



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

# Transforming for future growth

annual report 2008



# 12th Annual General Meeting

## *Mesyuarat Agung Tahunan ke-12*

Venue / *Tempat* : Dewan Berjaya  
Bukit Kiara Equestrian & Country Resort  
Jalan Bukit Kiara, Off Jalan Damansara  
60000 Kuala Lumpur

Date & Time : Thursday, 14 May 2009  
at 9.30 a.m

*Tarikh & Masa* : *Khamis, 14 Mei 2009*  
*9.30 pagi*

### COVER RATIONALE / *RASIONAL MUKA DEPAN*



#### Transforming for future growth

Business environment constantly faces challenges in terms of changing market conditions, changing consumers' needs and wants as well as the intensity of competition. In addition, domestic, regional and global macro-economic climate will also affect business environment. For example, inflationary pressures will result in rising costs whereas recession will affect general demand for goods and services. Therefore, New Hoong Fatt continuously reinvents, re-strategizes and transforms itself to stay ahead, to stay relevant and for future growth.

#### *Transformasi bagi Perkembangan Masa Hadapan*

*Persekitaran perniagaan sentiasa menghadapi cabaran dalam keadaan pasaran yang berubah-ubah, perubahan keperluan dan kemahuan pengguna serta persaingan yang sengit. Selain itu, iklim domestik, serantau dan makro ekonomi global juga akan menjejaskan persekitaran perniagaan. Sebagai contoh, tekanan inflasi akan mengakibatkan peningkatan kos sementara kemelesetan ekonomi akan menjejaskan permintaan am untuk barangan dan perkhidmatan. Oleh itu, New Hoong Fatt sentiasa mencipta kembali, menstrategikan semula dan mentransformasikan diri secara berterusan untuk terus maju, kekal relevan dan untuk pertumbuhan masa hadapan.*



## 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.*

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**Established in 1977**, the NEW HOONG FATT Group was first established as a trading company, providing **Automotive Parts Solutions** to the local replacement market. It grew to become a major distributor of genuine and alternative replacement body parts, with an extensive distribution channel of more than 700 wholesalers and retailers throughout Malaysia.

Subsequent upstream diversification led the Group into manufacturing of metal and plastic automotive replacement body parts, such as door, hood, fender, trunk lid, bumper, grille and lamps. The establishment of these manufacturing plants has led the Group to be the leader in the distribution of alternative replacement body parts in Malaysia. Besides local market, these parts are distributed overseas, to more than 30 countries in the ASEAN, Middle East, Pakistan, Central and South America, Europe, Taiwan, Africa and Russia. For growth opportunity, the Group will further extend its product range and marketing network.

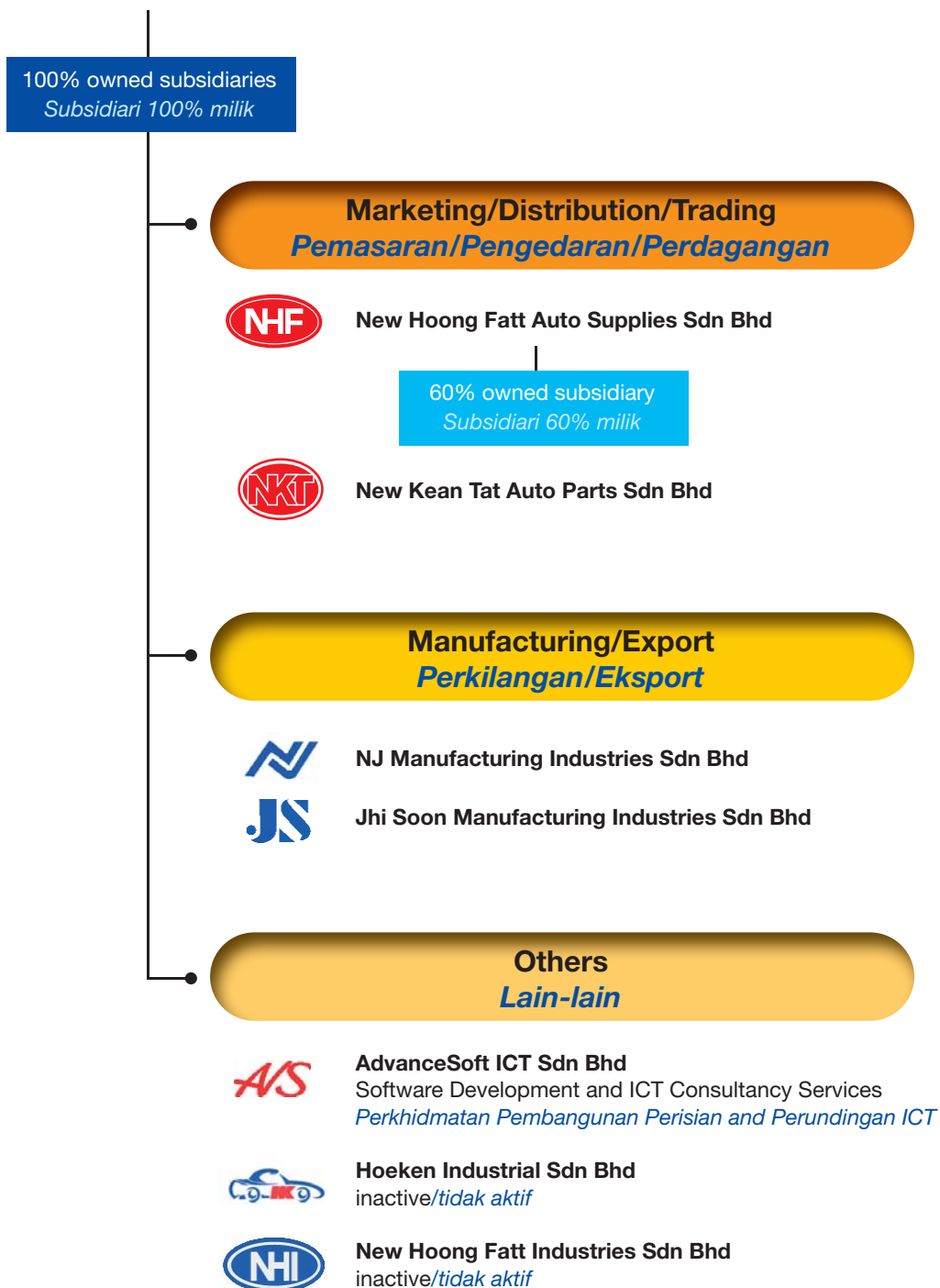
*Ditubuhkan pada tahun 1977*, Kumpulan New Hoong Fatt pada mulanya ditubuhkan sebagai syarikat pemasaran, membekalkan **Penyelesaian Alat-Alat Gantian Automotif** kepada pasaran gantian tempatan. Ia berkembang menjadi pembekal utama alat-alat gantian automotif yang tulen dan alternatif dengan rangkaian yang melebihi 700 pemborong dan peruncit di seluruh Malaysia.

*Untuk mencapai tujuan ini, Kumpulan ini telah menceburi dalam sektor pengeluaran alat-alat gantian automotif besi dan plastik seperti pintu, bonet depan, fender, bonet belakang, bumper, gril dan lampu. Penubuhan perkilangan ini telah mendorong Kumpulan menjadi pembekal utama dalam pengedaran alat-alat gantian automotif yang alternatif di Malaysia. Selain daripada pasaran tempatan, alat-alat gantian ini juga diedarkan ke luar negara, melebihi 30 negara di ASEAN, Pertengahan Timur, Pakistan, Amerika Tengah dan Selatan, Eropah, Taiwan, Afrika dan Rusia. Untuk peluang pembangunan, Kumpulan ini akan terus mempelbagaikan keluaran dan memperluaskan jaringan pemasarannya.*





## NEW HOONG FATT HOLDINGS BERHAD

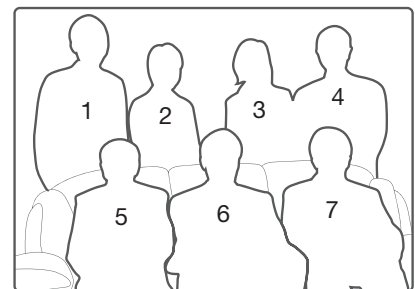






#### BOARD OF DIRECTORS / LEMBAGA PENGARAH

- 1 **Chin Jit Sin**  
(Managing Director / *Pengarah Urusan*)
- 2 **Kam Foong Sim**  
(Executive Director / *Pengarah Eksekutif*)
- 3 **Kam Foong Keng**  
(Executive Chairman / *Pengerusi Eksekutif*)
- 4 **Wong Yoke Nyen**  
(Independent Non-Executive Director / *Pengarah Bebas Bukan Eksekutif*)
- 5 **Wong Kwan @ Wong Kwong Kwan**  
(Independent Non-Executive Director / *Pengarah Bebas Bukan Eksekutif*)
- 6 **Danny Ng Siew L'Leong**  
(Independent Non-Executive Director / *Pengarah Bebas Bukan Eksekutif*)
- 7 **Datuk Dr. Anis bin Ahmad**  
(Independent Non-Executive Director / *Pengarah Bebas Bukan Eksekutif*)



**AUDIT COMMITTEE / JAWATANKUASA AUDIT**

**Wong Yoke Nyen**

(Chairman & Independent Non-Executive Director /  
*Pengerusi & Pengarah Bebas Bukan 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*)

**SECRETARY / SETIAUSAHA**

**Mah Li Chen** (MAICSA 7022751)

**REGISTERED OFFICE / PEJABAT BERDAFTAR**

10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P Ramlee  
50250 Kuala Lumpur  
Tel/*Tel* : (603) 2382 4288  
Fax/*Faks* : (603) 2382 4170

**REGISTRAR / PENDAFTAR**

Tenaga Koperat Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel/*Tel* : (603) 2264 3883  
Fax/*Faks* : (603) 2282 1886

**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 /**  
**PENYENARAIAH BURSA SAHAM**

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

# LETTER TO THE SHAREHOLDERS



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 2008.

## INDUSTRY TREND AND DEVELOPMENT

In 2008, the Malaysian automotive industry recorded the second highest number of new motor vehicles sold. Total industry volume even exceeded the forecast made by Malaysian Automotive Association (“MAA”) to reach 548,115 units, which was an increase of 12.7% compared to 486,176 units in 2007. MAA attributed the strong growth to positive consumer sentiments especially during the first nine (9) months. In addition, vehicle manufacturers and car dealers alike played an important role by launching new vehicle models at competitive prices and aggressively running sales campaigns and offering attractive loan packages.

However, in view of concerns over inflation, unfavourable consumer sentiments, slower local economic growth and uncertainty in the global economy, MAA projected the total industry volume of motor vehicles to fall by 12.4% to 480,000 units in 2009. Furthermore, MAA predicted that smaller engine sized vehicles would dominate the local automotive market, as car buyers concentrate on affordability and reduction in spending. Meanwhile, multi-purpose vehicles are expected to continue growing as the Malaysian lifestyle changes towards using family-orientated vehicles.

## FINANCIAL REVIEW

For the financial year ended 31 December 2008, the Group achieved total revenue of RM168.9 million, representing a growth of 7.7% over the previous year’s revenue of RM156.8 million.

Profit before taxation however, decreased by 13.2% to RM21.6 million as compared to RM24.9 million in the previous financial year. The decrease in profits is mainly due to the impact of

goodwill impairment amounting to RM5.7 million taken up in the fourth quarter. Without taking goodwill impairment into consideration, the Group would have recorded a profit before tax of RM27.3 million for the current financial year, a 9.6% increase over last year’s profit of RM24.9 million. This is the result of higher revenue achieved during the financial year.

An impairment loss on goodwill has been recognised during the financial year due to declining economic benefits expected from the Cash Generating Unit of which the goodwill was allocated to. This is a result of reducing economic life of the products for which the business operation and assets acquired can produce.

As a result of lower profit, earnings per share decreased to 24.32 sen compared to 30.61 sen in the previous financial year. Net asset per share increased to RM2.90 from RM2.76 previously.

## DIVIDENDS

In respect of the financial year under review, an interim tax exempt dividend of 3 sen amounting to approximately RM2.3 million had been announced and subsequently paid on 18 December 2008. In addition, the Board of Directors further recommended a final dividend of 8 sen per share, also tax exempted, for approval of the shareholders at the forthcoming Annual General Meeting.

These dividends are paid and recommended in accordance with the Group’s policy to create value for its shareholders through consistent dividend payments.



## LETTER TO THE SHAREHOLDERS (continued)

### BUSINESS REVIEW

In 2008, our country faced a multitude of challenges, including inflationary pressures caused by record fuel and commodity prices, fluctuations in raw material prices and fluctuations in foreign exchange rates. Then, towards the end of the third quarter, the global financial and economic turmoil began and continues to-date, placing the world economy under exceptional strain.

Against this background, the NHF Group, which manufactures metal and plastic automotive body parts for distribution to the replacement market in both Malaysia and to more than 30 countries overseas, implemented strategies which helped improve its workflow processes and costs.

The new motor vehicles sold and registered every year increased the total number of vehicles on the road, which formed the basis of NHF's business. For the financial year under review, domestic sales remain the major contributor to the Group's consolidated revenues. Its continued growth demonstrated that the core business is still strong despite the signs of slowdown of economy towards the last quarter of the year. Export sales on the other hand had only recorded minimal growth during the financial year due to the global economic uncertainties which resulted in market contraction and increased competition.

The Group had in January 2009 subscribed for shares in a joint venture company, New Kean Tat Auto Parts Sdn Bhd, to tap into its distribution network within Malaysia. This is to allow NHF to expand its market share and form a synergy with its existing network.

### FUTURE PROSPECTS

In the year ahead, the prevailing global economic upheaval has the potential to affect many companies across a spectrum of businesses, not only to those in the financial services. In exceedingly difficult trading conditions, overall business confidence has suffered and consumers are beginning to act in a highly defensive manner, changing their consumption patterns and reducing unnecessary spending.

The Group's experience in the past recessions showed that the Group's revenue is relatively insulated from fluctuations in the economy and in new motor vehicle sales. The Group believes in the elasticity of demand for its products. As such, together with the competencies and resources at its disposal, the Group will continue to intensify its marketing efforts to capture new market share, focus on cost control and better manage its resources towards a wider product range, in order to ensure that the Group can emerge strongly from these challenging economic conditions.

### CORPORATE SOCIAL RESPONSIBILITY

New Hoong Fatt believes that business success should be accompanied by social and environmental development, especially so in challenging economic conditions. In view of this, NHF continued to support various charity organisations within the community throughout the financial year.

NHF's experience in conducting its Industrial Training programme last financial year saw obvious benefits to the participants, leading it to run the program again this financial year. The purpose of this program was to help school leavers to gain on-the-job knowledge, skill and technique and provide work experience in the industrial sector while waiting for their Sijil Pelajaran Malaysia examination results.

After the success of the Group's first blood donation campaign, the Group and its employees enthusiastically conducted another one this financial year in support of the blood bank at Hospital Tengku Ampuan Rahimah, Klang.

2008 also saw the Group launching its 3R programme to promote care for the environment by reducing, reusing and recycling paper, water and other precious resources. The Group continues to recycle or dispose off responsibly any waste matter generated from the production plants.

