257,466)	**(8,267,226)**	(8,257,466)
(Repayment)/Drawdown of term loans	**(9,398,052)**	7,328,174	**-**	-
Net cash (used in)/from financing activities	**(37,188,589)**	4,677,300	**(29,523,543)**	(22,638,574)
Net increase in cash and bank balances	**2,450,258**	4,807,569	**34,260**	312
Cash and bank balances at beginning of the financial year	**9,357,429**	4,549,860	**43,998**	43,686
Cash and bank balances at end of the financial year	**11,807,687**	9,357,429	**78,258**	43,998

The attached notes form an integral part of the financial statements.

Notes to the financial statements

31 December 2006

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Lot 5043, 5 $^1/_2$ Mile, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks including foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's overall financial risk management objective is to ensure that the Group creates value and safeguard the interests of its shareholders. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from substantial purchases of raw materials and moulds from Taiwan, China, India and South Korea. These purchases are mainly invoiced in New Taiwan Dollar and the US Dollar. The Group also sells to customers in Egypt, Pakistan, Thailand, Saudi Arabia and South America, and is invoiced in the US Dollar. The currencies giving rise to this risk are primarily the US Dollar and New Taiwan Dollar. As the effect of the currency risk is immaterial, the Group does not enter into any hedging contracts.

Liquidity risk

It is the Group's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate to the Group's operations and development activities. The Group also maintains flexibility in funding by keeping committed credit lines available.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term bank borrowings, term loan and fixed deposits placed with licensed banks. As the Group's income and operating cash flows are substantially independent of changes in market interest rates, the Group does not use derivative financial instruments to hedge its risk.

Credit risk

Cash deposits and receivables may give rise to credit risk which require the loss to be recognised if a counter party fails to perform as contracted. In order to manage this risk, it is the Group's policy to monitor the financial standing of these counter parties and perform credit evaluation on customers requiring credit.

Notes to the financial statements (continued)

31 December 2006

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary companies during the financial year other than as disclosed in Note 8 to the financial statements.

4. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Boards (MASB) and the provisions of the Companies Act, 1965.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies.

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia for entities other than private entities and the provisions of the Companies Act, 1965 requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:-

- Note 5.5 Revaluation of property, plant and equipment
- Note 5.6 Fair value of investment properties
- Note 5.8 Impairment of goodwill on business combinations

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.2 Changes in accounting policies

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year, except for the adoption of the following new/revised Financial Reporting Standards ("FRS") which are relevant to the Group and the Company, effective for the financial year beginning 1 January 2006:-

FRS 3	Business combinations
FRS 101	Presentation of financial statements
FRS 102	Inventories
FRS 108	Accounting policies, changes in accounting estimates and errors
FRS 110	Events after the balance sheet date
FRS 116	Property, plant and equipment
FRS 121	The effects of changes in foreign exchange rates
FRS 127	Consolidated and separate financial statements
FRS 132	Financial instruments: disclosure and presentation
FRS 133	Earnings per share
FRS 136	Impairment of assets
FRS 138	Intangible assets
FRS 140	Investment property

The adoption of the above FRSs does not have any significant financial impact on the Group and the Company except for the following:-

(a) FRS 3: Business combinations and FRS 136: Impairment of assets and FRS 138: Intangible assets

FRS 3 requires goodwill acquired in a business combination to be measured at cost and tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in the income statement and subsequent reversal is not allowed.

Prior to 1 January 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 25 years. The transitional provisions of FRS 3, however, require the Group to eliminate on 1 January 2006 the carrying amount of the accumulated amortisation against the carrying amount of goodwill. The carrying amount of goodwill as at 1 January 2006 ceased to be amortised but subject to impairment test annually. The effects of adopting FRS 3 are set out in Note 11 to the financial statements.

(b) FRS 140: Investment property

The Group has reclassified certain properties which are held to earn rentals and for capital appreciation from property, plant and equipment to investment properties. As a result of adopting FRS 140, investment properties are measured at fair value, gains or losses arising from changes in the fair values of investment properties are recognised in the income statement in the period in which they arise.

Prior to 1 January 2006, these properties are stated at cost less accumulated depreciation under property, plant and equipment. In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparative as at 31 December 2005 is not restated. The effects of adopting FRS 140 are set out in Note 7 to the financial statements.

Notes to the financial statements (continued)

31 December 2006

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 Standards that are not yet effective and have not been early adopted by the Group and the Company

The MASB has issued a number of new and revised FRSs which are relevant to the Group and the Company that are effective for accounting periods beginning after 1 January 2006 as follows:-

FRS 117	Leases	Effective for annual period beginning on or after 1 October 2006
FRS 124	Related party disclosure	Effective for annual period beginning on or after 1 October 2006
FRS 139	Financial instruments: recognition and measurement	Effective date yet to be announced by the MASB

By virtue of the exemption in these standards, the impacts on its financial statements upon first adoption of these standards as required by the paragraph 30(b) of FRS 108 are not disclosed.

5.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies made up to the end of the financial year.

Subsidiary companies are those companies in which the Group has long term equity interest and where it has power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The results of subsidiary companies acquired or disposed of during the financial year are consolidated from the date on which control is transferred to the Group until the date that such control ceases.

The financial statements of the subsidiary companies have been consolidated using the merger accounting principles except for the financial statements of the subsidiary companies acquired in 2004, which are consolidated using purchase method of accounting principles, in compliance with the requirement of FRS 3 Business combinations.

Under the merger method of accounting, merger deficit being the excess of the cost of investment over the nominal value of the share capital of the subsidiary companies acquired is written off against reserves, other than the share premium account, in the consolidated financial statements. The results of subsidiary companies have been accounted for on a full year basis.

Under the purchase method of accounting, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 5.8 to the financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.4 Basis of consolidation (continued)

If the cost of acquisition is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognised immediately in profit or loss any excess remaining after that reassessment.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment.

5.5 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any.

The freehold land and buildings were revalued during the year. The freehold land and buildings are revalued at regular intervals of at least once in every five years. Where market conditions indicate that the carrying values of revalued properties differ materially from the market values, additional revaluation will be carried out in those intervening years.

Some judgements have been exercised in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year's value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

Surplus arising from such valuations is credited to shareholders' equity as a revaluation surplus and any subsequent deficit is charged against such surplus to the extent that the decrease offsets any increase. In all other cases, the deficit will be charged to the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

No depreciation has been provided for in respect of freehold land, buildings under construction and tools and dies development costs. Buildings under construction will be depreciated upon completion, on the same basis as buildings. Tools and dies development costs represent costs incurred in developing tools and dies for future production purposes which will be depreciated, upon completion, on the same basis as other tools and dies of the Group.

Notes to the financial statements (continued)

31 December 2006

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.5 Property, plant and equipment and depreciation (continued)

Depreciation of other property, plant and equipment is calculated using the straight line method to write off the cost of the assets over their estimated useful lives at the following principal annual rates:-

Leasehold land	62 years
Buildings	2%
Plant and machinery	12.5% - 20%
Tools, equipment and air-conditioners	10%
Moulds and dies	10% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 33%
Cabin containers	10%
Renovation	8% - 10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

The residual values, useful life and depreciation method are reviewed at each balance sheet date to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised. When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

5.6 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both. These include properties held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which is determined by directors by making some assumptions, based on market conditions existing at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation surplus. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statements. Upon disposal of the investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the income statement.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.6 Investment properties (continued)

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

5.7 Investments

Investments in subsidiary companies and other investments held on a long term basis are stated at cost less impairment loss, if any.

5.8 Goodwill

Goodwill represents excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary company. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gain and loss on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

5.9 Impairment of assets

The carrying amounts of assets, other than financial assets (other than investment in subsidiary companies) and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment in value and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A CGU is the smallest identifiable assets group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro-rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Estimating the value in use requires the Group to make an estimate of, gross profits margin, growth rate, the expected future cash flows from the CGU, to choose a suitable discount rate in order to calculate the present value of those cash flows and etc. The key assumptions have been made after taken into consideration of the historical trend, current market conditions and the effects of future business plans and strategies. Details of the value in use calculations are provided in Note 11 to the financial statements.

Notes to the financial statements (continued)

31 December 2006

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.9 Impairment of assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued assets was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

5.10 Foreign currency transactions and translations

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the approximate rates of exchange at the balance sheet date. All gains or losses arising from the settlement of foreign currency transactions and from translating foreign monetary assets and liabilities are taken up in the income statement.

The principal closing rates used in the translation of foreign currency amount are as follows:-

	2006 RM	2005 RM
1 US Dollar	**3.529 – 3.536**	3.776 – 3.783
1 New Taiwan Dollar	**0.109**	0.119
1 Thai Baht	**0.099**	0.096

5.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Cost of raw materials and consumables comprises original cost of purchase plus the incidental costs of bringing the inventories to their present condition and location. Work-in-progress and finished goods include the cost of raw materials, direct labour and an appropriate proportion of manufacturing overheads.

5.12 Trade and other receivables

Trade and other receivables, including amounts owing by subsidiary companies are carried at anticipated realisable value.

An allowance is made for uncollectible amounts when there is objective evidence that the Group and the Company will not be able to collect the debts. Bad debts are written off when identified.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.13 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

5.14 Trade and other payables

Trade and other payables, including amounts owing to subsidiary companies are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

5.15 Revenue recognition

Company

Revenue from management fees for management services rendered to subsidiary companies is recognised in the income statement upon performance of services and billing.

Dividends from subsidiary companies are recognised in the income statement when shareholder's right to receive payment is established.

Group

Revenue from sale of goods and rendering of services are recognised in the income statement upon the delivery of goods and customer's acceptance and performance of services.

Rental income is recognised on an accrual basis unless collectibility is in doubt.

5.16 Employee benefits

5.16.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

5.16.2 Defined contribution plans

The Company and subsidiary companies incorporated in Malaysia make contributions to statutory provident fund and recognise the contribution payable:-

(i) after deducting contributions already paid as a liability; and
(ii) as an expense in the financial year in which the employees render their services.

Notes to the financial statements (continued)

31 December 2006

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.17 Income tax

Income tax in the financial statements for the financial year comprises current tax expense and deferred tax.

5.17.1 Current tax expense

Current tax expense represents domestic tax which is based on taxable profits.

5.17.2 Deferred tax

Deferred tax, which includes deferred tax liabilities and assets, is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the income statement for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

5.18 Borrowing costs

Interest relating to a financial instrument or a component part classified as a financial liability is reported as finance cost in the income statement.

5.19 Financial instruments

5.19.1 Ordinary shares

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

Notes to the financial statements (continued)

31 December 2006

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.19 Financial instruments (continued)

5.19.2 Borrowings

Borrowings are interest-bearing and are recorded at the amount of proceeds received net of transaction costs.

5.19.3 Other financial instruments

The accounting policies for other financial instruments recognised on the balance sheet are disclosed in the individual accounting policy associated with each item.

6. PROPERTY, PLANT AND EQUIPMENT

Group

2006	Balance at 1.1.2006 RM	Additions RM	Disposals RM	Written off RM	Transfer to investment properties RM	Revaluation RM	Reclassi-fication RM	Balance at 31.12.2006 RM
Cost unless otherwise stated								
Freehold land								
- at 2006 valuation	-	-	-	-	-	-	29,862,141	29,862,141
- at 2002 valuation	15,384,638	-	-	-	(2,321,984)	2,690,225	(15,752,879)	-
- at cost	14,199,878	-	-	-	(1,545,586)	1,454,970	(14,109,262)	-
Buildings								
- at 2006 valuation	-	-	-	-	-	-	40,992,000	40,992,000
- at 2002 valuation	27,958,738	-	-	-	(2,964,828)	2,890,148	(27,884,058)	-
- at cost	12,587,845	168,612	-	-	(3,689,246)	289,267	(9,356,478)	-
Leasehold land								
- at 2006 valuation	-	-	-	-	-	-	8,200,000	8,200,000
- at cost	7,836,354	-	-	-	-	363,646	(8,200,000)	-
Plant and machinery	43,658,922	940,923	(964,946)	(193,640)	-	-	-	43,441,259
Tools, equipment and air-conditioners	3,204,700	399,128	(1,300)	(90,471)	-	-	-	3,512,057
Moulds and dies	94,926,764	2,799,608	-	(300,000)	-	-	4,830,470	102,256,842
Motor vehicles	3,964,238	920,174	(937,286)	-	-	-	-	3,947,126
Furniture, fittings and office equipment	4,011,651	303,420	-	(79,398)	-	-	-	4,235,673
Cabin containers	25,700	-	-	-	-	-	-	25,700
Buildings under construction	6,164,693	1,054,411	-	-	-	-	(3,751,464)	3,467,640
Tools and dies development costs	1,650,634	5,082,223	-	(10,705)	-	-	(4,830,470)	1,891,682
Renovation								
- at 2006 valuation	-	-	-	-	-	-	350,000	350,000
- at cost	446,929	-	-	-	-	15,411	(350,000)	112,340
	236,021,684	11,668,499	(1,903,532)	(674,214)	(10,521,644)	7,703,667	-	242,294,460

Notes to the financial statements (continued)

31 December 2006

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

2006	Balance at 1.1.2006 RM	Charge for the financial year RM	Disposals RM	Written off RM	Transfer to investment properties RM	Revaluation RM	Reclassi-fication RM	Balance at 31.12.2006 RM
Accumulated depreciation								
Freehold land								
- at 2002 valuation	-	-	-	-	-	-	-	-
- at cost	-	-	-	-	-	-	-	-
Buildings								
- at 2002 valuation	1,785,640	532,335	-	-	(182,441)	(2,135,534)	-	-
- at cost	1,088,771	247,311	-	-	(566,209)	(769,873)	-	-
Leasehold land								
- at cost	84,262	126,393	-	-	-	(210,655)	-	-
Plant and machinery	28,038,584	4,005,251	(891,989)	(193,639)	-	-	-	30,958,207
Tools, equipment and air-conditioners	1,558,733	276,879	(555)	(85,222)	-	-	-	1,749,835
Moulds and dies	46,980,040	8,251,650	-	(300,000)	-	-	-	54,931,690
Motor vehicles	2,482,128	561,464	(741,286)	-	-	-	-	2,302,306
Furniture, fittings and office equipment	2,660,643	565,600	-	(76,216)	-	-	-	3,150,027
Cabin containers	24,878	170	-	-	-	-	-	25,048
Buildings under construction	-	-	-	-	-	-	-	-
Tools and dies development costs	-	-	-	-	-	-	-	-
Renovation								
- at cost	40,573	44,214	-	-	-	(46,026)	-	38,761
	84,744,252	14,611,267	(1,633,830)	(655,077)	(748,650)	(3,162,088)	-	93,155,874

2006	Balance at 1.1.2006 RM	Impairment loss for the financial year RM	Balance at 31.12.2006 RM
Impairment loss			
Moulds and dies	-	317,989	317,989

Notes to the financial statements (continued)

31 December 2006

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

2005	Balance at 1.1.2005 RM	Additions RM	Disposals RM	Written off RM	Reclassi-fication RM	Balance at 31.12.2005 RM
Cost unless otherwise stated						
Freehold land						
- at 2002 valuation	15,384,638	-	-	-	-	15,384,638
- at cost	11,080,878	3,119,000	-	-	-	14,199,878
Buildings						
- at 2002 valuation	27,958,738	-	-	-	-	27,958,738
- at cost	10,434,265	1,833,788	-	-	319,792	12,587,845
Leasehold land	-	7,836,354	-	-	-	7,836,354
Plant and machinery	41,861,291	2,797,976	(1,000,125)	(220)	-	43,658,922
Tools, equipment and air-conditioners	2,812,749	398,739	-	(6,788)	-	3,204,700
Moulds and dies	86,202,811	5,356,022	(873,550)	-	4,241,481	94,926,764
Motor vehicles	3,640,872	614,025	(290,659)	-	-	3,964,238
Furniture, fittings and office equipment	3,307,380	833,805	(7,218)	(122,316)	-	4,011,651
Cabin containers	25,700	-	-	-	-	25,700
Buildings under construction	-	5,873,253	-	-	291,440	6,164,693
Tools and dies development costs	2,071,397	4,431,950	-	-	(4,852,713)	1,650,634
Renovation	77,013	369,916	-	-	-	446,929
	204,857,732	33,464,828	(2,171,552)	(129,324)	-	236,021,684

Notes to the financial statements (continued)

31 December 2006

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

2005	Balance at 1.1.2005 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi-fication RM	Balance at 31.12.2005 RM
Accumulated depreciation						
Freehold land						
- at 2002 valuation	-	-	-	-	-	-
- at cost	-	-	-	-	-	-
Buildings						
- at 2002 valuation	1,192,491	593,149	-	-	-	1,785,640
- at cost	856,503	232,268	-	-	-	1,088,771
Leasehold land	-	84,262	-	-	-	84,262
Plant and machinery	24,466,454	4,229,033	(656,683)	(220)	-	28,038,584
Tools, equipment and air-conditioners	1,304,070	258,237	(2,192)	(1,382)	-	1,558,733
Moulds and dies	39,113,124	7,939,711	(72,795)	-	-	46,980,040
Motor vehicles	2,086,834	664,500	(269,206)	-	-	2,482,128
Furniture, fittings and office equipment	2,169,369	608,676	(8,548)	(108,854)	-	2,660,643
Cabin containers	24,708	170	-	-	-	24,878
Buildings under construction	-	-	-	-	-	-
Tools and dies development costs	-	-	-	-	-	-
Renovation	17,804	22,769	-	-	-	40,573
	71,231,357	14,632,775	(1,009,424)	(110,456)	-	84,744,252

Notes to the financial statements (continued)

31 December 2006

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	Balance at 31.12.2006 RM	Balance at 31.12.2005 RM
Net book value		
Freehold land		
- at 2006 valuation	**29,862,141**	-
- at 2002 valuation	**-**	15,384,638
- at cost	**-**	14,199,878
Buildings		
- at 2006 valuation	**40,992,000**	-
- at 2002 valuation	**-**	26,173,098
- at cost	**-**	11,499,074
Leasehold land		
- at 2006 valuation	**8,200,000**	-
- at cost	**-**	7,752,092
Plant and machinery	**12,483,052**	15,620,338
Tools, equipment and air-conditioners	**1,762,222**	1,645,967
Moulds and dies	**47,007,163**	47,946,724
Motor vehicles	**1,644,820**	1,482,110
Furniture, fittings and office equipment	**1,085,646**	1,351,008
Cabin containers	**652**	822
Buildings under construction	**3,467,640**	6,164,693
Tools and dies development costs	**1,891,682**	1,650,634
Renovation		
- at 2006 valuation	**350,000**	-
- at cost	**73,579**	406,356
	148,820,597	151,277,432

Freehold land and building of a subsidiary company with net book value of RM7,200,000 (2005: RM6,291,817) has been charged to a licensed bank for credit facilities granted to the subsidiary company. However, the subsidiary company does not utilise any credit facilities granted by the licensed bank after full settlement of the Term Loan I (Note 14) during the financial year.

Since the last financial year, the Group has temporarily let out three units of shop lots to third parties for rental income but decided not to treat these properties as investment properties because it is not the Group's intention to hold these properties in the long term for capital appreciation or rental income. Accordingly, these properties are still classified as property, plant and equipment.

The freehold land and buildings of the Company were revalued by the directors during the year by reference to the open market value based on existing use basis.