As in previous financial years, the Group's employees continue to enjoy a variety of sports, social and health related activities to encourage a healthy lifestyle, not only amongst themselves but also amongst their families as well.

### ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to convey our sincere appreciation to all NHF's management, staff and employees for their contribution and dedication.

My sincerest appreciation also goes out to the Board of Directors for their vision and commitment to guide NHF in achieving its objectives and targets. I would like to express my heartfelt thanks to Mr Wong Kwan @ Wong Kwong Kwan, who although remains on the NHF Board, has resigned as Chairman of the Audit Committee and Nomination Committee. I am pleased to welcome Mr Wong Yoke Nyen not only as the newest member of the Board, but also as the new Audit Committee Chairman.

### KAM FOONG KENG

Executive Chairman

# SURAT KEPADA PEMEGANG SAHAM

Bagi pihak Lembaga Pengarah New Hoong Fatt Holdings Berhad (“NHF”), saya dengan sukacitanya membentangkan Laporan Tahunan termasuk Penyata Kewangan Disatukan yang telah diaudit bagi Kumpulan dan juga Syarikat untuk tahun kewangan berakhir 31 Disember 2008.

## ARAH ALIRAN DAN PEMBANGUNAN INDUSTRI

Pada tahun 2008, industri automotif Malaysia telah merekodkan jumlah yang kedua tertinggi dalam penjualan kenderaan bermotor baru. Jumlah jualan industri juga telah menjangkau ramalan yang dibuat oleh Persatuan Automotif Malaysia (“MAA”) untuk mencapai 548,115 unit, di mana ini adalah peningkatan sebanyak 12.7% berbanding dengan 486,176 unit pada tahun 2007. MAA menyifatkan pertumbuhan yang kukuh ini adalah kerana sentimen pengguna yang positif, terutamanya dalam sembilan (9) bulan yang pertama. Selain itu, pengeluaran-pengeluaran kenderaan dan wakil penjual kereta juga telah memainkan peranan yang penting melalui pelancaran model kenderaan yang baru pada harga yang bersaing serta menjalankan kempen jualan dengan agresif di samping menawarkan pakej-pakej pinjaman yang menarik.

Walau bagaimanapun, selaras dengan kebimbangan terhadap inflasi, sentimen pengguna yang tidak baik, peningkatan ekonomi tempatan yang lembab dan ketidakpastian dalam ekonomi global, MAA telah membuat unjuran bahawa jumlah jualan industri kenderaan bermotor akan menurun sebanyak 12.4% kepada 480,000 unit dalam tahun 2009. Tambahan pula, MAA meramalkan bahawa kenderaan berenjin kecil akan menguasai pasaran automotif tempatan, di mana pembeli kereta akan menumpukan perhatian terhadap kemampuan dan pengurangan dalam perbelanjaan. Sementara itu, kenderaan pelbagai guna dijangka akan terus berkembang kerana gaya hidup rakyat Malaysia yang bertukar arus ke arah penggunaan kenderaan berorientasikan keluarga.

## TINJAUAN KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2008, Kumpulan telah mencapai jumlah hasil yang berjumlah RM168.9 juta, di mana ia mewakili pertumbuhan sebanyak 7.7% berbanding dengan jumlah hasil bagi tahun sebelumnya yang berjumlah RM156.8 juta.

Walau bagaimanapun, keuntungan sebelum cukai telah berkurangan sebanyak 13.2% kepada RM21.6 juta berbanding dengan RM24.9 juta tahun sebelumnya. Penyusutan dalam keuntungan adalah kesan daripada penurunan nilai muhibah yang berjumlah RM5.7 juta dalam suku tahun keempat. Tanpa mengambil kira penurunan nilai muhibah, Kumpulan akan mencatatkan keuntungan sebelum cukai yang berjumlah RM27.3 juta untuk tahun kewangan semasa, peningkatan sebanyak 9.6% berbanding keuntungan tahun lepas yang

berjumlah RM24.9 juta. Ini adalah akibat daripada pencapaian hasil yang lebih tinggi pada tahun kewangan ini.

Penurunan nilai muhibah telah dikesan pada tahun kewangan ini akibat daripada kemerosotan faedah ekonomi yang dijangka daripada Unit Janaan Wang Tunai di mana nilai muhibah tersebut telah diperuntukkan. Ini adalah hasil daripada pengurangan hayat ekonomi produk-produk yang boleh dihasilkan oleh operasi perniagaan dan asset yang telah diperolehi.

Akibat daripada keuntungan yang lebih rendah, perolehan sesaham telah menurun ke 24.32 sen berbanding 30.61 sen dalam tahun kewangan sebelumnya. Aset bersih sesaham telah meningkat kepada RM2.90 dari RM2.76 sebelumnya.

## DIVIDEN-DIVIDEN

Pada tahun kewangan ini, dividen interim dikecualikan cukai sebanyak 3 sen berjumlah lebih kurang RM2.3 juta telah diumumkan dan kemudiannya dibayar pada 18 Disember 2008. Sebagai tambahan, Lembaga Pengarah juga telah mencadangkan dividen akhir dikecualikan cukai sebanyak 8 sen sesaham untuk diluluskan oleh pemegang saham pada Mesyuarat Agung Tahunan yang akan datang.

Dividen yang dibayar dan dicadangkan ini adalah selaras dengan polisi New Hoong Fatt untuk mencipta nilai bagi para pemegang sahamnya melalui bayaran dividen yang berterusan.

## TINJAUAN PERNIAGAAN

Pada tahun 2008, negara kita telah menghadapi pelbagai cabaran, termasuk tekanan inflasi yang disebabkan oleh harga bahan api dan komoditi yang paling tinggi direkodkan, harga bahan mentah yang turun naik serta kadar tukaran wang asing yang tidak menentu. Kemudian, menjelang akhir suku ketiga, kegawatan kewangan global dan keadaan ekonomi huru-hara bermula dan berterusan hingga ke hari ini, di mana ia meletakkan ekonomi dunia di bawah tekanan yang hebat.

Bertentangan dengan keadaan ini, Kumpulan NHF yang menghasilkan alat-alat gantian logam dan plastik bagi badan automotif untuk diedarkan ke pasaran gantian di Malaysia dan juga lebih daripada 30 negara luar, melaksanakan strategi-strategi yang menolong memperbaiki proses aliran kerja dan kos.

## **SURAT KEPADA PEMEGANG SAHAM (sambungan)**

Kenderaan bermotor baru yang dijual dan didaftarkan meningkatkan jumlah kenderaan di jalanraya, dan inilah yang membentuk dasar perniagaan NHF. Untuk tahun kewangan ini, jualan tempatan kekal menjadi penyumbang utama kepada hasil bersatu Kumpulan. Pertumbuhan yang berterusannya telah menunjukkan bahawa perniagaan terasnya adalah masih kukuh meskipun tanda-tanda kemelesetan ekonomi dilihat pada suku tahunan yang akhir. Sebaliknya, jualan eksport hanya mencatatkan pertumbuhan yang minimal pada tahun kewangan ini akibat daripada ketidakpastian ekonomi dunia yang menyebabkan pengecutan pasaran dan peningkatan saingan.

Pada Januari 2009, Kumpulan telah melanggan untuk saham dalam sebuah syarikat usahasama, iaitu New Kean Tat Auto Parts Sdn Bhd, untuk mengambil peluang untuk memperolehi rangkaian pengedarannya di Malaysia. Ini membolehkan NHF memperluaskan lagi pasarnya dan membentuk sinergi dengan rangkaianannya yang sedia ada.

### **PROSPEK MASA DEPAN**

Pada tahun yang akan datang, pergolakan ekonomi dunia yang lazim ini mempunyai potensi untuk menjejaskan banyak syarikat merentasi spektrum perniagaan, bukan sahaja mereka yang terlibat dalam perkhidmatan kewangan. Dalam situasi dagangan yang semakin sukar, keyakinan perniagaan secara keseluruhan telah terjejas dan para pengguna telah mula bertindak dengan sikap mempertahankan diri, di mana mereka menukar corak penggunaan dan mengurangkan perbelanjaan yang tidak diperlukan.

Pengalaman Kumpulan dalam kegawatan ekonomi menunjukkan bahawa hasil Kumpulan secara relatifnya adalah dilindungi daripada keadaan turun naik ekonomi dan juga penjualan kenderaan bermotor yang baru. Kumpulan yakin pada keanjalan produk-produknya. Oleh kerana itu, selaras dengan kecekapan dan sumber-sumber yang tersedia untuk kegunaannya, Kumpulan akan terus bertambah gigih dalam usaha memasarkannya untuk mengaut pasaran baru, memberi tumpuan terhadap kawalan kos dan memperbaiki pengurusan sumber-sumbernya ke arah rangkaian produk yang lebih luas, untuk memastikan bahawa Kumpulan boleh muncul dengan kuat dari keadaan ekonomi yang mencabar ini.

### **TANGGUNGJAWAB KORPORAT SOSIAL**

New Hoong Fatt percaya bahawa kejayaan dalam perniagaan seharusnya diiringi dengan pembangunan sosial dan ekonomi, terutamanya di dalam keadaan ekonomi yang mencabar. Sehubungan dengan itu, sepanjang tahun kewangan ini, NHF secara berterusan membantu pelbagai organisasi kebajikan dalam masyarakat.

Pengalaman NHF dalam menjalankan program Latihan Perindustrian tahun kewangan yang lalu menunjukkan faedah yang ketara kepada para peserta, di mana NHF telah digalakkan untuk menjalankan program tersebut sekali lagi pada tahun kewangan ini. Tujuan program ini adalah untuk membantu para pelajar lepasan sekolah mendapatkan pengetahuan sambil bekerja, memperolehi kemahiran serta teknik dan pengalaman bekerja dalam sektor perindustrian sementara menunggu keputusan peperiksaan Sijil Pelajaran Malaysia.

Selepas kejayaan kempen derma darah Kumpulan yang pertama, Kumpulan dan kakitangannya telah menganjurkan dengan penuh semangat satu lagi kempen pada tahun kewangan ini, untuk membantu tabung darah di Hospital Tengku Ampuan Rahimah, Klang.

2008 juga menyaksikan Kumpulan melancarkan program 3R untuk mempromosikan penjagaan alam sekitar melalui pengurangan, penggunaan semula dan pengitaran semula kertas, air serta sumber-sumber berharga yang lain. Kumpulan secara berterusan mengitar semula atau menghapuskan bahan-bahan buangan daripada bahagian pengeluarannya dengan penuh tanggungjawab.

Seperti tahun-tahun kewangan sebelum ini, para kakitangan Kumpulan terus menikmati pelbagai aktiviti sukan, sosial serta aktiviti-aktiviti yang berkaitan dengan kesihatan untuk menggalakkan gaya hidup sihat, bukan sahaja di kalangan mereka tetapi juga di kalangan ahli-ahli keluarga mereka.

### **PENGHARGAAN**

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan ikhlas kami kepada semua pengurusan NHF, kakitangan serta pekerja-pekerja di atas sumbangan dan dedikasi mereka.

Penghargaan ikhlas saya juga ditujukan kepada Lembaga Pengarah atas wawasan dan komitmen mereka dalam menerajui NHF untuk mencapai objektif-objektif dan sasaran-sasarannya. Saya ingin mengucapkan ribuan terima kasih kepada Encik Wong Kwan @ Wong Kwong Kwan, yang walaupun masih kekal dalam Lembaga NHF, telah meletakkan jawatan sebagai pengerusi Jawatankuasa Audit dan Jawatankuasa Pencalonan. Saya mengucapkan selamat datang kepada Encik Wong Yoke Nyen yang bukan sahaja ahli Lembaga yang paling baru, tetapi juga Pengerusi baru dalam Jawatankuasa Audit.

### **KAM FOONG KENG**

Pengerusi Eksekutif

## FIVE – YEAR GROUP FINANCIAL SUMMARY /

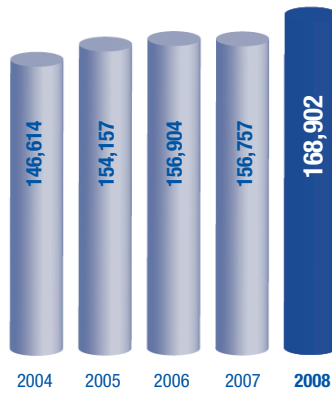
### RINGKASAN KEWANGAN LIMA TAHUN KUMPULAN

	2008	2007	2006	2005	2004
Revenue (RM'000) <i>Hasil (RM'000)</i>	<b>168,902</b>	156,757	156,904	154,157	146,614
Profit Before Taxation (RM'000) <i>Keuntungan Sebelum Cukai (RM'000)</i>	<b>21,601</b>	24,891	30,688	25,131	27,899
Profit After Taxation (RM'000) <i>Keuntungan Selepas Cukai (RM'000)</i>	<b>18,281</b>	23,003	26,900	20,785	22,494
Total Assets (RM'000) <i>Jumlah Aset (RM'000)</i>	<b>295,210</b>	278,914	260,878	258,439	230,806
Total Borrowings (RM'000) <i>Jumlah Pinjaman (RM'000)</i>	<b>51,665</b>	41,278	39,982	46,133	16,305
Shareholders' Fund (RM'000) <i>Dana Pemegang Saham (RM'000)</i>	<b>217,663</b>	207,649	192,322	166,772	149,022
Basic Earnings Per Share <i>Perolehan Asas Sesaham</i>	<b>24.32 sen</b>	30.61 sen	35.79 sen	27.73 sen	31.10 sen
Net Assets Per Share <i>Aset Bersih Sesaham</i>	<b>RM2.90</b>	RM2.76	RM2.56	RM2.22	RM2.04
Dividend Per Share <i>Dividen Sesaham</i>	<b>11 sen (tax exempt) (dikecualikan cukai)</b>	11 sen (tax exempt) (dikecualikan cukai)	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)

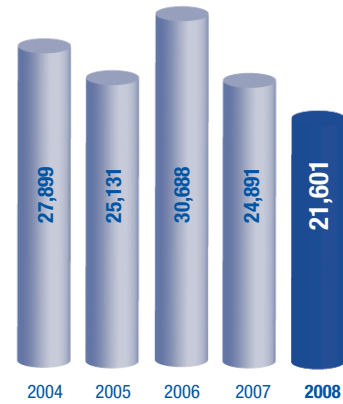


**FIVE – YEAR GROUP FINANCIAL SUMMARY (continued) /**  
**RINGKASAN KEWANGAN LIMA TAHUN KUMPULAN (sambungan)**

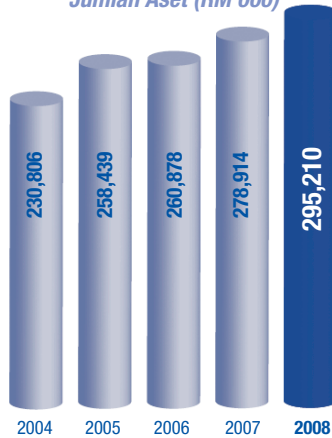
**Revenue (RM'000)**  
*Hasil (RM'000)*



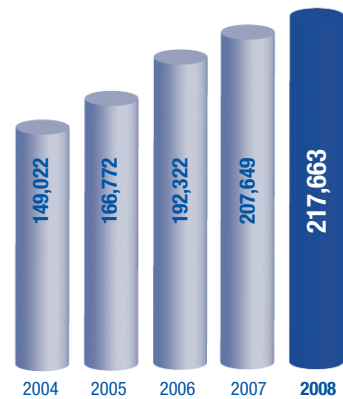
**Profit Before Taxation (RM'000)**  
*Keuntungan Sebelum Cukai (RM'000)*