Notes to the financial statements (continued)

31 December 2006

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Had the revalued assets been carried at cost less depreciation, the carrying amounts would have been as follows:-

	Cost RM	Accumulated depreciation RM	Net book value RM
2006			
Freehold land	**22,914,738**	**-**	**22,914,738**
Buildings	**37,956,064**	**(4,261,984)**	**33,694,080**
Leasehold land	**7,836,354**	**(210,655)**	**7,625,699**
Renovation	**334,589**	**(46,026)**	**288,563**
	69,041,745	**(4,518,665)**	**64,523,080**
2005			
Freehold land	12,582,430	-	12,582,430
Buildings	28,178,063	(3,333,661)	24,844,402
	40,760,493	(3,333,661)	37,426,832

7. INVESTMENT PROPERTIES

	Group 2006 RM	Group 2005 RM
Balance as at 1 January	**-**	-
Transfer from property, plant and equipment (Note 6)	**9,772,994**	-
Gain from fair value adjustment	**2,531,377**	-
Disposal during the financial year	**(5,104,371)**	-
Balance as at 31 December	**7,200,000**	-
Included in the above are :-		
Freehold land	**2,800,000**	-
Buildings	**4,400,000**	-
	7,200,000	-

The fair values of the investment properties are arrived at based on the directors' revaluation by reference to the open market value based on existing use basis.

Notes to the financial statements (continued)

31 December 2006

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2006 RM	Company 2005 RM
Unquoted shares - at cost	**80,751,949**	81,251,949

Details of the subsidiary companies, which are incorporated in Malaysia, are as follows: -

Company name	Effective Equity Interest 2006	Effective Equity Interest 2005	Principal Activities
New Hoong Fatt Auto Supplies Sdn. Bhd.	**100%**	100%	Marketing, distribution and trading of automotive spare parts and accessories
NJ Manufacturing Industries Sdn. Bhd.	**100%**	100%	Manufacturing and marketing of automotive parts
Jhi Soon Manufacturing Industries Sdn. Bhd. (formerly known as Jhi Soon Auto Metal Sdn. Bhd.)	**100%**	100%	Manufacturing and marketing of automotive parts
Hoeken Industrial Sdn. Bhd.	**100%**	100%	Inactive in 2005 and became property investment during the financial year
Advancesoft ICT Sdn. Bhd. (formerly known as NS Plastic Industries Sdn. Bhd.)	**100%**	100%	Inactive
New Hoong Fatt Industries Sdn. Bhd.	**100%**	100%	Inactive
NJ Coatings Sdn. Bhd.	**-**	100%	Voluntary winding up

All subsidiary companies are audited by BDO Binder.

Winding up of a subsidiary company

On 29 December 2006, NJ Coatings Sdn. Bhd., a wholly-owned subsidiary company was placed under member's voluntary winding up and its surplus of assets were distributed by the liquidator by way of offset against the amount owing by the Company on 30 December 2006.

Notes to the financial statements (continued)

31 December 2006

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The effect of the winding up on the financial results of the Group for the financial year ended 31 December 2006 is as follows:-

	2006 RM
Revenue	-
Operating costs	**(5,657)**
Decrease in the Group's profit	**(5,657)**

The winding up has no significant financial impact on the financial position and cash flows of the Group for the financial year ended 31 December 2006.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 RM	**2005 RM**	**2006 RM**	**2005 RM**
Non-current				
Amounts owing by subsidiary companies	**-**	-	**3,832,982**	22,190,255
Current				
Trade				
Trade receivables	**37,197,676**	39,345,287	**-**	-
Less: Allowance for doubtful debts	**(688,015)**	(533,892)	**-**	-
	36,509,661	38,811,395	**-**	-
Non-trade				
Other receivables	**151,276**	237,656	**-**	-
Deposits	**157,158**	224,499	**2,370**	2,500
Prepayments	**2,011,464**	1,389,951	**-**	15,000
	2,319,898	1,852,106	**2,370**	17,500
	38,829,559	40,663,501	**2,370**	17,500
Total	**38,829,559**	40,663,501	**3,835,352**	22,207,755

9. TRADE AND OTHER RECEIVABLES (continued)

Company

The amounts owing by subsidiary companies arose mainly from advances, management fee receivable and payments made on behalf which are interest-free, unsecured and are not receivable within the next twelve months except when the financial positions of the subsidiary companies permit repayment and that such repayment will not adversely affect the ability of the subsidiary companies to carry on their operations as going concerns.

Group

Included in trade receivables of the Group are amounts totalling RM63,503 (2005: RM73,284) owing by companies in which a director of the Company has substantial financial interest.

The credit terms of trade receivables range from 30 days to 160 days from date of invoice.

Included in prepayments are advance payments of RM1,955,296 (2005: RM1,078,795) paid to suppliers for the purchase of property, plant and equipment.

The currency exposure of trade and other receivables of the Group and the Company are as follows:-

	Group		Company	
	2006 RM	**2005 RM**	**2006 RM**	**2005 RM**
Ringgit Malaysia	**32,635,221**	35,135,877	**3,835,352**	22,207,755
US Dollar	**5,800,696**	4,982,653	**-**	-
New Taiwan Dollar	**393,642**	544,971	**-**	-
	38,829,559	40,663,501	**3,835,352**	22,207,755

10. INVESTMENTS – AT COST

	Group	
	2006 RM	**2005 RM**
Unquoted shares in Malaysia	**83,000**	83,000

Notes to the financial statements (continued)

31 December 2006

11. GOODWILL ON BUSINESS COMBINATIONS

	Group	
	2006	**2005**
	RM	**RM**
Cost		
Balance as at 1 January	**33,378,951**	33,378,951
Less: Effect of adopting FRS 3	**(2,153,481)**	-
Balance as at 31 December	**31,225,470**	33,378,951
Accumulated amortisation		
Balance as at 1 January	**2,153,481**	2,153,481
Less: Effect of adopting FRS 3	**(2,153,481)**	-
Balance as at 31 December	**-**	2,153,481
Net carrying amount		
Balance as at 31 December	**31,225,470**	31,225,470

For the purpose of impairment testing, goodwill is allocated to the subsidiary company which represents the lowest level within the Group at which the goodwill is monitored for internal management purpose.

The recoverable amount of a cash-generating unit is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering 8 years period and assume no growth rate.

The key assumptions used for value in use calculations are as follows:

Period of projected cash flows	8 years based on the estimated remaining useful life of assets and operation of subsidiary company acquired
Discount rate	7.14%

Management determined budgeted gross margin and results based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. Goodwill is not impaired for the financial year.

With regard to the assessment of value in use, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially different from its recoverable amount.

Notes to the financial statements (continued)

31 December 2006

12. INVENTORIES

	Group	
	2006	2005
	RM	RM
At cost		
Raw materials	**9,689,375**	11,481,643
Work-in-progress	**1,167,393**	1,284,234
Finished goods	**11,912,349**	12,954,942
Consumables	**117,571**	105,781
	22,886,688	25,826,600

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2006	2005	2006	2005
	RM	RM	RM	RM
Current				
Trade				
Trade payables	**4,479,469**	5,862,866	**-**	-
Non-trade				
Other payables	**1,418,556**	1,176,232	**-**	-
Dividend payables	**2,260,599**	9,251	**2,260,599**	9,251
Accruals	**3,981,992**	4,603,175	**103,000**	100,000
Amounts owing to directors	**-**	20,285,000	**-**	20,285,000
	7,661,147	26,073,658	**2,363,599**	20,394,251
	12,140,616	31,936,524	**2,363,599**	20,394,251
Non-current				
Amounts owing to subsidiary companies	**-**	-	**-**	1,232,415
Total	**12,140,616**	31,936,524	**2,363,599**	21,626,666

Notes to the financial statements (continued)

31 December 2006

13. TRADE AND OTHER PAYABLES (continued)

Group

Included in trade payables of the Group are amounts totalling RM143,488 (2005: RM135,645) owing to companies in which a director of the Company has substantial financial interest.

The credit terms of trade payables range from 30 days to 120 days from date of invoice.

Included in other payables is advance payments received from customers amounting to RM853,816 (2005: RM650,084).

Group and Company

The currency exposure of trade and other payables of the Group and the Company are as follows:-

	Group		Company	
	2006 RM	**2005 RM**	**2006 RM**	**2005 RM**
Ringgit Malaysia	**11,117,513**	31,198,273	**2,363,599**	21,626,666
US Dollar	**1,023,103**	738,251	**-**	-
	12,140,616	31,936,524	**2,363,599**	21,626,666

The amounts owing to directors in the previous financial year represented purchase consideration payable in respect of acquisition of subsidiary companies in 2004 which were unsecured and bore interest at 3.0% per annum. The amounts have been fully repaid during the year.

	2006 RM	**2005 RM**
Repayable not later than one year:-		
- to a director of the Company	**-**	13,949,693
- to a director of subsidiary companies	**-**	6,335,307
	-	20,285,000

Company

The amounts owing to subsidiary companies in the previous financial year arose mainly from advances to the Company, which were unsecured and interest-free.

Notes to the financial statements (continued)

31 December 2006

14. BORROWINGS (INTEREST BEARING)

	Group 2006 RM	Group 2005 RM
Current		
Secured		
Term loans (Note 15)	-	837,168
Unsecured		
Bankers' acceptance	**20,981,000**	27,734,000
Revolving credit	**10,000,000**	-
Term loans (Note 15)	**6,887,874**	8,554,540
	37,868,874	36,288,540
	37,868,874	37,125,708
Non-current		
Unsecured		
Term loans (Note 15)	**2,112,739**	9,006,957
	39,981,613	46,132,665
Total borrowings		
Bankers' acceptance	**20,981,000**	27,734,000
Revolving credit	**10,000,000**	-
Term loans (Note 15)	**9,000,613**	18,398,665
	39,981,613	46,132,665

Term loan I of the Group was secured by means of a first fixed charge over the freehold land and building of a subsidiary company. The borrowings of the Group are guaranteed by the Company.

Notes to the financial statements (continued)

31 December 2006

14. BORROWINGS (INTEREST BEARING) (continued)

	Group 2006 %	Group 2005 %
Effective annual interest rate:-		
Bank overdraft	**7.88**	7.13
Bankers' acceptance	**3.60 - 4.40**	3.02 - 3.23
Revolving credit	**4.35 - 5.65**	-
Term loans	**4.55 - 5.55**	4.55 - 4.95

15. TERM LOANS

	Group 2006 RM	Group 2005 RM
Secured		
Term loan I repayable by 12 quarterly instalments of RM225,000 each commencing April 2004	**-**	837,168
Unsecured		
Term loan II repayable by 36 equal monthly instalments of RM277,777 each commencing July 2004	**1,666,667**	5,000,000
Term loan III repayable by 36 equal monthly instalments of RM230,556 each commencing June 2005	**3,919,444**	6,686,111
Term loan IV repayable by 33 equal monthly instalments of RM204,545 each commencing August 2005	**3,414,502**	5,875,386
	9,000,613	17,561,497
	9,000,613	18,398,665
Repayable as follows:-		
- within one year (Note 14)		
- secured	**-**	837,168
- unsecured	**6,887,874**	8,554,540
	6,887,874	9,391,708
- one to two years (Note 14)		
- unsecured	**2,112,739**	9,006,957
	9,000,613	18,398,665

16. DEFERRED TAX LIABILITIES

	Group	
	2006	**2005**
	RM	**RM**
Balance as at 1 January	**13,104,468**	12,136,659
Recognised in equity		
- surplus arising from revaluation of property, plant and equipment	**2,111,656**	-
Transfer from income statement		
- current year (Note 22)		
- excess of capital allowance over corresponding depreciation	**348,717**	976,095
- surplus arising from fair value adjustment of investment properties	**126,569**	-
- surplus arising from revaluation of property, plant and equipment	**(8,286)**	(8,286)
	467,000	967,809
- under provision in prior year (Note 22)		
- excess of capital allowance over corresponding depreciation	**43,913**	-
Balance as at 31 December	**15,727,037**	13,104,468

The deferred tax liabilities are made up of the following:-

	Group	
	2006	**2005**
	RM	**RM**
Surplus arising from fair value adjustment of investment properties	**126,569**	-
Surplus arising from revaluation of property, plant and equipment	**2,591,431**	488,061
Excess of capital allowances over corresponding depreciation	**13,009,037**	12,616,407
	15,727,037	13,104,468

Notes to the financial statements (continued)

31 December 2006

17. SHARE CAPITAL

	Group/Company			
	2006		2005	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM1.00 each:-				
Authorised	**100,000,000**	**100,000,000**	100,000,000	100,000,000
Issued and fully paid:				
Balance as at 1 January	**75,156,600**	**75,156,600**	72,931,600	72,931,600
Share options exercised	**-**	**-**	2,225,000	2,225,000
Balance as at 31 December	**75,156,600**	**75,156,600**	75,156,600	75,156,600

The ESOS has expired on 29 August 2005 and all outstanding options granted have lapsed on the same date.

The details of option over the ordinary shares of the Company granted under the ESOS in previous year were set out as follows:-

		Number of options over ordinary shares of RM1.00 each				
31.12.2005 Grant date	Exercise price per share RM	1.1.2005	Granted	Exercised	*Retracted	Balance unexercised and lapsed on 29.8.2005
04.09.2000	2.37	3,223,000	-	(2,100,000)	(35,000)	1,088,000
24.10.2000	2.37	12,000	-	-	-	12,000
10.04.2001	1.67	27,000	-	(19,000)	-	8,000
22.10.2001	2.00	33,000	-	(21,000)	-	12,000
11.04.2002	2.75	28,000	-	-	-	28,000
21.10.2002	2.00	29,000	-	(17,000)	-	12,000
03.04.2003	1.85	18,000	-	(12,000)	-	6,000
08.10.2003	1.85	8,000	-	(3,000)	-	5,000
08.10.2003	1.95	48,000	-	(18,000)	(3,000)	27,000
23.04.2004	2.20	20,000	-	-	(2,000)	18,000
29.07.2004	2.15	153,000	-	(28,000)	(5,000)	120,000
28.10.2004	2.55	8,000	-	-	-	8,000
22.02.2005	2.60	-	16,000	-	(5,000)	11,000
28.04.2005	2.30	-	15,000	(5,000)	-	10,000
05.07.2005	2.12	-	6,000	(2,000)	(1,000)	3,000
		3,607,000	37,000	(2,225,000)	(51,000)	1,368,000

* Due to resignation

17. SHARE CAPITAL (continued)

Details relating to share options exercised in the previous year and the fair value of shares issued at the exercise date were as follows:-

Exercise date	Average fair value per share at issue date RM	Exercise price per share RM	Number of shares issued year ended 31.12.2005
January 2005	2.87	1.85 - 2.37	1,829,000
February 2005	2.87	1.67 - 2.37	212,000
March 2005	2.72	1.67 - 2.37	69,000
April 2005	2.52	1.67 - 2.37	44,000
May 2005	2.36	1.95 - 2.37	18,000
July 2005	2.32	1.85 - 2.00	9,000
August 2005	2.19	1.67 - 2.15	44,000
			2,225,000

	2005 RM
Proceeds received:-	
Ordinary share capital - at par	2,225,000
Share premium	2,998,520
Proceeds received on exercise of share options	5,223,520
Fair value of shares issued at exercise date	6,315,950

The fair value of shares issued on the exercise of options is the monthly average market price at which the Company's shares were traded on Bursa Malaysia Securities Berhad.

Notes to the financial statements (continued)

31 December 2006

18. RESERVES

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
(a) Non-distributable:-				
Share premium	**4,210,070**	4,210,070	**4,210,070**	4,210,070
Revaluation reserve	**12,898,775**	3,727,256	**-**	-
(b) Distributable:-				
Retained profits	**100,056,550**	83,678,760	**2,944,237**	2,515,624
	117,165,395	91,616,086	**7,154,307**	6,725,694

Subject to the agreement of the Inland Revenue Board, the Company has:-

(i) tax exempt income amounting to approximately RM2,613,000 (2005: RM2,982,000) available for distribution of tax exempt dividends; and

(ii) sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income to frank the payment of net dividends out of all its retained profits as at 31 December 2006 without incurring additional tax liability.

19. REVENUE

	Group		Company	
	2006 RM	2005 RM	2006 RM	2005 RM
Sale of goods	**155,920,050**	153,194,282	**-**	-
Rendering of services	**503,992**	962,505	**-**	-
Rental income	**480,000**	-	-	-
Management fee	**-**	-	**360,000**	126,000
Dividends	**-**	-	**11,660,000**	12,020,234
	156,904,042	154,156,787	**12,020,000**	12,146,234

20. PROFIT BEFORE TAX

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
This is arrived at after charging/(crediting):-				
Amortisation of goodwill	**-**	1,335,158	**-**	-
Allowance for doubtful debts	**163,523**	64,039	**-**	-
Auditors' remuneration:-				
- statutory				
- current year	**53,000**	49,000	**8,000**	8,000
- under provision in prior year	**4,500**	-	**-**	-
- non-statutory	**2,000**	2,000	**2,000**	2,000
Bad debts written off	**1,160**	263	**-**	-
Depreciation of property, plant and equipment	**14,611,267**	14,632,775	**-**	-
Directors' remuneration (Note 21):-				
- fees	**413,500**	410,500	**95,000**	92,000
- emoluments other than fees	**1,496,439**	1,498,320	**47,000**	46,000
Impairment loss on property, plant and equipment	**317,989**	-	**-**	-
Interest expense on:-				
- bankers' acceptance	**1,272,788**	663,511	**-**	-
- bank overdraft	**942**	3,865	**-**	-
- term loans	**702,221**	850,374	**-**	-
- revolving credit	**286,138**	-	**-**	-
- amount owing to directors	**224,164**	837,043	**224,164**	837,043
Loss on striking off of a subsidiary company	**-**	-	**-**	9,206
Loss on voluntary winding up of a subsidiary company	**-**	-	**14,738**	-
Property, plant and equipment written off	**19,137**	18,868	**-**	-
Realised loss on foreign exchange	**185,857**	51,879	**-**	-
Rental of factory and premises	**248,300**	205,377	**-**	-
Revaluation deficit on property, plant and equipment	**417,420**	-	**-**	-
Unrealised loss on foreign exchange	**199,351**	-	**-**	-
Allowance for doubtful debts no longer required	**(9,400)**	(62,189)	**-**	-
Dividend income from an unquoted subsidiary company:-				
- gross	**-**	-	**(1,507,000)**	(9,723,000)
- tax exempt	**-**	-	**(10,153,000)**	(2,297,234)
Gain from fair value adjustment of investment property	**(2,531,377)**	-	**-**	-
Gain on disposal of investment properties	**(2,628,981)**	-	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(224,416)**	43,856	**-**	-
Interest income from:-				
- fixed deposits	**-**	(133,058)	**-**	-
- others	**(317,719)**	(15,078)	**-**	-
Rental income	**(1,139,709)**	(1,207,903)	**-**	-

Notes to the financial statements (continued)

31 December 2006

21. DIRECTORS' REMUNERATION

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Directors' remuneration:-				
- fees				
- payable by the Company	**95,000**	92,000	**95,000**	92,000
- payable by subsidiary companies	**318,500**	318,500	**-**	-
	413,500	410,500	**95,000**	92,000
- emoluments other than fees				
- payable by the Company	**47,000**	46,000	**47,000**	46,000
- payable by subsidiary companies	**1,449,439**	1,452,320	**-**	-
	1,496,439	1,498,320	**47,000**	46,000
	1,909,939	1,908,820	**142,000**	138,000

The estimated monetary value of benefits-in-kind received by the directors in respect of the Group amounted to RM68,078 (2005: RM76,153).