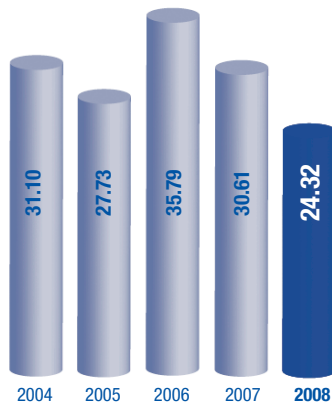
**Total Assets (RM'000)**  
*Jumlah Aset (RM'000)*



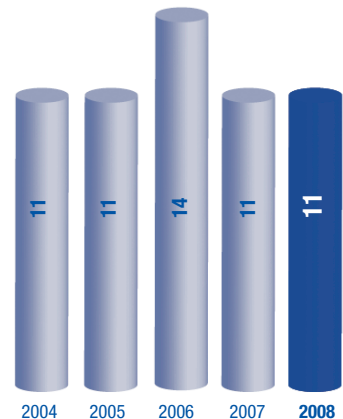
**Shareholders' Fund (RM'000)**  
*Dana Pemegang Saham (RM'000)*



**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 2008 / untuk tahun kewangan berakhir 31 Disember 2008

## Activities / Aktiviti-Aktiviti

## Date / Tarikh

### Announcement of Results

#### Pengumuman Keputusan

Unaudited results for first quarter ended 31 March 2008	15 May 2008
<i>Keputusan belum diaudit bagi suku pertama berakhir 31 Mac 2008</i>	<i>15 Mei 2008</i>

Unaudited results for second quarter ended 30 June 2008	24 August 2008
<i>Keputusan belum diaudit bagi suku kedua berakhir 30 Jun 2008</i>	<i>24 Ogos 2008</i>

Unaudited results for third quarter ended 30 September 2008	30 October 2008
<i>Keputusan belum diaudit bagi suku ketiga berakhir 30 September 2008</i>	<i>30 Oktober 2008</i>

Audited results for fourth quarter ended 31 December 2008	26 February 2009
<i>Keputusan diaudit bagi suku ke-empat berakhir 31 Disember 2008</i>	<i>26 Februari 2009</i>

### Interim Dividend

#### Dividen Interim

- Declaration	30 October 2008
- <i>Pengisytiharan</i>	<i>30 Oktober 2008</i>

- Entitlement	20 November 2008
- <i>Kelayakan</i>	<i>20 November 2008</i>

- Payment	18 December 2008
- <i>Pembayaran</i>	<i>18 Disember 2008</i>

### Final Dividend

#### Dividen Akhir

- Recommendation	26 February 2009
- <i>Cadangan</i>	<i>26 Februari 2009</i>

- Entitlement	21 May 2009
- <i>Kelayakan</i>	<i>21 Mei 2009</i>

- Payment	18 June 2009
- <i>Pembayaran</i>	<i>18 Jun 2009</i>

### Issue of Annual Report 2008

#### Penerbitan Laporan Tahunan 2008

22 April 2009
<i>22 April 2009</i>

### Twelfth (12<sup>th</sup>) Annual General Meeting

#### Mesuarat Agung Tahunan yang ke Duabelas (12)

14 May 2009
<i>14 Mei 2009</i>

## Kam Foong Keng

Aged 45,  
Executive Chairman

Madam Kam was appointed on 8 April 1998, as Executive Director of the Group and was re-designated as Deputy Managing Director on 25 October 2007 and finally as Executive Chairman on 15 May 2008. 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 Executive Chairman, she oversees the strategic direction and business development of the Group. Currently, she sits on the Boards of the subsidiaries of the NHF Group.

Madam Kam is the spouse of Chin Jit Sin, sibling of Kam Foong Sim and daughter of Wong Ah Moy @ Wong Yoke Len, who are Directors or major shareholder 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.

Berusia 45 tahun,  
Pengerusi Eksekutif

Puan Kam telah dilantik sebagai Pengarah Eksekutif Kumpulan pada 8 April 1998 dan ditukarkan jawatan kepada Timbalan Pengarah Urusan pada 25 Oktober 2007 dan kemudiannya sebagai Pengerusi Eksekutif pada 15 Mei 2008. 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 Pengerusi Eksekutif, beliau mengawasi arah strategik dan perkembangan perniagaan Kumpulan. Ketika ini, beliau merupakan ahli Lembaga Pengarah bagi subsidiari-subsidiari Kumpulan NHF.

Puan Kam adalah isteri kepada Chin Jit Sin, kakak kepada Kam Foong Sim dan anak kepada Wong Ah Moy @ Wong Yoke Len, yang merupakan Pengarah-Pengarah 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.

**Chin Jit Sin**

Aged 47,  
Managing Director

Mr Chin was appointed as Executive Director on 8 April 1998 and was re-designated as Managing Director on 25 October 2007. He is however the Chief Executive Officer of the Group. 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 the Managing Director of NHF, he also oversees the strategic direction and 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 the subsidiaries of the NHF Group.

Mr Chin is the spouse of Kam Foong Keng, the Executive Chairman 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.

*Berusia 47 tahun,  
Pengarah Urusan*

*Encik Chin dilantik sebagai Pengarah Eksekutif pada 8 April 1998 dan ditukarkan jawatannya kepada Pengarah Urusan pada 25 Oktober 2007. Walaupun demikian, beliau merupakan Ketua Pegawai Eksekutif untuk Kumpulan ini. 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 Urusan NHF, beliau turut mengawasi arah strategik dan operasi Kumpulan terutamanya dalam keberkesanan dan kecekapan operasi dan memastikan patuhan terhadap polisi dan prosedur Kumpulan. Ketika ini, beliau merupakan ahli Lembaga Pengarah bagi subsidiari-subsidiari Kumpulan NHF.*

*Encik Chin adalah suami kepada Kam Foong Keng, Pengerusi 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.*



**Kam Foong Sim**

Aged 44,  
Non-Independent Executive Director

Ms Kam was appointed as Executive Director 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 several subsidiaries of the NHF Group.

Ms Kam is the daughter of 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.

*Berusia 44 tahun,  
Pengarah Eksekutif Bukan Bebas*

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

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

*Cik Kam adalah anak kepada 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 Yoke Nyen**

Aged 50,  
Independent  
Non-Executive Director

Mr Wong was appointed as Independent Non-Executive Director on 16 May 2008. He also serves as a member of the Audit Committee, Nomination and Remuneration Committees. With effect from 30 October 2008, he was appointed Chairman of the Audit Committee.

He is a graduate of The Wharton Advance Management Program from the Wharton Business School of the University of Pennsylvania, USA. He also earned his Bachelor Degree in Accountancy from City of London Polytechnic, United Kingdom.

He is a seasoned investment banker with more than 20 years of dedicated corporate finance and investment banking experience. Mr Wong was the Executive Vice President cum Head of Corporate Finance Division in Aseambankers Malaysia Berhad [now known as Maybank Investment Bank Berhad].

Currently, he is the Managing Director of a private company, licensed to provide investment advisory services. He is also a director in one (1) other private limited 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.

*Berusia 50 tahun,  
Pengarah Bebas  
Bukan Eksekutif*

*Encik Wong telah dilantik sebagai Pengarah Bebas Bukan Eksekutif pada 16 Mei 2008. Beliau juga merupakan ahli Jawatankuasa-Jawatankuasa Audit, Ganjaran dan Pencalonan. Berkuatkuasa dari 30 Oktober 2008, beliau dilantik sebagai Pengerusi Jawatankuasa Audit.*

*Beliau berkelulusan "Wharton Advance Management Program" dari Wharton Business School, University of Pennsylvania, USA. Beliau juga memperolehi Ijazah Sarjana Muda dalam Perakaunan dari City of London Polytechnic, United Kingdom.*

*Beliau merupakan seorang pengurus bank pelaburan yang berpengalaman, dengan memiliki lebih daripada 20 tahun pengalaman di dalam bidang kewangan korporat dan perbankan pelaburan. Encik Wong pernah memegang jawatan Timbalan Presiden Eksekutif serta Ketua Bahagian Kewangan Korporat di Aseambankers Malaysia Berhad [sekarang dikenali sebagai Maybank Investment Bank Berhad].*

*Kini, beliau adalah Pengarah Urusan di sebuah syarikat swasta yang berlesen untuk memberi perkhidmatan penasihat pelaburan. Beliau merupakan Pengarah bagi sebuah syarikat swasta 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.*

**Wong Kwan @ Wong Kwong Kwan**

Aged 79,  
Independent  
Non-Executive Director

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

*Berusia 79 tahun,  
Pengarah Bebas  
Bukan Eksekutif*

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

*Beliau memperolehi Sijil Tinggi Perakaunan LCC dari London Chamber of Commerce sebelum menyertai industri perbankan. Beliau memulakan kerjayanya sebagai seorang 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 (Malaysia) 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)**

**Datuk Dr. Anis bin Ahmad**

Aged 63,  
Independent  
Non-Executive Director

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

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

Datuk Dr. Anis started his career with the Ministry of Health ("MoH") in 1968 and served the Malaysian Government in various capacities, namely 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 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.

*Berusia 63 tahun,  
Pengarah Bebas  
Bukan Eksekutif*

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

*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.*



**Danny Ng Siew L'Leong**

Aged 50,  
Independent  
Non-Executive Director

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

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, SMIS Corporation Berhad and AHB Holdings Berhad, and several 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.

*Berusia 50 tahun,  
Pengarah Bebas  
Bukan Eksekutif*

*Encik Ng telah dilantik sebagai Pengarah Bebas Bukan Eksekutif pada 20 April 1998. Beliau merupakan Pengerusi Jawatankuasa Pencalonan dan ahli Jawatankuasa Audit dan Jawatankuasa Ganjaran.*

*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, SMIS Corporation Berhad dan AHB Holdings 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.*

**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 2008 / TAKWIM PERISTIWA 2008

Date	Events
12 January 2008	Annual Dinner 2007/2008
6 March 2008	Certificate Presentation Ceremony for NHF Industrial Training Programme I trainees
21 March 2008	Launching of 3R programme in NHF promoting “Reduce, Reuse and Recycle”
30 March 2008	Bowling Tournament
13 April 2008	Blood Donation Campaign
11 May 2008	Volley Ball Tournament
15 May 2008	Eleventh (11 <sup>th</sup> ) Annual General Meeting
15 June 2008	Netball Tournament
9 July 2008	Visit by students and teachers from SMK Taman Klang Utama, Klang, Selangor D.E
15 - 21 July 2008	Table Tennis Tournament
29 & 30 July 2008	Group Strategic Business Planning Brain Storming session
8 & 13 August 2008	Free Health Screening and Health Talk for NHF employees
30 September 2008	Competition to design a Logo for the New Hoong Fatt Employee Welfare
23 October 2008	Visit by students and teachers from Kolej Tuanku Ja'afar, Nilai, Negeri Sembilan
24 October 2008	DeepaRaya Festival celebration cum Arm Wrestling Competition
30 November 2008	Futsal Tournament
15 December 2008	Induction for Form 5 school-leavers participating in NHF's Industrial Training Programme II, which runs from 15 December 2008 to 23 January 2009
17 December 2008	Carom and Checkers Competition

The statement below reports on how New Hoong Fatt Holdings Berhad (“NHF”) has applied the Principles as set out in Part 1 of the Malaysian Code on Corporate Governance (revised 2007) (“the Code”) and the extent of its compliance with the best practices set out in Part 2 of the Code.

## THE BOARD OF DIRECTORS

### Composition and Role of the Board

The Board of Directors (“Board”) retains effective control of the NHF Group and is responsible for reviewing and adopting a strategic plan for the Group, overseeing the conduct of the Group’s business, identifying and managing the Group’s risks, succession planning and remuneration of the Board and senior management, developing and implementing an investor relations programme and reviewing the adequacy and integrity of the Group’s internal control systems and management information systems.

The Board currently has seven (7) members, comprising three (3) executive members, including the Managing Director, and four (4) independent non-executive members. The number of independent directors represent more than half (1/2) of the Board. The Directors with their wide and varied range of expertise provide a collective mix of skills and experience required for the successful direction of the Group. A brief description on the background of each Director is presented in the Directors’ Profile in this Annual Report. The Board is of the opinion that the current size of the Board constitutes an effective Board, with a non-executive participation which fairly reflect the investment of the minority shareholders.

The roles of the Executive Chairman and Managing Director are separated, thus reflecting a balance of power and authority.

The executive members of the Board are responsible for managing the business and operations, implementing policies and monitoring the Group’s business performance.

The Independent Directors are independent of management and majority shareholders. They are persons of calibre and credibility and possess the necessary skills and experience to bring independent judgment to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.

As in the previous year, Mr. Danny Ng Siew L’Leong remains the Company’s Senior Independent Non-Executive Director to whom concerns of shareholders may be conveyed.

### Retirement

In accordance with the Company’s Articles of Association, one-third (1/3) of the Directors, including the Managing Director, are subject to retirement by rotation at every Annual General Meeting (“AGM”) but shall be eligible for re-election.

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

Details of the Directors seeking re-election and re-appointment are set out in the Notice of AGM in this Annual Report.

### Board Meetings and Supply of Information to the Board

The Board met four (4) times during the financial year ended 31 December 2008. The attendance of each Director is as follows:

Name of Director	No. of meetings attended
Kam Foong Keng	4/4
Chin Jit Sin	4/4
Kam Foong Sim	4/4
Wong Kwan @ Wong Kwong Kwan	4/4
Danny Ng Siew L’Leong	4/4
Datuk Dr. Anis bin Ahmad	4/4
Wong Yoke Nyen ( <i>appointed on 16 May 2008</i> )	2/2

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 lies firmly in its hands. These include approval of corporate proposals, appointment of directors and major acquisition and disposals.

All Directors and respective Committee members receive appropriate and timely information which enables them to discharge their responsibilities. Board papers containing relevant financial and operational information are provided to the Directors well in advance of each Board meeting to facilitate informed decision making.

## STATEMENT ON CORPORATE GOVERNANCE (continued)

Minutes of every Board meeting, which include deliberations and discussions on the issues discussed, are circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting.

All Directors have full access to the advice and services of the Company Secretary who ensures compliance with statutory and regulatory requirements. The Directors may also obtain external professional advice if so required by them 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. In making its recommendations, the Committee should consider:

- the candidate's skills, knowledge, expertise, experience, professionalism and integrity;
- in the case of an independent non-executive director, the candidate's ability to discharge such responsibilities/functions expected from independent non-executive directors; and
- candidates proposed by the Executive Chairman and Managing Director and within the bounds of practicability, by any other senior executive or any director or shareholder.