The remuneration paid and payable to the directors of the Group for the financial year, analysed into bands of RM50,000 are as follows:-

	Group Number of directors	
	2006	**2005**
Less than RM50,000	**3**	3
RM50,000 to less than RM100,000	**1**	1
RM150,000 to less than RM200,000	**1**	1
RM400,000 to less than RM450,000	**2**	2
RM650,000 to less than RM700,000	**1**	1
	8	8

22. TAX EXPENSES

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Current tax expense based on profit for the financial year	**3,287,838**	3,339,779	**426,971**	2,722,440
Deferred tax liabilities (Note 16)	**467,000**	967,809	**-**	-
	3,754,838	4,307,588	**426,971**	2,722,440
(Over)/Under provision in prior years:-				
- current tax expense	**(9,974)**	38,882	**(13,958)**	810
- deferred tax liabilities (Note 16)	**43,913**	-	**-**	-
	3,788,777	4,346,470	**413,013**	2,723,250

Current income tax is calculated at the statutory tax rate of 28% (2005: 28%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 27% from the current year's rate of 28%, effective year of assessment 2007 and to 26% effective year of assessment 2008. As these changes in tax rates have no significant financial impact on the Group and the Company, it is not included in the computation of deferred tax as at 31 December 2006.

The numerical reconciliation between the average applicable tax rate and effective tax rate are as follows:-

	Group		Company	
	2006	**2005**	**2006**	**2005**
	%	**%**	**%**	**%**
Average applicable tax rate	**28.0**	28.0	**28.0**	28.0
Deferred tax liabilities recognised at lower tax rate	**(1.9)**	-	**-**	-
Double deduction of expenses	**(0.2)**	(0.2)	**-**	-
Income not subject to tax	**(3.3)**	(5.3)	**(25.0)**	(5.9)
Non-allowable expenses	**2.7**	10.0	**0.7**	2.5
Reinvestment allowance incentives	**(12.6)**	(14.8)	**-**	-
Reduction in statutory tax rate on first RM500,000 chargeable income	**(0.5)**	(0.6)	**-**	-
	12.2	17.1	**3.7**	24.6
Under/(Over) provision in prior years	**0.1**	0.2	**(0.1)**	-
Average effective tax rate	**12.3**	17.3	**3.6**	24.6

Notes to the financial statements (continued)

31 December 2006

23. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing the consolidated profit after tax of RM26,899,714 (2005: RM20,784,989) by the number of ordinary shares in issue during the financial year of 75,156,600 (2005: 74,942,964).

There is no disclosure of the diluted earnings per share for the current financial year as the ESOS has expired on 29 August 2005 and all outstanding options granted has lapsed on the same date.

The diluted earnings per ordinary share for last financial year is calculated based on the consolidated profit after tax of RM20,784,989 and on the adjusted weighted average number of ordinary shares issued and issuable of 75,037,028. The adjusted weighted average number of ordinary shares issued and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year or the date of ESOS granted and the difference between the number of ordinary shares to be issued under ESOS and the number of ordinary shares that would have been issued at fair value are deemed to have been issued for no consideration.

The weighted average number of ordinary shares in issue plus the weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of ESOS is calculated as follows:-

	2005
Weighted average number of ordinary shares in issue	74,942,964
Weighted average number of ordinary shares deemed to have been issued for no consideration upon exercise of the options under the ESOS	94,064
Weighted average number of ordinary shares for diluted earnings per share	75,037,028

24. DIVIDENDS PER SHARE

	Group/Company	
	2006 RM	2005 RM
Dividends:-		
- interim of 3 % (2005: 3 %), tax exempt per ordinary share	**2,254,698**	2,254,698
- final of 11 % gross, less tax at 27% (2005: 8 %, tax exempt) per ordinary share	**6,035,075**	6,012,528
	8,289,773	8,267,226

As declared by the directors on 23 February 2006, an interim tax exempt dividend of 3%, amounting to RM2,254,698 in respect of the previous financial year was paid on 6 April 2006 and has been accounted for as an appropriation of retained earnings in the current financial year.

As approved by the shareholders at the Annual General Meeting held on 27 April 2006, a final tax exempt dividend of 8%, amounting to RM6,012,528 in respect of the previous financial year was paid on 7 July 2006 and has been accounted for as an appropriation of retained earnings in the current financial year.

24. DIVIDENDS PER SHARE (continued)

On 14 November 2006, the directors declared an interim tax exempt dividend of 3%, amounting to RM2,254,698 in respect of the current financial year. This dividend was paid on 10 January 2007 and has been accounted for as an appropriation of retained earnings in the current financial year.

The proposed final dividend of 11% gross, less tax at 27% amounting to RM6,035,075 in respect of the current financial year has yet to be approved by the shareholders. This dividend, upon approval by the shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2007.

25. FINANCIAL INSTRUMENTS

(a) Credit risk

The Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

(b) Fair values

The carrying amounts of the financial instruments of the Group and of the Company as at 31 December 2006 approximate their fair values except as set out below:-

	Company			
	2006		2005	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Amounts owing by subsidiary companies	**3,832,982**	*	22,190,255	*
Amounts owing to subsidiary companies	-	-	1,232,415	*

* It is not practical to estimate the fair values of amounts owing by/to subsidiary companies. This is principally due to the lack of fixed repayment terms and inability to estimate fair values without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The following methods and assumptions are used to determine the fair values of financial instruments:-

(i) The carrying amounts of financial assets and liabilities with maturity within 12 months approximate their fair values due to relatively short term maturity of these financial instruments.

(ii) The cost of unquoted investments approximate their fair values based on their net realisable values.

(iii) The fair values of the Group's term loans are estimated based on the current rates offered to the Group for loans of the same remaining maturities.

Notes to the financial statements (continued)

31 December 2006

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Sales to:-				
- Pong Codan Marketing Sdn. Bhd.	**6,708**	5,008	**-**	-
- Pong Codan Rubber (M) Sdn. Bhd.	**283,080**	323,392	**-**	-
Purchases from:-				
- Pong Codan Marketing Sdn. Bhd.	**984,219**	790,928	**-**	-
- Pong Codan Rubber (M) Sdn. Bhd.	**367,289**	503,671	**-**	-
Rental paid to:-				
- LF Kim Holdings Sdn. Bhd.	**108,000**	108,000	**-**	-
Directors' emoluments payable to:-				
Executive directors:-				
- fees	**338,500**	338,500	**20,000**	20,000
- directors' emoluments other than fees	**1,291,419**	1,293,000	**20,000**	19,000
- EPF contribution	**178,020**	178,320	**-**	-
Non-executive directors:-				
- fees	**75,000**	72,000	**75,000**	72,000
- directors' emoluments other than fees	**27,000**	27,000	**27,000**	27,000

The transactions have been entered into in the normal course of business and are based on negotiated and mutually agreed terms.

The relationships between the Group and the related parties, other than those disclosed elsewhere in the financial statements, are as follows:-

Identities of related parties		**Relationship with the Group**
Pong Codan Marketing Sdn. Bhd.	}	Companies in which a director of the Company,
Pong Codan Rubber (M) Sdn. Bhd.	}	Mr. Kam Lang Fatt @ Kim Leng Fatt
LF Kim Holdings Sdn. Bhd.	}	has substantial financial interest

27. CAPITAL COMMITMENTS

	Group	
	2006	**2005**
	RM	**RM**
Contracted but not provided for in respect of property, plant and equipment	**6,360,000**	1,961,924

Notes to the financial statements (continued)

31 December 2006

28. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2006	**2005**
	RM	**RM**
Guarantee in favour of banks for banking facilities utilised by subsidiary companies	**39,981,613**	46,132,665
Guarantee in favour of third parties for supply of goods to subsidiary companies	**295,024**	512,823
	40,276,637	46,645,488

29. EMPLOYEES AND STAFF COSTS

	Group		Company	
	2006	**2005**	**2006**	**2005**
Number of employees, including executive directors, as at 31 December	**794**	746	**4**	4

	Group		Company	
	2006	**2005**	**2006**	**2005**
	RM	**RM**	**RM**	**RM**
Staff costs				
Salaries, fee, wages, overtime, allowances and commission	**14,330,640**	13,148,352	**220,000**	39,000
EPF contribution	**1,531,531**	1,429,384	**-**	-
SOCSO contribution	**181,474**	160,436	**-**	-
Bonus	**1,332,578**	1,240,741	**-**	-
	17,376,223	15,978,913	**220,000**	39,000

Notes to the financial statements (continued)

31 December 2006

30. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified in order to conform with current year's presentation as follows:-

	Group		
	As previously reported RM	Reclassi-fication RM	As restated RM
Balance sheet			
Trade and other receivables			
Trade receivables	38,172,017	639,378	38,811,395
Other receivables, deposits and prepayments	1,852,106	-	1,852,106
	40,024,123	639,378	40,663,501
Trade and other payables			
Trade payables	5,862,866	-	5,862,866
Other payables and accruals	25,434,280	639,378	26,073,658
	31,297,146	639,378	31,936,524
Cash flow statements			
Increase in trade and other receivables	(479,387)	(639,378)	(1,118,765)
Decrease in trade and other payables	(911,817)	639,378	(272,439)

31. SEGMENTAL INFORMATION

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

32. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 27 February 2007.

List of properties / *senarai hartanah*

as at 31 December 2006 / *pada 31 Disember 2006*

Location *Lokasi*	Description/ Existing Use *Keterangan/ Kegunaan*	Land Area/ Built-Up Area *Keluasan Tanah/ Luas Kawasan Terbina*	Tenure/ Approximate Age of Building *Jenis Hakmilik/ Anggaran Usia Bangunan*	Date of Last Revaluation or Acquisition *Tarikh Penilaian Semula atau Pembelian*	Net Book Value (RM'000) *Nilai Buku Bersih (RM'000)*
GRN 28195 Lot 6342 Mukim of Setapak District of Kuala Lumpur Federal Territory	3-storey shop house/ Office and warehouse *Rumah kedai 3 tingkat/ Pejabat dan gudang*	152 sq m/ 457 sq m	Freehold/ 38 years *Pegangan bebas/ 38 tahun*	21.12.06	570
HS(M) 22101 No. PT 29778 & GM 1827 Lot 5028 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory *Tanah perindustrian dan bangunan/ Pejabat dan kilang*	31,240 sq m/ 23,266 sq m	Freehold/ 7 - 15 years *Pegangan bebas/ 7 - 15 tahun*	21.12.06	21,234
GM 3890 Lot 5043 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and warehouse *Tanah perindustrian dan bangunan/ Pejabat dan gudang*	10,918 sq m/ 9,486 sq m	Freehold/ 4 years *Pegangan bebas/ 4 tahun*	21.12.06	8,800
GM 1672 Lot 5044 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Warehouse *Tanah perindustrian dan bangunan/ Gudang*	10,031 sq m/ 17,756 sq. m	Freehold/ 4 years *Pegangan bebas/ 4 tahun*	21.12.06	11,000
HS(M) 35401 No. PT 54723 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory *Tanah perindustrian dan bangunan/ Kilang*	10,085 sq m/ 6,154 sq m	Freehold/ 6 years *Pegangan bebas/ 6 tahun*	21.12.06	7,200

List of properties / *senarai hartanah*

as at 31 December 2006 / *pada 31 Disember 2006*
(continued/*sambungan*)

Location ***Lokasi***	**Description/ Existing Use** ***Keterangan/ Kegunaan***	**Land Area/ Built-Up Area** ***Keluasan Tanah/ Luas Kawasan Terbina***	**Tenure/ Approximate Age of Building** ***Jenis Hakmilik/ Anggaran Usia Bangunan***	**Date of Last Revaluation or Acquisition** ***Tarikh Penilaian Semula atau Pembelian***	**Net Book Value (RM'000)** ***Nilai Buku Bersih (RM'000)***
GM 1859 Lot 5046 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory *Tanah perindustrian dan bangunan/ Pejabat dan kilang*	10,669 sq m/ 6,314 sq m	Freehold/ 4 years *Pegangan bebas/* *4 tahun*	21.12.06	7,400
HS(M) 36093 No. PT 56761 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory *Tanah perindustrian dan bangunan/ Kilang*	20,109 sq m/ 1,171 sq m	Freehold/ 4 years *Pegangan bebas/* *4 tahun*	21.12.06	5,900
GM 4325 Lot 4982 Mukim of Kapar District of Klang Selangor	Vacant land *Tanah kosong*	12,141 sq m/ -	Freehold/ - *Pegangan bebas/* -	21.12.06	1,500
GM 593 Lot 4983 Mukim of Kapar District of Klang Selangor	Vacant agricultural land *Tanah pertanian kosong*	12,141 sq m/ -	Freehold/ - *Pegangan bebas/* -	21.12.06	1,500
GM 2445 Lot 4984 Mukim of Kapar District of Klang Selangor	Vacant land *Tanah kosong*	12,141 sq m/ -	Freehold/ - *Pegangan bebas/* -	21.12.06	1,500

List of properties / *senarai hartanah*

as at 31 December 2006 / *pada 31 Disember 2006*
(continued/*sambungan*)

Location ***Lokasi***	**Description/ Existing Use** ***Keterangan/ Kegunaan***	**Land Area/ Built-Up Area** ***Keluasan Tanah/ Luas Kawasan Terbina***	**Tenure/ Approximate Age of Building** ***Jenis Hakmilik/ Anggaran Usia Bangunan***	**Date of Last Revaluation or Acquisition** ***Tarikh Penilaian Semula atau Pembelian***	**Net Book Value (RM'000)** ***Nilai Buku Bersih (RM'000)***
GM 3176 Lot 4993 Mukim of Kapar Daerah of Klang Selangor	Industrial land and building/ Rented out as office and factory *Tanah perindustrian dan bangunan/ Disewa sebagai pejabat dan kilang*	10,914 sq m/ 6,159 sq m	Freehold/ 7 & 10 years *Pegangan bebas/ 7 & 10 tahun*	21.12.06	7,200
GM 5582 Lot 5065 Mukim of Kapar Daerah of Klang Selangor	Vacant industrial land *Tanah perindustrian kosong*	12,141 sq m/ -	Freehold/ - *Pegangan bebas/* -	21.12.06	2,300
Pajakan Negeri (WP) 26293 - 26297 Lot-Lot 47051 - 47055 Mukim Batu Daerah Kuala Lumpur Negeri Wilayah Persekutuan KL	Industrial land and building/ Own use and partially rented out as office and warehouse *Tanah perindustrian dan bangunan/ Kegunaan sendiri dan separuh disewa sebagai pejabat dan gudang*	7,264 sq m/ 2,680 sq m	Leasehold of 99 years expiring on 16.06.2067/ 33 years *Pajakan 99 tahun berakhir 16.06.2067/ 33 tahun*	21.12.06	10,500

Analysis of shareholdings as at 9 March 2007

analisa pegangan saham pada 9 Mac 2007

Authorised Share Capital / *Modal Saham Dibenarkan*	:	RM100,000,000.00
Issued and Paid-Up Share Capital / *Modal Saham Terbitan dan Berbayar*	:	RM75,156,600.00
Class of Shares / *Kelas Saham*	:	Ordinary shares of RM1.00 each / *Saham biasa RM1.00 sesaham*
No. of Shareholders / *Bilangan Pemegang Saham*	:	1,499
Voting Rights / *Hak Mengundi*	:	One vote per ordinary share / *Satu undi bagi setiap saham biasa*

DISTRIBUTION OF SHAREHOLDINGS / *PENGAGIHAN PEGANGAN SAHAM*

Size of Shareholdings / *Saiz Pegangan Saham*	Shareholders / *Pemegang Saham*	%	Shareholdings / *Pegangan Saham*	%
1 - 99	2	0.13	10	0.00
100 - 1,000	295	19.68	268,600	0.36
1,001 - 10,000	905	60.37	3,811,490	5.07
10,001 - 100,000	245	16.34	7,198,300	9.58
100,001 - less than 5% of issued shares / *kurang dari 5% terbitan saham*	49	3.27	28,220,313	37.55
5% and above of issued shares / *5% dan ke atas terbitan saham*	3	0.20	35,657,887	47.44
TOTAL / *JUMLAH*	**1,499**	**100.00**	**75,156,600**	**100.00**

Note: 5% of issued shares = 3,757,830 shares
Nota: 5% terbitan saham = 3,757,830 saham

SUBSTANTIAL SHAREHOLDERS / *PEMEGANG SAHAM UTAMA*

Name / *Nama*	No. of Shares Held / *Bilangan Saham Dipegang*		Total Shareholdings / *Jumlah Pegangan Saham*	%
	Direct / *Langsung*	Indirect / *Tidak Langsung*		
Kam Lang Fatt @ Kim Leng Fatt	21,700,400	10,756,945[1]	32,457,345	43.19
Wong Ah Moy @ Wong Yoke Len	10,036,945	22,420,400[2]	32,457,345	43.19
Kam Foong Keng	3,920,542	838,200[3]	4,758,742	6.33

1 Deemed interested in the shares held by L F Kim Holdings Sdn Bhd (of which he is a substantial shareholder and director) and shares held by his spouse, Wong Ah Moy @ Wong Yoke Len.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh L F Kim Holdings Sdn Bhd (di mana beliau adalah pemegang saham utama dan pengarah) dan saham yang dipegang oleh isterinya, Wong Ah Moy @ Wong Yoke Len.

Analysis of shareholdings as at 9 March 2007

analisa pegangan saham pada 9 Mac 2007
(continued/*sambungan*)

[2] Deemed interested in the shares held by L F Kim Holdings Sdn Bhd (of which she is a substantial shareholder and director) and shares held by her spouse, Kam Lang Fatt @ Kim Leng Fatt.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh L F Kim Holdings Sdn Bhd (di mana beliau adalah pemegang saham utama dan pengarah) dan saham yang dipegang oleh suaminya, Kam Lang Fatt @ Kim Leng Fatt.

[3] Deemed interested in the shares held by her spouse, Chin Jit Sin.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh suaminya, Chin Jit Sin.

THIRTY (30) LARGEST SHAREHOLDERS / *TIGA PULUH (30) PEMEGANG SAHAM TERBESAR*

	Name / *Nama*	Shareholdings / *Pegangan Saham*	%
1.	Kam Lang Fatt @ Kim Leng Fatt	21,700,400	28.87
2.	Wong Ah Moy @ Wong Yoke Len	10,036,945	13.35
3.	Kam Foong Keng	3,920,542	5.22
4.	Pui Cheng Wui	3,023,500	4.02
5.	Yogeswaran a/l Subramaniam	2,355,500	3.13
6.	Lee Kam Tai	2,343,600	3.12
7.	Patricia Lim Pek Yew	1,630,200	2.17
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd For/*Untuk* Employees Provident Fund	1,561,600	2.08
9.	Diong Siew Gi	1,545,913	2.06
10.	Wong Fong Ngoh	1,439,600	1.92
11.	Diong Siew Gi	1,156,200	1.54
12.	Chin Jit Sin	838,200	1.12
13.	Wong Fong Ngoh	744,000	0.99
14.	L F Kim Holdings Sdn Bhd	720,000	0.96
15.	Kam Foong Sim	675,000	0.90
16.	Kam Foong Sim	652,400	0.87
17.	Yoi Chi @ Lim Yoi Chi	584,700	0.78
18.	Jason Lim Yu Sang	559,000	0.74
19.	Chua Sim Neo @ Diana Chua	470,600	0.63
20.	Koay Keng Ling	464,200	0.62
21.	Lien, Li-Yu	452,800	0.60
22.	Lim Pin Kong	418,100	0.56
23.	Koay Keng Teik @ Koay Chia Wah	415,600	0.55
24.	Lim Pin Kong	372,000	0.50
25.	BHLB Trustee Berhad Prusmall-Cap Fund	336,900	0.45
26.	Koay Keng Huat	319,100	0.42
27.	Tseng Wan-I	306,000	0.41
28.	AMMB Nominees (Tempatan) Sdn Bhd AmTrustee Berhad For/*Untuk* Apex Dana Al-Sofi-I (5/26-4)	305,400	0.41
29.	Kam Fong Mei	284,200	0.38
30.	Lai Fook Hoy	281,800	0.38
TOTAL / *JUMLAH*		**59,914,000**	**79.72**