All appointments are undertaken by the Board as a whole after considering the recommendations of the Nomination Committee. Thereafter, 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.

The Committee 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.

The Nomination Committee is made up entirely of Independent Non-Executive Directors, who meets as and when required, at least once a year. All assessments and evaluations carried out at the meetings are properly minuted and documented and are reported to the Board after each meeting.

The Nomination Committee comprises of the following members:

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

#### Remuneration Committee

The composition of the Remuneration Committee is as follows:

- (a) Datuk Dr. Anis bin Ahmad  
(Independent Non-Executive Director) - Chairman
- (b) Wong Kwan @ Wong Kwong Kwan  
(Independent Non-Executive Director)
- (c) Danny Ng Siew L'Leong  
(Independent Non-Executive Director)
- (d) Wong Yoke Nyen  
(Independent Non-Executive Director)
- (e) Kam Foong Keng  
(Executive Chairman of the Board of Directors)

The Remuneration Committee meets as and when required, at least once a year, to recommend to the Board the remuneration of the Executive Directors. The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole with the Director concerned abstaining from participation in deliberations and decisions regarding their own remuneration packages.



## STATEMENT ON CORPORATE GOVERNANCE (continued)

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:

	<b>Salaries and Other Emoluments (RM)</b>	<b>Fees (RM)</b>	<b>Attendance Fees (RM)</b>
Executive Directors	930,201	207,500	15,000
Non-Executive Directors	-	127,550	31,000

The estimated monetary value of benefits-in-kind received by the Executive Directors in respect of the Group amounted to RM38,437.

<b>Range of Remuneration per annum</b>	<b>Executive Directors</b>	<b>Non-Executive Directors</b>
Below RM50,000	-	4
RM150,000 to RM200,000	1	-
RM450,000 to RM500,000	2	-

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

### Continuing Education of Directors

All Directors have successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Securities. The Directors attended various education programmes and seminars throughout the year to enhance their knowledge and skills. The Board will continue to identify conferences and seminars which will be beneficial to the Directors on an ongoing basis.

Particulars of the training programmes, seminars and conferences attended by various members of the Board during the financial year are as follows:

- (1) Due Diligence Management;
- (2) Group Dynamics Training Programme;
- (3) Corporate Neuro-Linguistic programming;
- (4) Shaping and delivering a powerful corporate message to enhance shareholder value;
- (5) 12th Asian Regional Conference by Certified Practising Accountants, Australia;
- (6) Awareness of Internal Control and Risk workshop;
- (7) Bank Negara Malaysia briefing on update on global economic conditions and the impact on Malaysia; and
- (8) Transactions by Company Directors.

### SHAREHOLDERS

The Board maintains an effective communications policy that enables both the Board and management to communicate effectively with its shareholders, stakeholders and the public.

The Board communicates information about operations, corporate strategy 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;
- (iii) regular dialogues with analysts and fund managers representing individual and institutional shareholders; and
- (iv) the Company's website at [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my).

The Company uses the AGM as the principle forum of dialogue with shareholders, who are provided ample opportunity to raise questions pertaining to issues in the Annual Report, developments in the NHF Group and the resolutions being proposed.

## ACCOUNTABILITY AND AUDIT

### Audit Committee and 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. Each financial report and the information to be disclosed are reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities and Securities Commission.

Full details of the composition, activities, internal audit function and terms of reference of the Audit Committee is set out in the Audit Committee Report in this Annual Report.

### Statement of Directors' Responsibility in respect of the Financial Statements

The Directors strive to ensure that annual financial statements 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 applied appropriate accounting policies on a consistent basis and made judgements and estimates that are reasonable and prudent. The financial statements had been prepared on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are kept 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 set out in the Audit Committee Report in this Annual Report.

Through the Audit Committee, the Board has established a transparent relationship with its Auditors, both internal and external. Whenever the need arises, the Auditors would highlight to both 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 internal controls and compliance. The Audit Committee met twice with the external auditors without any executive or management present, during the financial year.

## 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 2008, 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 Company or its subsidiaries paid to a firm or the affiliated company of the external auditors, Messrs BDO Binder, for the financial year ended 31 December 2008 amounted to RM2,000.

# PENYATA TADBIR URUS KORPORAT

Penyata dibawah menjelaskan bagaimana New Hoong Fatt Holdings Berhad ("NHF") telah menguna pakai Prinsip-Prinsip yang termaktub di dalam Bahagian 1, Kod Tadbir Urus Korporat Malaysia (pindaan 2007) ("Kod ini") dan setakat kepatuhannya dengan amalan-amalan terbaik yang termaktub di dalam Bahagian 2 dalam Kod ini.

## LEMBAGA PENGARAH

### Komposisi Dan Tanggungjawab Pengarah

Lembaga Pengarah ("Lembaga") mengekalkan kawalan yang berkesan terhadap Kumpulan NHF dan bertanggungjawab untuk menyemak dan memiliki satu rancangan strategik untuk Kumpulan, mengawasi pengendalian perniagaan Kumpulan, mengenal pasti dan menguruskan risiko Kumpulan, rancangan penggantian berturut-turut dan ganjaran Lembaga Pengarah dan pengurusan kanan, memperkembangkan dan melaksanakan satu program perhubungan pelabur dan menilai kecukupan dan integriti sistem kawalan dalaman Kumpulan dan sistem pengurusan informasi.

Pada masa ini, Lembaga Pengarah mempunyai tujuh (7) ahli, yang terdiri daripada tiga (3) ahli eksekutif, termasuk Pengarah Urusan, dan empat (4) ahli bebas bukan eksekutif. Jumlah Pengarah Bebas mewakili lebih daripada separuh (1/2) ahli Lembaga Pengarah. Pengarah-pengarah ini dengan kepakaran mereka yang meluas dan dalam pelbagai bidang membekalkan gabungan kemahiran dan pengalaman yang diperlukan untuk arah yang berjaya untuk Kumpulan. Huraian ringkas mengenai latar belakang setiap Pengarah dibentangkan di dalam Profil Pengarah dalam Laporan Tahunan ini. Lembaga ini berpendapat bahawa saiz Lembaga kini merupakan suatu Lembaga yang berkesan, bersama dengan penyertaan bukan eksekutif yang menggambarkan secara adil pelaburan pemegang saham minoriti.

Peranan Pengerusi Eksekutif dan Pengarah Urusan adalah diasingkan, oleh itu ini mencerminkan keseimbangan kuasa dan autoriti.

Ahli Eksekutif Lembaga Pengarah adalah bertanggungjawab terhadap pengurusan perniagaan dan operasi, pelaksanaan polisi dan mengawasi prestasi perniagaan Kumpulan.

Pengarah Bebas adalah bebas dari pihak Pengurusan dan pemegang saham utama. Mereka merupakan orang yang berkualiti dan berkepujian tinggi dan memiliki kemahiran yang diperlukan dan pengalaman yang dapat memberi

pertimbangan yang bebas dalam menanggung isu-isu strategi, prestasi dan sumber, termasuk perlantikan utama dan kelakuan yang piawai.

Seperti tahun yang lalu, Encik Danny Ng Siew L'Leong tetap menjadi Pengarah Bebas Bukan Eksekutif Kanan Syarikat dimana pemegang-pemegang saham boleh merujukkan segala kerisauan kepada beliau.

### Persaraan

Menurut Tataurus Syarikat, 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 menampilkan diri mereka untuk dilantik semula oleh pemegang saham menurut Seksyen 129, Akta Syarikat, 1965.

Butir-butir Pengarah untuk pemilihan dan perlantikan semula dibentangkan di Notis Mesyuarat Agung Tahunan di dalam Laporan Tahunan ini.

### Mesyuarat Lembaga Pengarah dan Penyampaian Maklumat kepadanya

Lembaga Pengarah bermesyuarat empat (4) kali pada tahun kewangan berakhir 31 Disember 2008. Butiran kehadiran untuk setiap Pengarah adalah seperti berikut:

Nama Pengarah	Bilangan Mesyuarat Dihadiri
Kam Foong Keng	4/4
Chin Jit Sin	4/4
Kam Foong Sim	4/4
Wong Kwan @ Wong Kwong Kwan	4/4
Danny Ng Siew L'Leong	4/4
Datuk Dr. Anis bin Ahmad	4/4
Wong Yoke Nyen (dilantik pada 16 Mei 2008)	2/2

Lembaga Pengarah telah mengkhususkan dengan rasmi perkara-perkara yang perlu diputuskan dan diluluskan olehnya supaya memastikan keseluruhan kawalan terhadap Syarikat terletak dengan kukuh di dalam tangannya. Ini termasuk kelulusan untuk cadangan korporat, perlantikan Pengarah dan perolehan dan penjualan yang utama.

Semua Pengarah dan ahli jawatankuasanya menerima maklumat yang sesuai dan pada tepat masanya supaya mereka boleh menjalankan tanggungjawab mereka. Kertas kerja Lembaga Pengarah yang meliputi maklumat kewangan dan operasi diberikan kepada Pengarah jauh lebih dahulu sebelum setiap mesyuarat Lembaga supaya memudahkan pembuatan keputusan yang bermaklumat.

Minit-minit setiap mesyuarat Lembaga, yang termasuk pertimbangan dan perbincangan isu-isu yang telah dibincangkan, diedarkan kepada semua Pengarah untuk penelitian mereka sebelum pengesahan minit di mesyuarat Lembaga yang berikutan.

Semua Pengarah mempunyai akses sepenuhnya terhadap nasihat dan perkhidmatan Setiausaha Syarikat yang memastikan pematuan keperluan-keperluan statutori dan peraturan. Pengarah-pengarah boleh juga mendapat nasihat profesional luar, sekiranya diperlukan, atas tanggungan Syarikat.

#### **Jawatankuasa Pencalonan**

Jawatankuasa Pencalonan telah ditugaskan untuk mengenal pasti dan mencadangkan calon-calon baru untuk Lembaga Pengarah dan juga Jawatankuasa Lembaga Pengarah. Dalam membuat cadangan-cadangan, Jawatankuasa dikehendaki mempertimbangkan:

- kemahiran, pengetahuan, kepakaran, pengalaman, profesionalisme dan integriti calon;
- untuk perlantikan pengarah bebas bukan eksekutif, kemampuan calon untuk menjalankan tanggungjawab/fungsi yang diharapkan dari seorang pengarah bebas bukan eksekutif; dan
- calon-calon yang dicadangkan oleh Pengerusi Eksekutif dan Pengarah Urusan dan di mana praktikal, oleh eksekutif kanan, pengarah atau pemegang saham yang lain.

Semua perlantikan adalah dijalankan oleh Lembaga Pengarah dengan menyeluruh selepas mempertimbangkan cadangan Jawatankuasa Pencalonan. Selepas itu, Jawatankuasa akan memastikan Pengarah yang baru dilantik 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 ini 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 sumbangan dari Pengarah individu. Ia mengkaji saiz Lembaga Pengarah selaras dengan saiz Kumpulan dan kesulitan perniagaan untuk menentukan peralagaan bilangannya terhadap keberkesanan Lembaga.

Jawatankuasa Pencalonan terdiri daripada Pengarah Bebas Bukan Eksekutif sahaja yang akan bermesyuarat apabila perlu, sekurang-kurangnya setahun sekali. Semua penganggaran dan penilaian yang dijalankan semasa mesyuarat adalah diminitkan dan didokumenkan dengan betul dan dilaporkan kepada Lembaga Pengarah selepas setiap mesyuarat.

Komposisi Jawatankuasa Pencalonan adalah seperti berikut:

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

#### **Jawatankuasa Ganjaran**

Jawatankuasa Ganjaran terdiri daripada ahli-ahli berikut:

- (a) Datuk Dr. Anis bin Ahmad  
(Pengarah Bebas Bukan Eksekutif) - Pengerusi
- (b) Wong Kwan @ Wong Kwong Kwan  
(Pengarah Bebas Bukan Eksekutif)
- (c) Danny Ng Siew L'Leong  
(Pengarah Bebas Bukan Eksekutif)
- (d) Wong Yoke Nyen  
(Pengarah Bebas Bukan Eksekutif)
- (e) Kam Foong Keng  
(Pengerusi Eksekutif, Lembaga Pengarah)

## PENYATA TADBIR URUS KORPORAT (sambungan)

Jawatankuasa Ganjaran bermesyuarat apabila perlu, sekurang-kurangnya setahun sekali untuk mencadangkan ganjaran Pengarah Eksekutif kepada Lembaga Pengarah. Penentuan ganjaran bagi Pengarah Bukan Eksekutif adalah urusan Lembaga Pengarah keseluruhannya dengan Pengarah yang terlibat mengecualikan diri dari pertimbangan dan keputusan mengenai pakej ganjaran mereka sendiri.

Butiran ganjaran bagi Pengarah-pengarah Syarikat (tidak termasuk Pengarah-pengarah subsidiari) untuk tahun kewangan dalam kajian adalah seperti berikut:

	<b>Gaji dan Lain-lain Emolumen (RM)</b>	<b>Yuran (RM)</b>	<b>Yuran Kehadiran (RM)</b>
Pengarah Eksekutif	930,201	207,500	15,000
Pengarah Bukan Eksekutif	-	127,550	31,000

Anggaran nilai kewangan untuk manfaat yang diterima oleh Pengarah Eksekutif untuk Kumpulan bernilai sebanyak RM38,437.

<b>Bidang Ganjaran Setahun</b>	<b>Pengarah Eksekutif</b>	<b>Pengarah Bukan Eksekutif</b>
Kurang dari RM50,000	-	4
RM150,000 ke RM200,000	1	-
RM450,000 ke RM500,000	2	-

Menurut kontrak perkhidmatan mereka dengan subsidiari Kumpulan, pakej ganjaran Pengarah Eksekutif mempunyai gantirugi untuk kehilangan jawatan sebanyak 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.)

### Pendidikan Berterusan Pengarah

Kesemua Pengarah telah berjaya menyempurnakan "Mandatory Accreditation Programme" yang ditentukan oleh Bursa Securities. Sepanjang tahun ini, Pengarah-pengarah telah menghadiri pelbagai program pendidikan dan seminar untuk meningkatkan pengetahuan dan kemahiran mereka. Lembaga Pengarah ini akan secara berterusan mengenal pasti persidangan dan seminar-seminar yang memanfaatkan Pengarah-pengarah.

Butir-butir mengenai program latihan, seminar dan persidangan yang dihadiri oleh ahli Lembaga pada tahun kewangan adalah seperti berikut:

- (1) Pengurusan Ketekunan Wajar;
- (2) Program Latihan Kumpulan Dinamik;
- (3) Pemrograman Neuro-Linguistik Korporat;
- (4) Membentuk dan menyampaikan satu mesej korporat yang berkuasa untuk meningkatkan nilai pemegang saham;
- (5) Persidangan Rantau Asia yang ke-12 oleh "Certified Practising Accountants", Australia;
- (6) Bengkel mengenai Kesedaran Kawalan Dalam dan Risiko;
- (7) Taklimat Bank Negara Malaysia mengenai keadaan ekonomi global terkini dan kesannya terhadap Malaysia; dan
- (8) Transaksi-transaksi oleh Pengarah-pengarah Syarikat.