Analysis of shareholdings as at 9 March 2007

analisa pegangan saham pada 9 Mac 2007
(continued/*sambungan*)

DIRECTORS' INTERESTS (based on Register of Directors' Shareholdings)
KEPENTINGAN PENGARAH-PENGARAH (menurut Daftar Pegangan Saham Pengarah)

Name of Directors / *Nama Pengarah*	No. of Shares / *Bilangan Saham* Direct / *Langsung*	No. of Shares / *Bilangan Saham* Indirect / *Tidak Langsung*	Total Shareholdings / *Jumlah Pegangan Saham*	%
Kam Lang Fatt @ Kim Leng Fatt	21,700,400	10,756,945[1]	32,457,345	43.19
Chin Jit Sin	838,200	3,920,542[2]	4,758,742	6.33
Kam Foong Keng	3,920,542	838,200[3]	4,758,742	6.33
Kam Foong Sim	1,327,400	-	1,327,400	1.77
Wong Kwan @ Wong Kwong Kwan	24,000	-	24,000	0.03
Danny Ng Siew L'Leong	-	-	-	-
Datuk Dr. Anis bin Ahmad	-	-	-	-

1 Deemed interested in the shares held by L F Kim Holdings Sdn Bhd (of which he is a substantial shareholder and director) and shares held by his spouse, Wong Ah Moy @ Wong Yoke Len.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh L F Kim Holdings Sdn Bhd (di mana beliau adalah pemegang saham utama dan pengarah) dan saham yang dipegang oleh isterinya, Wong Ah Moy @ Wong Yoke Len.

2 Deemed interested in the shares held by his spouse, Kam Foong Keng.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh isterinya, Kam Foong Keng.

3 Deemed interested in the shares held by her spouse, Chin Jit Sin.
Dianggap mempunyai kepentingan dalam saham yang dipegang oleh suaminya, Chin Jit Sin.

Notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Tenth (10th) Annual General Meeting of **NEW HOONG FATT HOLDINGS BERHAD** will be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 10 May 2007 at 9.30 a.m. for the following purposes:

AGENDA

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2006 together with the Reports of the Directors and Auditors thereon.
   Ordinary Resolution 1

2. To declare a final dividend of 11 sen per share less 27% Malaysian Income Tax in respect of the financial year ended 31 December 2006.
   Ordinary Resolution 2

3. To re-elect the following Directors retiring by rotation pursuant to Article 78 of the Company's Articles of Association, and who being eligible, offer themselves for re-election:

   (i) Mr Kam Lang Fatt @ Kim Leng Fatt **Ordinary Resolution 3**
   (ii) Ms Kam Foong Sim **Ordinary Resolution 4**

4. To re-appoint Mr Wong Kwan @ Wong Kwong Kwan, the Director who, being over the age of seventy (70) years, retires pursuant to Section 129 of the Companies Act, 1965, and being eligible offers himself for re-appointment.
   Ordinary Resolution 5

5. To approve the Directors' fees of RM95,000 for the financial year ended 31 December 2006.
   Ordinary Resolution 6

6. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.
   Ordinary Resolution 7

7. **Special Business**

   To consider and if thought fit, pass the following resolutions:

   (i) Authority to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965

   "That, pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percentum (10%) of the issued share capital of the Company at the time of issue and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, subject to the Companies Act, 1965, the Articles of Association of the Company and approval from the Bursa Malaysia Securities Berhad and other relevant bodies where such approval is necessary."
   Ordinary Resolution 8

Notice of annual general meeting (continued)

(ii) Special Resolution - Proposed Amendments to Articles of Association

"That the Articles of Association of the Company be amended as per Appendix I of the Circular to Shareholders dated 18 April 2007."

Special Resolution 1

8. To transact any other business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Tenth (10th) Annual General Meeting of the Company, a final dividend of 11 sen per share less 27% Malaysian Income Tax for the financial year ended 31 December 2006 will be paid on 14 June 2007 to Depositors whose names appear in the Record of Depositors on 16 May 2007.

A depositor shall qualify for entitlement only in respect of:

(a) Securities transferred into the Depositor's Securities Account before 5.00 p.m. on 16 May 2007 in respect of transfers; and

(b) Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board
MAH LI CHEN (MAICSA 7022751)
Company Secretary

Kuala Lumpur
18 April 2007

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors standing for re-election or re-appointment are set out in the Directors' Profile appearing on pages 11 to 17 of the Annual Report.

Notes :

1. Every member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar in a particular case. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

2. The Proxy Form must be signed by the appointer or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

3. The original signed and/or sealed copy of the Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur at least forty-eight (48) hours before the time fixed for the meeting.

4. Explanatory Notes on Special Business

(i) *Authority to Issue and Allot Shares pursuant to Section 132D of the Companies Act, 1965*

The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue shares and allot up to a maximum of ten percentum (10%) of the issued share capital of the Company at the time of such allotment for such purposes as they consider would be in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(ii) *Proposed Amendments to Articles of Association*

The proposed Special Resolution 1, if passed, will give effect to the proposed amendments to the Articles of Association ("the Articles") as stated in Appendix I of the Circular to Shareholders dated 18 April 2007 and render the Articles consistent to the amendments to Chapter 7 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

Notis mesyuarat agung tahunan

DENGAN INI DIMAKLUMKAN BAHAWA *Mesyuarat Agung Tahunan* ***NEW HOONG FATT HOLDINGS BERHAD*** *yang ke-Sepuluh (10) akan diadakan di Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, pada hari Khamis, 10 Mei 2007, pada pukul 9.30 pagi bagi tujuan-tujuan berikut:*

1. *Menerima dan meluluskan Penyata Perakaunan yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2006 bersama dengan Laporan-Laporan Pengarah dan Juruaudit.*

   Resolusi Biasa 1

2. *Mengisytiharkan pembayaran dividen akhir sebanyak 11 sen sesaham tolak 27% Cukai Pendapatan Malaysia bagi tahun kewangan berakhir 31 Disember 2006.*

   Resolusi Biasa 2

3. *Melantik semula Pengarah-Pengarah berikut yang bersara mengikut Artikel 78 Tataurusan Syarikat, dan oleh kerana layak, menawarkan diri mereka untuk dilantik semula:*

   (i) Encik Kam Lang Fatt @ Kim Leng Fatt ***Resolusi Biasa 3***
   (ii) Cik Kam Foong Sim ***Resolusi Biasa 4***

4. *Melantik semula Encik Wong Kwan @ Wong Kwong Kwan, Pengarah yang berumur melebihi tujuh puluh (70) tahun dan bersara menurut Seksyen 129 Akta Syarikat, 1965, dan oleh kerana layak, menawarkan diri sendiri untuk dilantik semula.*

   Resolusi Biasa 5

5. *Meluluskan pembayaran yuran Pengarah sebanyak RM95,000 bagi tahun kewangan berakhir 31 Disember 2006.*

   Resolusi Biasa 6

6. *Melantik semula Tetuan BDO Binder sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah-Pengarah untuk menetapkan bayaran kepada mereka.*

   Resolusi Biasa 7

7. ***Sebagai Urusan Khas***

   Mempertimbangkan dan jika difikir wajar, meluluskan Resolusi-Resolusi berikut:

   (i) Kuasa untuk Menerbit dan Menawar Saham menurut Seksyen 132D Akta Syarikat, 1965

   "BAHAWA tertakluk kepada Seksyen 132D Akta Syarikat, 1965, para Pengarah dengan ini diberi kuasa untuk menerbit dan menawar saham dalam Syarikat pada bila-bila masa sehingga tamat Mesyuarat Agung Tahunan yang berikutnya dan mengikut terma-terma dan syarat-syarat tertentu bagi tujuan-tujuan yang tertentu mengikut pertimbangan yang difikirkan layak oleh Pengarah-Pengarah, dengan syarat jumlah agregat saham-saham yang diterbitkan tidak melebihi sepuluh peratus (10%) daripada modal saham terbitan Syarikat pada masa terbitan, dan Pengarah-Pengarah adalah diberi kuasa untuk mendapatkan kelulusan bagi penyenaraian dan penawaran saham-saham tambahan yang diterbitkan, tertakluk kepada Akta Syarikat, 1965, Tataurusan Syarikat dan kelulusan dari Bursa Malaysia Securities Berhad serta kelulusan-kelulusan yang diperlukan dari pihak penguatkuasaan berkaitan."

   Resolusi Biasa 8

Notis mesyuarat agung tahunan (sambungan)

(ii) ***Resolusi Khas - Cadangan Pindaan Artikel-Artikel Tataurus Syarikat***

"BAHAWA Artikel-Artikel Tataurus Syarikat adalah dipindakan seperti mana yang dinyatakan di dalam Lampiran 1 Pekeliling kepada pemegang-pemegang saham yang bertarikh 18 April 2007."

Resolusi Khas 1

8. Untuk menjalankan sebarang urus niaga lain yang notis mengenainya telahpun diberikan.

NOTIS BERKELAYAKAN DIVIDEN

DENGAN INI JUGA DIMAKLUMKAN BAHAWA *tertakluk kepada kelulusan oleh pemegang-pemegang saham pada Mesyuarat Agung Tahunan Syarikat yang ke-Sepuluh (10), dividen akhir sebanyak 11 sen sesaham tolak 27% Cukai Pendapatan Malaysia bagi tahun kewangan berakhir 31 Disember 2006 yang akan dibayar pada 14 Jun 2007 kepada pendeposit sepertimana yang terdapat di dalam Rekod Pendeposit pada 16 Mei 2007.*

Pendeposit hanya layak untuk menerima dividen berhubung dengan:

(a) Sekuriti yang dipindahkan ke dalam Akaun Sekuriti Pendeposit sebelum 5.00 petang pada 16 Mei 2007 berkaitan dengan pemindahan; dan

(b) Sekuriti yang dibeli di Bursa Malaysia Securities Berhad atas dasar dengan kelayakan menurut Peraturan-Peraturan Bursa Malaysia Securities Berhad.