### PEMEGANG SAHAM

Lembaga Pengarah ini mengekalkan satu polisi komunikasi yang berkesan supaya membolehkan kedua-dua pihak Lembaga dan pengurusan berkomunikasi dengan berkesannya dengan pemegang saham dan orang awam.

Lembaga Pengarah membentangkan maklumat mengenai operasi, strategi korporat dan prestasi Kumpulan melalui berikut:

- (i) Laporan Tahunan, yang mengandungi maklumat seperti tinjauan kewangan dan operasi terhadap perniagaan, penyata kewangan Kumpulan, Laporan Jawatankuasa Audit dan kegiatannya;



## PENYATA TADBIR URUS KORPORAT (sambungan)

- (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 suratkhbar dan penerbitan utama;
- (iii) dialog kerap dengan penganalisis dan pengurus dana yang mewakili pemegang saham, samada orang persendirian atau institusi; dan
- (iv) laman web Syarikat pada [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my).

Syarikat menggunakan Mesyuarat Agung Tahunan sebagai dialog forum utama dengan pemegang saham, di mana mereka diberikan peluang secukupnya untuk mengemukakan soalan-soalan mengenai isu-isu yang terdapat di dalam Laporan Tahunan, perkembangan di dalam Kumpulan NHF dan penyelesaian yang dicadangkan.

### AKAUNTABILITI DAN AUDIT

#### Jawatankuasa Audit dan 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. Setiap laporan kewangan dan maklumat yang akan dikemukakan adalah dipertimbangkan oleh Jawatankuasa Audit dan diluluskan oleh Lembaga sebelum dihantar ke Bursa Securities dan Suruhanjaya Sekuriti.

Butir-butir komposisi, aktiviti-aktiviti, fungsi audit dalaman dan terma-terma rujukan Jawatankuasa Audit dibentangkan di dalam Laporan Jawatankuasa Audit di dalam Laporan Tahunan ini.

#### Penyata Tanggungjawab Pengarah-Pengarah berhubung dengan Penyata Kewangan

Pengarah-pengarah berusaha untuk menyediakan penyata-penyata kewangan tahunan 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 Penyenaian Bursa Securities, penyata-penyata kewangan disediakan menurut piawaian-piawaian perakaunan yang diluluskan di Malaysia.

Dalam menyediakan penyata-penyata kewangan, Pengarah-pengarah telah menggunakan polisi perakaunan yang sesuai di atas dasar yang konsisten dan membuat keputusan dan

anggaran yang munasabah dan berhemat. Penyata-penyata kewangan telah disediakan berasaskan dengan andaian perniagaan berterusan.

Pengarah-pengarah bertanggungjawab untuk memastikan bahawa rekod-rekod perakaunan yang sewajarnya disimpan, di mana ia dapat memberikan maklumat yang tepat dan munasabah tentang kedudukan kewangan Kumpulan dan Syarikat.

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 dibentangkan dalam Laporan Jawatankuasa Audit di dalam Laporan Tahunan ini .

Melalui Jawatankuasa Audit, Lembaga Pengarah telah mewujudkan perhubungan yang telus dengan kedua-dua Juruaudit Luaran dan Dalaman. Bila diperlukan, Juruaudit-Juruaudit akan memberitahu Jawatankuasa Audit dan Lembaga Pengarah, perkara-perkara yang memerlukan perhatian dan tindak balas mereka, terutamanya mengenai urusan risiko dan segala kekurangan yang mustahak dalam sistem kawalan dalaman dan pematuhan Kumpulan. Dalam tahun kewangan ini, Jawatankuasa Audit telah mengadakan mesyuarat sebanyak dua (2) kali dengan Juruaudit Luaran, 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 2008, 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 2008, yuran bukan audit yang datang dari perkhidmatan kepada Syarikat atau anak syarikatnya oleh firma atau pertubuhan yang berkaitan dengan Juruaudit Luaran, adalah sebanyak RM2,000.

## MEMBERSHIP AND MEETINGS

The Audit Committee comprises the following directors and details of their attendance at the Committee meetings during the financial year ended 31 December 2008 are as follows:

Name	Status of Directorship	Attendance of Meetings
Wong Yoke Nyen (appointed on 16 May 2008) (Audit Committee Chairman)	Independent Non-Executive Director	2/2
Wong Kwan @ Wong Kwong Kwan	Independent Non-Executive Director	4/4
Danny Ng Siew L'Leong	Independent Non-Executive Director	4/4
Datuk Dr. Anis bin Ahmad	Independent Non-Executive Director	4/4
Kam Foong Sim (resigned on 24 July 2008)	Executive Director and a member of Malaysian Institute of Accountants	3/3

All the Audit Committee members are non-executive independent directors. Mr Wong Yoke Nyen fulfills such requirements as approved by Bursa Malaysia Securities Berhad under paragraph 15.10 of the Listing Requirements.

## ACTIVITIES

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

- reviewed the external audit plan, scope and nature of statutory audit of the Group's financial statements;
- reviewed the external audit reports and the results of the External Auditors' examination;
- reviewed the External Auditors' recommendations and Management responses in relation thereto;

- reviewed the financial results of the Group;
- reviewed the risk assessment of the Group;
- reviewed the internal audit plan and reports with its issues and recommendations arising from the audit;
- reviewed on quarterly basis related party transactions and conflict of interest situations that may arise within the Group;
- reviewed the Group's financial results against the budget;
- considered the appointment of Internal and External Auditors and their respective audit fees;
- met twice with the External Auditors without any executives and senior management present except the Company Secretary; and
- the Chairman of the Audit Committee met twice with senior management to be kept informed of matters affecting the Company.

## INTERNAL AUDIT FUNCTION

The Internal Audit function is responsible for the regular review of 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. The head of internal audit reports directly to the Audit Committee and provides them 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 internal audit function is outsourced, and therefore, is independent of the activities they audit. Audits are performed impartially, proficiently and with due professional care.

The Audit Committee reviewed the internal audit plan and 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**

The new Terms of Reference adopted in 2009 are as follows:

**Composition**

- The Committee shall be appointed from amongst the Board and shall comprise of not less than three (3) members who fulfils the following requirements:
  - (i) all the audit committee members must be non-executive directors, with a majority of them being independent directors; and
  - (ii) 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 or fulfils such other requirements as prescribed or approved by 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.

**Functions and 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 problems and reservations arising from the interim and final audits, and any matter the Auditors may wish to discuss (in the absence of Management, where necessary).
- 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 the 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 and practices;
  - (ii) significant adjustments arising from the audit;
  - (iii) the going concern assumption; and
  - (iv) compliance with accounting standards and other legal requirements.
- To consider the appointment (or re-appointment as the case may be) of the Internal and External Auditors, the audit fee and any question of resignation or dismissal.
- To do the following, in relation to the internal audit function:
  - (i) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - (ii) review the internal audit plan and the results of the internal audit process and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
  - (iii) review any appraisal or assessment of the performance of members of the internal audit function; and
  - (iv) where the internal audit function is in-house, approve any appointment or termination of senior staff members and take cognisance of resignations of its staff members, providing them an opportunity to submit reasons for resigning.
- To consider the major findings of internal investigations and Management's response.
- To review any related party transaction and conflict of interest that may arise within the Company or the Group.
- To submit to the Board a report on the summary of activities of the Audit Committee in the discharge of its functions and duties in respect of each financial year.

## AUDIT COMMITTEE REPORT (continued)

### 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 Internal and External Auditors, excluding the attendance of the other Directors or employees of the Group, 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 Internal and External 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, the head of finance and the head of Internal Audit 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.
- The Committee should meet with the External Auditors without Executive Directors present at least twice a year.
- The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the Chairman of the Board, the Managing Director, the head of finance, the head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

# LAPORAN JAWATANKUASA AUDIT

## KEAHLIAN DAN MESYUARAT

Ahli-Ahli Jawatankuasa terdiri daripada Pengarah-pengarah yang berikut dan butir-butir kehadiran mereka di mesyuarat jawatankuasa pada tahun kewangan berakhir 31 Disember 2008 adalah seperti berikut:

<b>Nama</b>	<b>Taraf Ahli Lembaga Pengarah</b>	<b>Kehadiran Untuk Mesyuarat</b>
Wong Yoke Nyen (dilantik pada 16 Mei 2008) (Pengerusi Jawatankuasa Audit)	Pengarah Bebas Bukan Eksekutif	2/2
Wong Kwan @ Wong Kwong Kwan	Pengarah Bebas Bukan Eksekutif	4/4
Danny Ng Siew L'Leong	Pengarah Bebas Bukan Eksekutif	4/4
Datuk Dr. Anis bin Ahmad	Pengarah Bebas Bukan Eksekutif	4/4
Kam Foong Sim (meletak jawatan pada 24 Julai 2008)	Pengarah Eksekutif dan ahli Institut Akauntan Malaysia	3/3

Kesemua Ahli-Ahli Jawatankuasa adalah pengarah bebas bukan eksekutif. Encik Wong Yoke Nyen mematuhi syarat-syarat yang diluluskan oleh Bursa Malaysia Securities Berhad di bawah Perenggan 15.10, Syarat-Syarat Penyenaraian.

## KEGIATAN

Berikut ialah kegiatan Jawatankuasa Audit sepanjang tahun kewangan dalam kajian:

- menyemak perancangan audit luaran, skop dan dasar audit berkanun ke atas penyata kewangan Kumpulan;
- menyemak laporan audit dari Juruaudit Luaran dan keputusan pemeriksaan Juruaudit Luaran;
- menyemak saranan dari Juruaudit Luaran dan tindak balas dari pihak Pengurusan sehubungan dengan itu;
- menyemak keputusan kewangan Kumpulan;

- menyemak penilaian risiko Kumpulan;
- menyemak perancangan audit dalaman dan laporan Juruaudit Dalaman, serta isu-isu dan saranan yang timbul dari audit;
- setiap suku tahun, menyemak urus niaga pihak berkaitan dan percanggahan faedah yang mungkin timbul dalam Kumpulan;
- menyemak keputusan kewangan Kumpulan berbanding dengan belanjawan;
- mempertimbangkan perlantikan Juruaudit Dalaman dan Luaran serta yuran audit mereka;
- bertemu dengan Juruaudit Luaran dua kali tanpa kehadiran eksekutif-eksekutif dan pengurusan kanan kecuali Setiausaha Syarikat; dan
- pengerusi bagi Jawatankuasa Audit bertemu dengan pengurusan kanan dua (2) kali supaya memastikan memaklumkan perkara-perkara yang mempengaruhi terhadap Syarikat.

## FUNGSI AUDIT DALAMAN

Fungsi Audit Dalaman adalah bertanggungjawab untuk mengkaji proses fungsi kawalan dalaman secara teratur serta mempertingkatkan kecekapan dan keberkesanan sistem kawalan dalaman Kumpulan dengan memberi saranan yang membina dan menambah nilai. Ketua bahagian audit dalaman melapor terus kepada Jawatankuasa Audit dan memberi 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. Fungsi Audit Dalaman adalah sumber luaran, oleh itu, ia adalah bebas dari aktiviti-aktiviti yang mereka mengaudit. Audit dijalankan secara adil, cekap dan dengan perhatian berprofesional yang wajar.

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



## LAPORAN JAWATANKUASA AUDIT (sambungan)

### TERMA-TERMA RUJUKAN JAWATANKUASA AUDIT

Terma-Terma Rujukan baru yang telah dipersetujui pada tahun 2009 adalah seperti berikut:

#### Komposisi

- Jawatankuasa ini hendaklah dilantik dari kalangan Lembaga Pengarah dan seharusnya terdiri tidak kurang daripada tiga (3) orang ahli yang memenuhi syarat-syarat berikut:
  - (i) kesemua ahli jawatankuasa audit mestilah pengarah bukan eksekutif; dengan majoriti ahlinya mestilah pengarah bebas; dan
  - (ii) 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 atau memenuhi syarat-syarat lain atau yang diluluskan oleh Bursa Malaysia Securities Berhad.
- Pengerusi yang dilantik oleh Jawatankuasa Audit mestilah seorang Pengarah Bebas.
- Sekiranya terdapat kekosongan jawatan yang menyebabkan ketidakpatuhan sebarang terma-terma ini, pengantiannya mesti dilantik dalam masa tiga (3) bulan.

#### Fungsi dan 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) masalah-masalah dan perkara-perkara yang tidak selesai yang timbul dari audit perantaraan dan audit yang terakhir, dan sebarang perkara yang mungkin Juruaudit ingin bincangkan (dengan ketidakhadiran pihak Pengurusan, dimana perlu).
- Untuk menyemak bersama dengan pihak Pengurusan perkara-perkara berikut:
  - (i) laporan audit dan surat pihak Pengurusan yang dikeluarkan oleh Juruaudit Luaran dan pelaksanaan 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 utamanya adalah:
  - (i) perubahan atau pelaksanaan polisi perakaunan yang utama dan amalannya;
  - (ii) penyelerasan utama yang timbul dari audit;
  - (iii) andaian kemajuan; dan
  - (iv) pematuhan terhadap piawaian perakaunan dan lain-lain tuntutan undang-undang.
- Untuk mempertimbangkan perlantikan (atau perlantikan semula yang mana berlaku) Juruaudit Dalaman dan Luaran, yuran audit dan sebarang persoalan mengenai perletakan jawatan atau pemecatan.
- Untuk membuat perkara mengenai fungsi audit dalaman seperti berikut:
  - (i) menyemak kecukupan skop, fungsi, kecekapan dan sumber untuk fungsi audit dalaman, dan bahawa ia mempunyai kuasa yang diperlukan untuk menjayakan kerjanya;
  - (ii) menyemak perancangan audit dalaman dan keputusan dari proses audit dalaman dan, dimana perlu, memastikan tindakan yang sesuai diambil ke atas saranan fungsi audit dalaman;
  - (iii) menyemak sebarang penilaian atau penaksiran ke atas prestasi ahli-ahli fungsi audit dalaman; dan
  - (iv) dimana fungsi audit dalaman adalah dibawah pengurusan sendiri, meluluskan segala perlantikan atau penamatan ahli pegawai kanan dan mengambil perhatian dalam perletakan jawatan ahli pegawai, sementara memberi mereka peluang untuk menjelaskan alasan perletakan jawatan.
- Untuk mempertimbangkan hasil penyiasatan utama selepas diadakan penyiasatan dalaman dan tindak balas dari pihak Pengurusan.
- Untuk menyemak sebarang urusan pihak berkaitan dan percanggahan faedah yang mungkin timbul dalam Syarikat atau Kumpulan.
- Untuk menyerahkan ringkasan laporan aktiviti Jawatankuasa Audit kepada Lembaga Pengarah di dalam pelaksanaan fungsi dan tugas mereka untuk setiap tahun kewangan.

## LAPORAN JAWATANKUASA AUDIT (sambungan)

### Hak-Hak

Jawatankuasa Audit seharusnya:

- (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 Dalaman dan Luaran, tanpa kehadiran Pengarah-pengarah yang lain atau pekerja Kumpulan bila diperlukan; dan
- (g) melaporkan 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. Korum 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 Dalaman dan Luaran, Pengerusi Jawatankuasa Audit akan mengadakan mesyuarat Jawatankuasa Audit untuk mempertimbangkan sebarang perkara yang Juruaudit fikir perlu dimaklumkan kepada para pengarah atau pemegang saham.
- Juruaudit Luaran, ketua bahagian kewangan dan ketua bahagian Audit Dalaman berhak untuk hadir di mana-mana mesyuarat Jawatankuasa Audit dan mesti hadir apabila dikehendaki oleh Jawatankuasa.
- Jawatankuasa ini sepatutnya bertemu dengan Juruaudit Luaran dengan ketidakhadiran Pengarah Eksekutif sekurang-kurangnya dua (2) kali setahun.
- Pengerusi Jawatankuasa Audit sepatutnya menumpukan perhatian berterusan dengan pengurusan kanan, seperti Pengerusi Lembaga Pengarah, Pengarah Urusan, ketua bahagian kewangan, ketua bahagian Audit Dalaman dan Juruaudit Luaran supaya diberitahu perkara-perkara yang akan mempengaruhi Syarikat.

The Board of Directors is pleased to present its Statement of Internal Control for the financial year ended 31 December 2008, which is made pursuant to Paragraph 15.27(b) of the Bursa Securities Listing Requirements, and in accordance with the “Standard of Internal Control – Guideline for Directors of Public Listed Companies” issued by the Institute of Internal Auditors and adopted by Bursa Securities Malaysia Berhad.

The Board of Directors recognized the importance of sound internal controls and risk management practices. The Board affirms its responsibility for the Group’s system of internal controls and for reviewing its adequacy and integrity. However, the system of internal controls is designed to manage rather than eliminate risks. Inherently, the process 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 adopted a risk management framework which was established to enable systematic identification, evaluation and management of the key risks affecting the Group’s ability to achieve its business objectives. 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, ongoing process.

The Group had out-sourced the Internal Audit function to 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. The Internal Audit function reports directly to the Audit Committee, which receives reports of issues and recommendations arising from each review.

Meanwhile, the Executive Directors are involved in the day-to-day operations of the Group, enabling monitoring of control procedures at the operational level.

The External Auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the financial year ended 31 December 2008 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls of the Group.

**The Board of Directors**  
**New Hoong Fatt Holdings Berhad**

## PENYATA KAWALAN DALAMAN

Dengan sukacitanya, Lembaga Pengarah mengemukakan Penyata Kawalan Dalaman bagi tahun kewangan berakhir 31 Disember 2008, yang dibuat menurut Perenggan 15.27(b), Syarat-Syarat Penyeneraian Bursa Securities dan selaras dengan “Piawai Kawalan Dalaman – Garis Panduan untuk Pengarah-Pengarah Syarikat Awam Tersenarai” yang dikeluarkan oleh Institut Juruaudit Dalaman dan diamalkan oleh Bursa Securities Malaysia Berhad.

Lembaga Pengarah menyedari kepentingan untuk membentuk suatu sistem kawalan dalaman serta amalan pengurusan risiko yang kukuh. Lembaga menegaskan tanggungjawabnya ke atas sistem kawalan dalaman Kumpulan dan penilaian kecukupan dan integriti sistemnya. Walaubagaimanapun, sistem kawalan dalaman ini adalah direka untuk mengurus risiko-risiko dan bukan untuk menghapuskannya. Sememangnya, proses tersebut hanya dapat memberi jaminan yang munasabah dan bukan jaminan yang menyeluruh terhadap sebarang salah pernyataan atau kerugian ketara. Sistem kawalan dalaman meliputi, antara lainnya, kawalan-kawalan kewangan, urusan belanjawan, operasi dan pematuhan.

Kumpulan New Hoong Fatt telah mengamalkan suatu rangka kerja pengurusan risiko yang didirikan untuk membolehkan pengenalpastian yang sistematik, penilaian dan pengurusan bagi risiko-risiko utama yang mempengaruhi keupayaan Kumpulan untuk mencapai objektif-objektif perniagaannya. 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 telah menyerahkan fungsi Audit Dalaman kepada 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. Fungsi Audit Dalaman melapor terus kepada Jawatankuasa Audit, yang menerima laporan mengenai perkara-perkara dan cadangan-cadangan yang timbul dari setiap audit.

Sementara itu, Pengarah-pengarah Eksekutif adalah terlibat dalam operasi harian dalam Kumpulan yang membolehkan pengawasan proses kawalan pada tahap operasi.

Juruaudit Luaran telah menyemak Penyata Kawalan Dalaman ini untuk dimasukkan ke dalam laporan tahunan Kumpulan bagi tahun kewangan berakhir 31 Disember 2008 dan telah melaporkan kepada Lembaga bahawa mereka tidak menjumpai apa-apa yang menyebabkan mereka untuk mempercayai yang Penyata ini adalah tidak konsisten dengan pemahaman mereka terhadap proses yang diamalkan oleh Lembaga dalam mengkaji kecukupan dan integriti sistem kawalan dalaman Kumpulan.

**Lembaga Pengarah**  
**New Hoong Fatt Holdings Berhad**



## FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

## PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries 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 subsidiaries during the financial year.

## RESULTS

	Group RM	Company RM
Profit for the financial year attributable to equity holders of the Company	18,280,821	8,110,903

## DIVIDENDS

Dividends paid since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 31 December 2007:	
An interim tax exempt dividend of 3 sen per share, paid on 11 January 2008	2,254,698
A final tax exempt dividend of 8 sen per share, paid on 26 June 2008	6,012,528
	<hr/> 8,267,226
In respect of the financial year ended 31 December 2008:	
An interim tax exempt dividend of 3 sen per share, paid on 18 December 2008	<hr/> 2,254,698

The Directors also proposed a final tax exempt dividend of 8 sen per share, amounting to RM6,012,528 in respect of the financial year ended 31 December 2008, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

## **RESERVES AND PROVISIONS**

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

## **ISSUE OF SHARES AND DEBENTURES**

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

## **OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued shares of the Company during the financial year.

## **DIRECTORS**

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

Chin Jit Sin  
Kam Foong Keng  
Wong Kwan @ Wong Kwong Kwan  
Danny Ng Siew L'Leong  
Kam Foong Sim  
Datuk Dr Anis Bin Ahmad  
Wong Yoke Nyen (Appointed on 16 May 2008)

In accordance with Article 78 of the Company's Articles of Association, Datuk Dr Anis Bin Ahmad and Mr. Chin Jit Sin retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 85 of the Company's Article of Association, Mr. Wong Yoke Nyen retires at the forthcoming Annual General Meeting and, being eligible offers himself 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' REPORT

(continued)

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares in the Company and of its related corporations during the financial year ended 31 December 2008 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

Shares in the Company	Number of ordinary shares of RM1.00 each			
	Balance at 1.1.2008/ * date of appointment	Acquired	Disposed	Balance at 31.12.2008
<b>Direct interests</b>				
Kam Foong Keng	3,920,542	21,700,400 <sup>1</sup>	-	25,620,942
Chin Jit Sin	838,200	-	-	838,200
Wong Kwan @ Wong Kwong Kwan	24,000	-	-	24,000
Kam Foong Sim	1,327,400	480,025 <sup>2</sup>	-	1,807,425
Wong Yoke Nyen	10,000	-	-	10,000
* (Appointed on 16 May 2008)				
<b>Indirect interests</b>				
Kam Foong Keng <sup>#</sup>	838,200	-	-	838,200
Chin Jit Sin <sup>#</sup>	3,920,542	21,700,400	-	25,620,942
Wong Kwan @ Wong Kwong Kwan <sup>#</sup>	2,000	-	-	2,000
Wong Yoke Nyen <sup>#</sup>	17,000	-	-	17,000
* (Appointed on 16 May 2008)				

<sup>1</sup> Transfer of shares from the Estate of Kam Lang Fatt @ Kim Leng Fatt

<sup>2</sup> Shares transferred to her for love and affection

<sup>#</sup> Deemed interested through spouse's shareholdings pursuant to Section 134(12)(c) of the Companies Act, 1965

By virtue of their interests in the ordinary shares of the Company, Madam Kam Foong Keng, Mr. Chin Jit Sin and Ms. Kam Foong Sim are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares in the Company or shares of its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have 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 other than the following:

- (a) Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which siblings of certain Directors have substantial financial interests.
- (b) certain Directors who received remunerations from the subsidiaries as directors or executives of the subsidiaries.

**DIRECTORS' BENEFITS** (continued)

The details of the above transactions are disclosed in Note 29 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 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 other than debts, 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 the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (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.
- (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.

## DIRECTORS' REPORT (continued)

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

#### (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 which would render any amount stated in the financial statements of the Group and of the Company misleading.

#### SIGNIFICANT EVENT DURING THE YEAR

On 18 November 2008, the Group has entered into an agreement to subscribe for 3,000,000 shares representing 60% of the total issued and paid-up ordinary share capital of New Kean Tat Auto Parts Sdn. Bhd. ('NKT'), a company incorporated in Malaysia, which is engaged in trading of motor vehicle parts and accessories for a cash consideration of RM3,000,000.

The Group has subsequently subscribed for the shares on 15 January 2009.

#### AUDITORS

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

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

**Chin Jit Sin**

Director

**Kam Foong Keng**

Director

Kuala Lumpur

26 February 2009



# STATEMENT BY DIRECTORS

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In the opinion of the Directors, the financial statements set out on pages 46 to 92 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Chin Jit Sin**  
Director

**Kam Foong Keng**  
Director

Kuala Lumpur  
26 February 2009

## STATUTORY DECLARATION

I, Kam Foong Sim, being the Director 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 46 to 92 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                         )  
26 February 2009                         )

**Kam Foong Sim**

Before me:

**S. Ideraju**  
W-451  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

to the members of New Hoong Fatt Holdings Berhad

## Report on the Financial Statements

We have audited the financial statements of New Hoong Fatt Holdings Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 92.

## Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

- (b) We are satisfied that the financial statements of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO Binder**

AF : 0206

Chartered Accountants

**Hiew Kim Loong**

2858/08/10 (J)

Partner

Kuala Lumpur

26 February 2009

# BALANCE SHEETS

as at 31 December 2008

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	154,282,575	151,284,394	-	-
Investments in subsidiaries	8	-	-	80,751,949	80,751,949
Prepaid lease payments for land	9	9,617,217	9,837,992	-	-
Trade and other receivables	10	-	-	1,491,795	3,861,617
Investments - at cost	11	83,000	83,000	-	-
Intangible asset - Goodwill	12	25,518,886	31,225,470	-	-
		189,501,678	192,430,856	82,243,744	84,613,566
<b>Current assets</b>					
Inventories	13	33,829,792	24,475,696	-	-
Trade and other receivables	10	43,750,402	44,423,912	15,714	27,500
Current tax asset		2,125	-	2,125	-
Cash and cash equivalents	14	28,126,325	17,583,570	263,687	60,054
		105,708,644	86,483,178	281,526	87,554
<b>TOTAL ASSETS</b>		<b>295,210,322</b>	<b>278,914,034</b>	<b>82,525,270</b>	<b>84,701,120</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	15	75,156,600	75,156,600	75,156,600	75,156,600
Reserves	16	142,505,961	132,492,366	7,011,410	7,167,733
<b>TOTAL EQUITY</b>		<b>217,662,561</b>	<b>207,648,966</b>	<b>82,168,010</b>	<b>82,324,333</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings (interest bearing)	17	9,391,317	10,636,126	-	-
Deferred tax liabilities	19	14,222,958	13,986,644	-	-
		23,614,275	24,622,770	-	-
<b>Current liabilities</b>					
Trade and other payables	20	10,855,519	15,152,451	357,260	2,376,084
Borrowings (interest bearing)	17	42,273,837	30,641,705	-	-
Current tax payable		804,130	848,142	-	703
		53,933,486	46,642,298	357,260	2,376,787
<b>TOTAL LIABILITIES</b>		<b>77,547,761</b>	<b>71,265,068</b>	<b>357,260</b>	<b>2,376,787</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>295,210,322</b>	<b>278,914,034</b>	<b>82,525,270</b>	<b>84,701,120</b>

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

# INCOME STATEMENTS

for the financial year ended 31 December 2008

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		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
Revenue	21	<b>168,902,106</b>	156,756,651	<b>8,636,000</b>	10,762,727
Cost of sales	22	<b>(123,005,449)</b>	(111,913,784)	-	-
Gross profit		<b>45,896,657</b>	44,842,867	<b>8,636,000</b>	10,762,727
Other operating income		<b>6,923,810</b>	5,234,774	-	-
Selling and distribution expenses		<b>(7,100,111)</b>	(7,310,579)	-	-
Administration expenses		<b>(16,214,509)</b>	(15,933,326)	<b>(525,071)</b>	(440,622)
Other operating expenses		<b>(5,706,584)</b>	-	-	-
Finance costs	23	<b>(2,198,409)</b>	(1,942,778)	-	-
Profit before tax	24	<b>21,600,854</b>	24,890,958	<b>8,110,929</b>	10,322,105
Tax expense	25	<b>(3,320,033)</b>	(1,888,300)	<b>(26)</b>	(2,018,906)
Net profit for the financial year		<b>18,280,821</b>	23,002,658	<b>8,110,903</b>	8,303,199
Basic earnings per ordinary share (sen)	26	<b>24.32</b>	30.61		

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

# STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2008

Group	Share capital RM	Share premium RM	Revaluation reserve RM	Retained earnings RM	Total RM
Balance as at 31 December 2006	75,156,600	4,210,070	12,898,775	100,056,550	192,321,995
Net profit for the financial year	-	-	-	23,002,658	23,002,658
Dividend net of tax for financial year ended 31 December 2006 (Note 27) - final dividend	-	-	-	(6,035,075)	(6,035,075)
Tax exempt dividend for financial year ended 31 December 2007 (Note 27) - interim dividend	-	-	-	(2,254,698)	(2,254,698)
Reversal of deferred tax liability directly related to revaluation reserve (Note 19(a))	-	-	614,086	-	614,086
Balance as at 31 December 2007	75,156,600	4,210,070	13,512,861	114,769,435	207,648,966
Net profit for the financial year	-	-	-	<b>18,280,821</b>	<b>18,280,821</b>
Tax exempt dividend for financial year ended 31 December 2007 (Note 27) - final dividend	-	-	-	<b>(6,012,528)</b>	<b>(6,012,528)</b>
Tax exempt dividend for financial year ended 31 December 2008 (Note 27) - interim dividend	-	-	-	<b>(2,254,698)</b>	<b>(2,254,698)</b>
Balance as at 31 December 2008	<b>75,156,600</b>	<b>4,210,070</b>	<b>13,512,861</b>	<b>124,783,030</b>	<b>217,662,561</b>