Dengan Perintah Lembaga Pengarah
MAH LI CHEN *(MAICSA 7022751)*
Setiausaha Syarikat

Kuala Lumpur
18 April 2007

PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG TAHUNAN

Butir-butir bagi Pengarah-Pengarah yang akan dilantik semula, dinyatakan di dalam Profil Pengarah dari mukasurat 11 hingga 17 di dalam Laporan Tahunan ini.

NOTA-NOTA:

1. Setiap ahli syarikat yang layak menghadiri dan mengundi dalam mesyuarat ini berhak untuk melantik tidak lebih dari dua (2) proksi untuk menghadiri dan mengundi bagi pihak dirinya. Seseorang proksi boleh, tetapi tidak semestinya seorang ahli syarikat. Jika proksi bukan seorang ahli syarikat, beliau tidak semestinya seorang peguam, juruaudit syarikat yang diluluskan atau seorang yang telah diluluskan oleh Pendaftar dalam kes yang tertentu. Bagi ahli yang melantik dua (2) proksi, perlantikan proksi adalah tidak sah kecuali yang menyatakan bahagian pegangannya yang diwakili oleh setiap proksi.

2. Surat cara perlantikan proksi mestilah secara bertulis dan ditandatangani oleh pelantik sendiri atau sekiranya ahli merupakan sebuah perbadanan, samada secara cop meterai atau ditandatangani oleh pegawai atau peguamcara, yang diberi kuasa sedemikian.

3. Surat cara perlantikan proksi yang asal dan telah disempurnakan, mestilah diserahkan ke Pejabat Berdaftar Syarikat di C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, sekurang-kurangnya empat-puluh lapan (48) jam sebelum waktu yang telah ditetapkan untuk mesyuarat itu berlangsung.

4. Nota-Nota Penerangan Kepada Urusan Khas

(i) Kuasa Untuk Menerbit dan Menawar Saham menurut Seksyen 132D Akta Syarikat,1965

Resolusi Biasa 8, sekiranya diluluskan, akan memberikan Pengarah-Pengarah kuasa untuk menerbit dan menawar saham-saham Syarikat, tidak melebihi sepuluh peratus (10%) dari modal saham terbitan Syarikat untuk tujuan-tujuan yang difikirkan wajar oleh Pengarah-Pengarah sejajar dengan kepentingan Syarikat. Dengan kelulusan ini juga dapat mengelakkan sebarang kelewatan dan perbelanjaan yang terlibat untuk mengadakan mesyuarat agung bagi meluluskan penerbitan saham-saham tersebut. Kuasa tersebut, kecuali dibatalkan dan dipinda di dalam mesyuarat agung, akan tamat pada mesyuarat agung tahunan Syarikat yang berikutnya.

(ii) Cadangan Pindaan Artikel-Artikel Tataurus Syarikat

Sekiranya diluluskan, Resolusi Khas 1 akan menguatkuasakan cadangan pindaan Artikel-Artikel Tataurus Syarikat seperti yang dinyatakan dalam Lampiran I Pekeliling kepada pemegang-pemegang saham yang bertarikh 18 April 2007 dan akan melaraskan Artikel-Artikel tersebut dengan pindaan atas Bab 7, Syarat-syarat Penyenaraian Bursa Malaysia Securities Berhad.

Proxy Form

NEW HOONG FATT HOLDINGS BERHAD
(425709-K)

I/We ....(full name in block letters)
and NRIC No. / ID No. / Company No. ....(new)...(old)
of...
....(full address) being a member of
NEW HOONG FATT HOLDINGS BERHAD, hereby appoint..
(full name in block letters & NRIC No. of proxy) or failing him/her,..
....(full name in block letters & NRIC No. of proxy) or failing which, the Chairman of The Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Tenth (10th) Annual General Meeting of the Company to be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 10 May 2007 at 9.30 a.m. or at any adjournment thereof and to vote as indicated below:

		Agenda	For	Against
1.	Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports for the year ended 31 December 2006		
2.	Ordinary Resolution 2	Declaration of final dividend of 11 sen per share less 27% Malaysian Income Tax		
3.	Ordinary Resolution 3	Re-election of Mr Kam Lang Fatt @ Kim Leng Fatt as Director		
4.	Ordinary Resolution 4	Re-election of Ms Kam Foong Sim as Director		
5.	Ordinary Resolution 5	Re-appointment of Mr Wong Kwan @ Wong Kwong Kwan as Director		
6.	Ordinary Resolution 6	Approval of Directors' Fees of RM95,000		
7.	Ordinary Resolution 7	Re-appointment of Auditors and authorise Directors to fix their remuneration		
8.	Ordinary Resolution 8	Authority to Directors to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965		
9.	Special Resolution 1	Proposed Amendments to Articles of Association of the Company		

(Please indicate with a cross (X) in the space provided, how you wish your vote to be cast in respect of the above resolutions. If you do not do so, the proxy may vote or abstain at his/her discretion.)

Signed this .... day of 2007

No. of Ordinary Shares held

....
Signature/Common Seal of Member

NOTES:

1. Every member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar in a particular case. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
2. The Proxy Form must be signed by the appointer or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
3. The original signed and/or sealed copy of the Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur at least forty-eight (48) hours before the time fixed for the meeting.

Borang Proksi

NEW HOONG FATT HOLDINGS BERHAD
(425709-K)

Saya/Kami ....(nama penuh dalam huruf besar)
dan No. KP / No. ID / No. Syarikat .... (baru)...(lama)
dari...
...(alamat penuh) sebagai ahli NEW HOONG FATT HOLDINGS BERHAD, dengan ini melantik ....(nama penuh dalam huruf besar & no. KP proksi)
dan/atau jika beliau tidak dapat hadir,...
...(nama penuh dalam huruf besar & no. KP proksi)
atau jika beliau tidak dapat hadir, Pengerusi Mesyuarat tersebut, sebagai proksi saya/kami untuk mengundi bagi pihak saya/kami di Mesyuarat Agung Tahunan Syarikat yang ke-Sepuluh (10) yang akan diadakan di Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur pada hari Khamis, 10 Mei 2007 jam 9.30 pagi dan pada sebarang penangguhannya seperti berikut:

		Agenda	**Menyokong**	**Menentang**
1.	Resolusi Biasa 1	Penerimaan Penyata Perakaunan yang telah diaudit dan Laporan-Laporan bagi tahun kewangan berakhir 31 Disember 2006		
2.	Resolusi Biasa 2	Pengisytiharan dividen akhir sebanyak 11 sen sesaham tolak 27% Cukai Pendapatan Malaysia		
3.	Resolusi Biasa 3	Pemilihan semula Encik Kam Lang Fatt @ Kim Leng Fatt sebagai Pengarah		
4.	Resolusi Biasa 4	Pemilihan semula Cik Kam Foong Sim sebagai Pengarah		
5.	Resolusi Biasa 5	Perlantikan semula Encik Wong Kwan @ Wong Kwong Kwan sebagai Pengarah		
6.	Resolusi Biasa 6	Meluluskan yuran Pengarah sebanyak RM95,000		
7.	Resolusi Biasa 7	Perlantikan semula Juruaudit dan memberi kuasa kepada Pengarah untuk menetapkan bayaran mereka		
8.	Resolusi Biasa 8	Kuasa di bawah Seksyen 132D Akta Syarikat, 1965 untuk Pengarah menerbit dan menawar saham		
9.	Resolusi Khas 1	Cadangan Pindaan bagi Artikel-Artikel Tataurus Syarikat		

(Sila tandakan (x) dalam ruangan yang disediakan di atas untuk pengundian yang anda menghendaki. Jika arahan khusus tidak diberikan, proksi akan mengundi atau tidak mengundi atas budi bicaranya.)

Ditandatangani pada .... haribulan 2007

Bilangan Saham Biasa yang dipegang

..
Tandatangan /Meterai Ahli

Nota-nota:

1. *Setiap ahli syarikat yang layak menghadiri dan mengundi dalam mesyuarat ini berhak untuk melantik tidak lebih dari dua (2) proksi untuk menghadiri dan mengundi bagi pihak dirinya. Seseorang proksi boleh, tetapi tidak semestinya seorang ahli syarikat. Jika proksi bukan seorang ahli syarikat, beliau tidak semestinya seorang peguam, juruaudit syarikat yang diluluskan atau seorang yang telah diluluskan oleh Pendaftar dalam kes yang tertentu. Bagi ahli yang melantik dua (2) proksi, perlantikan proksi tidak laku sekiranya tidak menyatakan bahagian pegangannya yang diwakili oleh setiap proksi.*
2. *Surat cara perlantikan proksi mestilah secara bertulis dan ditandatangani oleh pelantik sendiri atau sekiranya ahli merupakan sebuah perbadanan, samada secara cop meterai atau ditandatangani oleh pegawai atau peguamcara, yang diberi kuasa sedemikian.*
3. *Surat cara perlantikan proksi yang asal dan telah disempurnakan mestilah diserahkan ke Pejabat Berdaftar Syarikat di C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, sekurang-kurangnya empat-puluh lapan (48) jam sebelum waktu yang telah ditetapkan untuk mesyuarat berlangsung.*

NEW HOONG FATT HOLDINGS BERHAD (425709-K)
Lot 5043, 5 1/2 Miles, Jalan Meru, 41050 Klang,
Selangor Darul Ehsan, Malaysia.
Tel: 603 3392 6818
Fax: 603 3392 6808
Email: enquiries@newhoongfatt.com.my
Website: newhoongfatt.com.my