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



**STATEMENTS OF CHANGES IN EQUITY**  
for the financial year ended 31 December 2008 (continued)

<b>Company</b>	<b>Share capital RM</b>	<b>Share premium RM</b>	<b>Retained earnings RM</b>	<b>Total RM</b>
Balance as at 31 December 2006	75,156,600	4,210,070	2,944,237	82,310,907
Net profit for the financial year	-	-	8,303,199	8,303,199
Dividend net of tax for financial year ended 31 December 2006 (Note 27)				
- final dividend	-	-	(6,035,075)	(6,035,075)
Tax exempt dividend for financial year ended 31 December 2007 (Note 27)				
- interim dividend	-	-	(2,254,698)	(2,254,698)
Balance as at 31 December 2007	75,156,600	4,210,070	2,957,663	82,324,333
Net profit for the financial year	-	-	<b>8,110,903</b>	<b>8,110,903</b>
Tax exempt dividend for financial year ended 31 December 2007 (Note 27)				
- final dividend	-	-	<b>(6,012,528)</b>	<b>(6,012,528)</b>
Tax exempt dividend for financial year ended 31 December 2008 (Note 27)				
- interim dividend	-	-	<b>(2,254,698)</b>	<b>(2,254,698)</b>
Balance as at 31 December 2008	<b>75,156,600</b>	<b>4,210,070</b>	<b>2,801,340</b>	<b>82,168,010</b>

*The accompanying notes form an integral part of the financial statements.*

# CASH FLOW STATEMENTS

for the financial year ended 31 December 2008

		Group	Company		
	Note	2008 RM	2007 RM	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		21,600,854	24,890,958	8,110,929	10,322,105
Adjustments for:					
Allowance for doubtful debts		8,240	3,106	-	-
Allowance for doubtful debts no longer required		(18,900)	(93,202)	-	-
Amortisation of prepaid lease payments	9	220,775	185,437	-	-
Bad debts written off		-	478	-	-
Depreciation of property, plant and equipment	7	16,731,378	15,229,583	-	-
Dividend income		-	-	(8,300,000)	(10,378,727)
Loss on disposal of investment properties		-	60,129	-	-
Gain on disposal of property, plant and equipment		(490,037)	(331,959)	-	-
Impairment loss on goodwill	12	5,706,584	-	-	-
Interest expense	23	2,198,409	1,942,778	-	-
Interest income		(820,730)	(349,380)	-	-
Property, plant and equipment written off	7	6,913	40,033	-	-
Unrealised loss on foreign exchange		24,441	97,208	-	-
Operating profit/(loss) before working capital changes		45,167,927	41,675,169	(189,071)	(56,622)
Increase in inventories		(9,354,096)	(1,589,008)	-	-
Decrease/(Increase) in trade and other receivables		659,729	(5,601,943)	2,381,608	(53,765)
(Decrease)/Increase in trade and other payables		(4,296,932)	3,011,835	(2,018,824)	12,485
Cash generated from/(used in) operations		32,176,628	37,496,053	173,713	(97,902)
Dividend received		-	-	8,300,000	8,365,958
Interest paid		(5)	(204)	-	-
Tax (paid)/refunded		(3,129,856)	(2,848,205)	(2,854)	3,513
Net cash from operating activities		29,046,767	34,647,644	8,470,859	8,271,569

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

**CASH FLOW STATEMENTS**  
for the financial year ended 31 December 2008 (continued)

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of investment properties		-	7,139,871	-	-
Proceeds from disposal of property, plant and equipment		<b>2,600,822</b>	469,700	-	-
Increase in prepaid lease payments	9	-	(1,823,429)	-	-
Purchase of property, plant and equipment	7	<b>(21,847,257)</b>	(26,071,154)	-	-
Interest received		<b>820,730</b>	349,380	-	-
Net cash used in investing activities		<b>(18,425,705)</b>	(19,935,632)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		<b>(2,198,404)</b>	(1,942,574)	-	-
Drawdown/(Repayments) of banker's acceptances		<b>13,000,000</b>	(1,081,000)	-	-
Repayments of revolving credits		-	(5,000,000)	-	-
Dividend paid		<b>(8,267,226)</b>	(8,289,773)	<b>(8,267,226)</b>	(8,289,773)
(Repayments)/Drawdown of term loans		<b>(2,612,677)</b>	7,377,218	-	-
Net cash used in financing activities		<b>(78,307)</b>	(8,936,129)	<b>(8,267,226)</b>	(8,289,773)
Net increase/(decrease) in cash and cash equivalents		<b>10,542,755</b>	5,775,883	<b>203,633</b>	(18,204)
Cash and cash equivalents at beginning of financial year		<b>17,583,570</b>	11,807,687	<b>60,054</b>	78,258
Cash and cash equivalents at end of financial year	14	<b>28,126,325</b>	17,583,570	<b>263,687</b>	60,054

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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 1. CORPORATION 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 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The principal place of business of the Company is located at Lot 5043, 5½ Mile, Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 26 February 2009.

## 2. PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries 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 subsidiaries during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ('FRS') in Malaysia and the provisions of the Companies Act, 1965.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of a business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.7 to the financial statements on goodwill).

If the cost of business combination 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) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intra-group balances, transactions and unrealised gains and losses on intra-group transactions are eliminated in full. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

## 4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less any accumulated depreciation and any impairment losses.

Freehold land and building are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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 value, additional revaluation will be carried out in those intervening years. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to asset revaluation reserve.

Freehold land is not depreciated. Buildings under construction and tools and dies under development are stated at 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. Tools and dies under development is not depreciated until such time when the asset is available for use.

Depreciation of other property, plant and equipment is calculated to write off the cost or valuation of the assets to their residual values on a straight line method over their estimated useful lives. The principal depreciation periods and rates are as follows:

Buildings	10 - 50 years
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%



**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)**4.3 Property, plant and equipment and depreciation** (continued)

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation 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. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

**4.4 Leases****(a) Finance lease**

Assets acquired under finance leases which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease liabilities.

**(b) Operating lease**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)**4.4 Leases** (continued)**(c) Leases of land and buildings**

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as lease of other assets.

The minimum lease payment including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront lease payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term in accordance with the pattern of benefits provided except for leasehold land that is classified as an investment property.

The buildings element is classified as finance or operating lease in accordance with Note 4.4(a) or Note 4.4(b) to the financial statements. If the lease payments cannot be allocated reliably between land and buildings, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

**4.5 Investment properties**

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value. The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the balance sheet date, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair value of investment properties are arrived at by reference to market evidence of transaction prices for similar properties.

A gain or loss from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)**4.5 Investment properties** (continued)

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 previously recognised impairment loss, the gain is recognised in profit or loss. Upon disposal of the investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the profit or loss.

Investment properties are derecognised when either they have been disposed of 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 profit or loss in the period of retirement or disposal.

**4.6 Investments****(a) Subsidiaries**

A subsidiary is an entity in which the Group and the Company has power to control 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 has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

**(b) Other investments**

Non-current investments other than investments in subsidiaries and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Upon disposal of such investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

**4.7 Goodwill**

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.8 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investment in subsidiaries), inventories and investment properties measured at fair value, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not probable to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is only reversed 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.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)**4.9 Foreign currencies****4.9.1 Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

**4.9.2 Foreign currency transactions and balances**

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

**4.10 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis. The cost of raw materials and consumables comprises all costs of purchase plus the cost of bringing the inventories to their present condition and location. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**4.11 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the Company, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's and Company's activities as follows:

**Company**

Revenue from management fees for management services rendered to subsidiaries is recognised in profit or loss upon performance of services.

Dividends from subsidiaries are recognised in profit or loss when shareholder's right to receive payment is established.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.11 Revenue recognition (continued)****Group**

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight line basis.

**4.12 Interest income**

Interest income is recognised as it accrues, using the effective interest method.

**4.13 Employee benefits****4.13.1 Short term employee benefits**

Wages, salaries, paid sick leave, social security contributions, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. 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.

**4.13.2 Defined contribution plans**

The Company and its subsidiaries incorporated in Malaysia make contributions to statutory provident fund and recognise as a liability after deducting contributions already paid and as an expense in the financial year in which the employees render their services.

**4.14 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**4.15 Income taxes**

Income taxes include all domestic taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes and real property gains taxes payable on disposal of properties, prior to 1 April 2007, if any.

Taxes in the income statement comprises current tax and deferred tax.



**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)**4.15 Income taxes** (continued)**4.15.1 Current tax**

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

**4.15.2 Deferred tax**

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

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, unused tax losses and unused tax credits 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 income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**4.16 Provisions**

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 4.16 Provisions (continued)

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

#### 4.17 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

#### 4.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

##### 4.18.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distribution to holders of an equity instrument is debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

**4. SIGNIFICANT ACCOUNTING POLICIES** (continued)**4.18 Financial instruments** (continued)**4.18.1 Financial instruments recognised on the balance sheets** (continued)**(a) Receivables**

Trade and other receivables, including amounts owing by subsidiaries, are classified as loans and receivables under *FRS 132 Financial Instruments: Disclosures and Presentation*.

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

**(b) Cash and cash equivalents**

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

**(c) Payables**

Liabilities for trade and other amounts payable are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

Payables are initially and subsequently measured at cost.

**(d) Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

**(e) Equity instruments**

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. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefits. Otherwise, they are charged to profit or loss.

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

**4.18.2 Financial instruments not recognised on the balance sheets**

There is no financial instrument not recognised on the balance sheets in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 4.19 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

## 5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS

### 5.1 Amendment to FRS and new FRSs adopted

- (a) The following FRSs are mandatory for annual periods beginning on or after 1 July 2007:

FRS 107	<i>Cash Flow Statements</i>
FRS 111	<i>Construction Contracts</i>
FRS 112	<i>Income taxes</i>
FRS 118	<i>Revenue</i>
FRS 120	<i>Accounting for Government Grants and Disclosure of Disclosure Assistance</i>
FRS 134	<i>Interim Financial Reporting</i>
FRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>

These FRSs align the Malaysian Accounting Standards Board ('MASB') FRSs with the equivalent International Accounting Standards ('IAS'), both in terms of form and content. The adoption of these Standards will only impact the form and content of disclosures presented in the financial statements.

- (b) The following Amendment and IC Interpretations are mandatory for annual periods beginning on or after 1 July 2007:

Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above Amendment and IC Interpretations are not relevant to the Group's operations.

**5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS (continued)****5.1 Amendment to FRS and new FRSs adopted (continued)**

- (c) *Framework for the Preparation and Presentation of Financial Statements* ('Framework') is effective for annual periods beginning on or after 1 July 2007.

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not a MASB approved FRS as defined in paragraph 11 of FRS 101 *Presentation of Financial Statements* and hence, does not define standards for any particular measurement or disclosure issue.

**5.2 New FRSs not adopted**

- (a) FRS 8 *Operating Segments* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this standard are based on the information about the components of the entity that management uses to make decisions about operating matters. The standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this standards.

- (b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 203<sub>2004</sub> *Life Insurance Business*.

The standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. The standard prohibits provisions for potential claims under contracts that are not in existence at the reporting date, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. The standard also requires an insurer to keep insurance liabilities in its balance sheet until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

FRS 4 is not relevant to the Group's operations.

- (c) FRS 7 *Financial Instruments: Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation*.

The standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance.

The standard requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe the management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information on the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 5. ADOPTION OF NEW FRS AND AMENDMENT TO FRS (continued)

## 5.2 New FRSs not adopted (continued)

- (d) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

The standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Change in Accounting Estimates and Error* is not disclosed.

- (e) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

- (f) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

## 6.1 Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 *Investment Properties* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily let out a few units of shop lots held for future use as owner-occupied properties. These properties are not classified 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 classified as property, plant and equipment.

**6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS** (continued)**6.2 Key sources of estimation uncertainty**

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of goodwill

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU on which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in Note 12 to the financial statements.

(b) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within the period as disclosed in Note 4.3 to the financial statements. These are common life expectancies applied in the industry the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(c) Valuation of investment properties and property, plant and equipment - freehold land and buildings

Some judgements have been exercised in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year's value, market rental and other factors used in the valuation process. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(d) Allowance for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of allowance for doubtful debts. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(e) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.



## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

## 6.2 Key sources of estimation uncertainty (continued)

- (f) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

## 7. PROPERTY, PLANT AND EQUIPMENT

Group

	Balance at 1.1.2008 RM	Additions RM	Disposals RM	Depreciation charge for the financial year RM	Written off RM	Reclassi- fications RM	Balance at 31.12.2008 RM
<b>Carrying amounts</b>							
Freehold land							
- at 2006 valuation	29,862,141	-	-	-	-	-	29,862,141
Buildings							
- at 2006 valuation	40,414,190	-	-	(927,105)	-	-	39,487,085
- at cost	6,238,988	-	-	(196,536)	-	540,037	6,582,489
Plant and machinery	17,901,192	7,361,454	(9)	(4,814,681)	(4)	187,900	20,635,852
Tools, equipment and air-conditioners	1,868,121	144,197	-	(315,020)	(3,039)	-	1,694,259
Moulds and dies	48,301,519	6,143,938	(2,029,608)	(9,300,878)	-	6,300,758	49,415,729
Motor vehicles	1,799,990	529,847	(81,116)	(614,562)	-	-	1,634,159
Furniture, fittings and office equipment	1,248,277	542,530	(52)	(562,440)	(3,544)	-	1,224,771
Cabin containers	482	-	-	(156)	(326)	-	-
Buildings under construction	831,079	59,350	-	-	-	(727,937)	162,492
Tools and dies development costs	2,818,415	7,065,941	-	-	-	(6,300,758)	3,583,598
	151,284,394	21,847,257	(2,110,785)	(16,731,378)	(6,913)	-	154,282,575

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

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## 7. PROPERTY, PLANT AND EQUIPMENT (continued)

### Group

	Cost RM	Valuation RM	At 31.12.2008 Accumulated depreciation RM	Accumulated impairment RM	Carrying amounts RM
Freehold land					
- at 2006 valuation	-	29,862,141	-	-	29,862,141
Buildings					
- at 2006 valuation	-	41,342,000	1,854,915	-	39,487,085
- at cost	6,909,897	-	327,408	-	6,582,489
Plant and machinery	59,891,530	-	39,255,678	-	20,635,852
Tools, equipment and air-conditioners	3,913,122	-	2,218,863	-	1,694,259
Moulds and dies	122,445,782	-	72,712,064	317,989	49,415,729
Motor vehicles	4,330,714	-	2,696,555	-	1,634,159
Furniture, fittings and office equipment	5,454,545	-	4,229,774	-	1,224,771
Cabin containers	-	-	-	-	-
Buildings under construction	162,492	-	-	-	162,492
Tools and dies development costs	3,583,598	-	-	-	3,583,598
	206,691,680	71,204,141	123,295,257	317,989	154,282,575

	Balance at 1.1.2007 RM	Additions RM	Disposals RM	Depreciation charge for the financial year RM	Written off RM	Reclassi- fications RM	Balance at 31.12.2007 RM
<b>Carrying amounts</b>							
Freehold land							
- at 2006 valuation	29,862,141	-	-	-	-	-	29,862,141
Buildings							
- at 2006 valuation	41,342,000	-	-	(927,810)	-	-	40,414,190
- at cost	73,579	1,849,325	-	(92,111)	-	4,408,195	6,238,988
Plant and machinery	12,483,052	9,503,066	(2)	(4,084,919)	(5)	-	17,901,192
Tools, equipment and air-conditioners	1,762,222	415,838	-	(305,140)	(4,799)	-	1,868,121
Moulds and dies	47,007,163	5,105,356	-	(8,680,666)	-	4,869,666	48,301,519
Motor vehicles	1,644,820	844,691	(133,339)	(556,182)	-	-	1,799,990
Furniture, fittings and office equipment	1,085,646	750,007	(4,400)	(582,585)	(391)	-	1,248,277
Cabin containers	652	-	-	(170)	-	-	482
Buildings under construction	3,467,640	1,771,634	-	-	-	(4,408,195)	831,079
Tools and dies development costs	1,891,682	5,831,237	-	-	(34,838)	(4,869,666)	2,818,415
	140,620,597	26,071,154	(137,741)	(15,229,583)	(40,033)	-	151,284,394

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	At 31.12.2007				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amounts RM
Freehold land					
- at 2006 valuation	-	29,862,141	-	-	29,862,141
Buildings					
- at 2006 valuation	-	41,342,000	927,810	-	40,414,190
- at cost	6,369,860	-	130,872	-	6,238,988
Plant and machinery	52,723,417	-	34,822,225	-	17,901,192
Tools, equipment and air-conditioners	3,783,206	-	1,915,085	-	1,868,121
Moulds and dies	112,231,864	-	63,612,356	317,989	48,301,519
Motor vehicles	4,098,859	-	2,298,869	-	1,799,990
Furniture, fittings and office equipment	4,950,808	-	3,702,531	-	1,248,277
Cabin containers	25,700	-	25,218	-	482
Buildings under construction	831,079	-	-	-	831,079
Tools and dies development costs	2,818,415	-	-	-	2,818,415
	187,833,208	71,204,141	107,434,966	317,989	151,284,394

The freehold land and buildings of the Company were revalued by the Directors in 2006 by reference to the indicative market value based on existing use method.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been RM22,914,738 (2007: RM22,914,738) and RM32,397,482 (2007: RM33,190,063) respectively.

## 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2008 RM	2007 RM
Unquoted shares - at cost	80,751,949	80,751,949

The details of the subsidiaries are as follows:

Company name	Interest in equity held by				
	Company 2008	Company 2007	Subsidiaries 2008	Subsidiaries 2007	
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

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

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## 8. INVESTMENTS IN SUBSIDIARIES (continued)

Company name	Interest in equity held by				
	Company 2008	Company 2007	Subsidiaries 2008	Subsidiaries 2007	
Jhi Soon Manufacturing Industries Sdn. Bhd.	100%	100%	-	-	Manufacturing and marketing of automotive parts
Hoeken Industrial Sdn. Bhd.	100%	100%	-	-	Inactive
Advancesoft ICT Sdn. Bhd.	100%	100%	-	-	Dealing in computer software, consultancy and management services.
New Hoong Fatt Industries Sdn. Bhd.	100%	100%	-	-	Inactive

All subsidiaries are audited by BDO Binder.

## 9. PREPAID LEASE PAYMENTS FOR LAND

Group	Balance as at 1.1.2008 RM	Amortisation charge for the financial year RM	Balance as at 31.12.2008 RM
Carrying amount			
Leasehold land	9,837,992	(220,775)	9,617,217

	Cost RM	At 31.12.2008 Accumulated amortisation RM	Carrying amount RM
Leasehold land	10,149,822	532,605	9,617,217

Group	Balance as at 1.1.2007 RM	Addition RM	Amortisation charge for the financial year RM	Balance as at 31.12.2007 RM
Carrying amount				
Leasehold land	8,200,000	1,823,429	(185,437)	9,837,992

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 9. PREPAID LEASE PAYMENTS FOR LAND (continued)

	Cost RM	At 31.12.2007 Accumulated amortisation RM	Carrying amount RM
Leasehold land	10,149,822	311,830	9,837,992
Analysed as:			
Long term leasehold land		7,928,071	8,064,035
Short term leasehold land		1,689,146	1,773,957
		<b>9,617,217</b>	<b>9,837,992</b>

## 10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Non-current</b>				
Amounts owing by subsidiaries	-	-	1,491,795	3,861,617
<b>Current</b>				
<u>Trade</u>				
Third parties	41,063,449	40,860,070	-	-
Less: Allowance for doubtful debts, net of bad debts written off of RM65,402 (2007:RM5,489)	(516,367)	(592,429)	-	-
	40,547,082	40,267,641	-	-
<u>Non-trade</u>				
Other receivables	219,424	247,738	-	-
Deposits	155,460	164,158	2,500	2,500
Prepayments	2,828,436	3,744,375	13,214	25,000
	3,203,320	4,156,271	15,714	27,500
	43,750,402	44,423,912	15,714	27,500
<b>Total</b>	<b>43,750,402</b>	<b>44,423,912</b>	<b>1,507,509</b>	<b>3,889,117</b>

10. TRADE AND OTHER RECEIVABLES (continued)

**Company**

The amounts owing by subsidiaries 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 subsidiaries permit repayment and that such repayment will not adversely affect the ability of the subsidiaries to carry on their operations as going concerns.

**Group**

- (a) Included in trade receivables of the Group are amounts totalling RM14,927 (2007: RM22,774) owing by companies in which a sibling of certain Directors of the Company has substantial financial interest.

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 160 days (2007: 30 days to 160 days).

- (b) Included in prepayments are advance payments of RM2,393,430 (2007: RM3,398,673) paid to suppliers for the purchase of property, plant and equipment.

11. INVESTMENTS - AT COST

	<b>Group</b>	
	<b>2008 RM</b>	<b>2007 RM</b>
Unquoted shares in Malaysia	<b>83,000</b>	83,000

12. INTANGIBLE ASSET - GOODWILL

	<b>Balance as at 1.1.2008 RM</b>	<b>Impairment loss for the financial year RM</b>	<b>Balance as at 31.12.2008 RM</b>
<b>Group</b>			
<b>Carrying amount</b>			
Goodwill	<b>31,225,470</b>	<b>(5,706,584)</b>	<b>25,518,886</b>
	<b>Cost RM</b>	<b>At 31.12.2008 Accumulated impairment RM</b>	<b>Carrying amount RM</b>
Goodwill	<b>31,225,470</b>	<b>5,706,584</b>	<b>25,518,886</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 12. INTANGIBLE ASSET - GOODWILL (continued)

Group	Balance as at 1.1.2007 RM	Impairment loss for the financial year RM	Balance as at 31.12.2007 RM
<b>Carrying amount</b>			
Goodwill	31,225,470	-	31,225,470
	<b>Cost RM</b>	<b>At 31.12.2007 Accumulated impairment RM</b>	<b>Carrying amount RM</b>
Goodwill	31,225,470	-	31,225,470

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

An impairment loss on goodwill amounting to RM5,706,584 has been recognised during the financial year due to declining economic benefits expected from the CGU of which the goodwill were allocated to. This is a result of reducing economic life of the products for which the business operation and assets acquired that can produce.

The recoverable amount was determined based on a value-in-use calculation using cash flow projections based on the management's estimation on revenue that can be generated from the products for which the business operation and assets acquired can produce. The remaining economic lives of the products are estimated for a period of 1 to 10 years and the discount rate applied to the cash flow projections were 10% based on weighted average cost of capital of the Group.

## 13. INVENTORIES

	Group	
	2008 RM	2007 RM
<b>At cost</b>		
Raw materials	17,453,006	10,306,347
Work-in-progress	1,123,016	1,064,694
Finished goods	14,308,365	12,962,511
Consumables	124,899	142,144
	<b>33,009,286</b>	<b>24,475,696</b>
<b>At net realisable value</b>		
Finish goods	820,506	-
	<b>33,829,792</b>	<b>24,475,696</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	7,516,466	7,048,732	263,687	60,054
Short term placements	20,609,859	10,534,838	-	-
	<b>28,126,325</b>	<b>17,583,570</b>	<b>263,687</b>	<b>60,054</b>

Information on financial risks of cash and cash equivalents are disclosed in Note 28 to the financial statements.

## 15. SHARE CAPITAL

	Group/Company			
	2008 Number of shares	2007 Number of Shares	2008 RM	2007 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 31 December	75,156,600	75,156,600	75,156,600	75,156,600

## 16. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
(a) Non-distributable:				
Share premium	4,210,070	4,210,070	4,210,070	4,210,070
Revaluation reserve	13,512,861	13,512,861	-	-
(b) Distributable:				
Retained earnings	124,783,030	114,769,435	2,801,340	2,957,663
	<b>142,505,961</b>	<b>132,492,366</b>	<b>7,011,410</b>	<b>7,167,733</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

**16. RESERVES (continued)**

Subject to the agreement of the Inland Revenue Board, the Company has tax exempt income amounting to approximately RM3,315,000 (2007: RM5,537,000) available for distribution of tax exempt dividends.

Effective from 1 January 2008, the Company is given an option to make an irrevocable election to move to a single tier system to frank tax exempt dividend up to maximum amount of retained earnings or continue to use its tax exempt account or tax credit under Section 108 of Income Tax Act, 1967 for purpose of dividend distribution until it is fully utilised or latest by 31 December 2013.

The Company has made the election and as a result, there will not be any additional tax liability resulting from franking the payment of dividends out of the Company's retained earnings as at balance sheet date.

**17. BORROWINGS (INTEREST BEARING)**

	Group	
	2008 RM	2007 RM
<b>Current – unsecured</b>		
Bankers' acceptances	32,900,000	19,900,000
Revolving credits	5,000,000	5,000,000
Term loans (Note 18)	4,373,837	5,741,705
	<b>42,273,837</b>	30,641,705
<b>Non-current – unsecured</b>		
Term loans (Note 18)	9,391,317	10,636,126
	<b>51,665,154</b>	41,277,831
	Group	
	2008 RM	2007 RM
<b>Total borrowings</b>		
Bankers' acceptances	32,900,000	19,900,000
Revolving credits	5,000,000	5,000,000
Term loans (Note 18)	13,765,154	16,377,831
	<b>51,665,154</b>	41,277,831

Information on financial risks of the borrowings are disclosed in Note 28 to the financial statements.

**18. TERM LOANS - UNSECURED**

	Group
	2008 RM
	2007 RM
Term loan I repayable by 36 equal monthly instalments of RM230,556 each commencing June 2005	-
Term loan II repayable by 33 equal monthly instalments of RM204,545 each commencing August 2005	1,152,778
Term loan III repayable by 36 equal monthly instalments of RM78,000 each commencing October 2007	948,339
Term loan IV repayable by 36 equal monthly instalments of RM61,000 each commencing January 2008	1,644,225
Term loan V repayable by 20 equal quarterly instalments of RM52,500 each commencing December 2007	2,584,640
Term loan VI repayable by 60 equal monthly instalments of RM35,954 each commencing June 2007	1,468,738
Term loan VII repayable by 60 equal monthly instalments of RM57,303 each commencing May 2007	2,195,673
Term loan VIII repayable by 20 equal quarterly instalments of RM75,000 each commencing February 2008	787,500
Term loan IX repayable by 60 equal monthly instalments of RM46,667 each commencing October 2007	997,500
Term loan X repayable by 20 equal quarterly instalments of RM90,000 each commencing June 2008	1,342,517
Term loan XI repayable by 20 equal quarterly instalments of RM80,000 each commencing January 2009	1,690,140
	2,092,174
	1,200,000
	1,500,000
	2,660,000
	1,530,000
	-
	1,600,000
	13,765,154
	16,377,831
Repayable as follows:	
- within one year (Note 17)	4,373,837
- one to five years (Note 17)	5,741,705
	9,391,317
	10,636,126
	13,765,154
	16,377,831

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 19. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2008 RM	2007 RM
Balance as at 1 January	13,986,644	15,727,037
Recognised in equity		
- reversal due to abolishment of Real Property Gain Tax	-	(367,857)
- reversal due to reduction in income tax rate	-	(246,229)
	13,986,644	15,112,951
Transfer to/(from) income statement		
- current year (Note 25)		
- excess of capital allowances over corresponding depreciation	287,958	(952,658)
- reversal due to abolishment of real property gain tax	-	(126,569)
- crystallised from revaluation of property, plant and equipment	(45,334)	(45,334)
	242,624	(1,124,561)
- over provisions in prior year (Note 25)		
- excess of capital allowance over corresponding depreciation	(6,310)	(1,746)
Balance as at 31 December	14,222,958	13,986,644

(b) The deferred tax liabilities are made up of the following:

	Group	
	2008 RM	2007 RM
Surplus arising from revaluation of property, plant and equipment	1,886,677	1,932,011
Excess of capital allowances over corresponding depreciation	12,336,281	12,054,633
	14,222,958	13,986,644

## 20. TRADE AND OTHER PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
<b>Current</b>				
Trade				
Third parties	4,541,935	5,394,428	-	-
Non-trade				
Other payables	2,245,048	3,097,984	-	-
Dividend payables	206,910	2,267,084	206,910	2,267,084
Accruals	3,861,626	4,392,955	150,350	109,000
	6,313,584	9,758,023	357,260	2,376,084
<b>Total</b>	10,855,519	15,152,451	357,260	2,376,084

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

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## 20. TRADE AND OTHER PAYABLES (continued)

### Group

- (a) Included in trade payables of the Group are amounts totalling RM149,224 (2007: RM182,165) owing to companies in which a sibling of certain Directors of the Company has substantial financial interests.

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 days to 120 days (2007: 30 days to 120 days).

- (b) Included in other payables is advance payments received from customers amounting to RM1,640,387 (2007: RM363,307).

## 21. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sale of goods	168,902,106	156,397,230	-	-
Rendering of services	-	2,088	-	-
Rental income	-	357,333	-	-
Management fee	-	-	336,000	384,000
Dividends income from subsidiaries	-	-	8,300,000	10,378,727
	168,902,106	156,756,651	8,636,000	10,762,727

## 22. COST OF SALES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Inventories sold	123,005,449	111,913,784	-	-

## 23. FINANCE COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest expense on:				
- bankers' acceptances	1,194,263	979,952	-	-
- bank overdrafts	5	204	-	-
- term loans	792,916	547,368	-	-
- revolving credits	211,225	415,254	-	-
	2,198,409	1,942,778	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 24. PROFIT BEFORE TAX

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
This is arrived at after charging/(crediting):					
Allowance for doubtful debts		8,240	3,106	-	-
Amortisation of prepaid lease payments	9	220,775	185,437	-	-
Auditors' remuneration:					
- statutory		69,500	64,900	13,000	11,000
- non-statutory		2,000	2,000	2,000	2,000
Bad debts written off		-	478	-	-
Depreciation of property, plant and equipment	7	16,731,378	15,229,583	-	-
Directors' remunerations					
- fees					
- payable by the Company		142,550	98,000	142,550	98,000
- payable by subsidiaries		198,500	334,500	-	-
- emoluments other than fees					
- payable by the Company		46,000	47,000	46,000	47,000
- payable by subsidiaries		1,025,001	1,518,528	-	-
Impairment loss on goodwill	12	5,706,584	-	-	-
Loss on disposal of investment properties		-	60,129	-	-
Management fee from subsidiaries		-	-	336,000	384,000
Property, plant and equipment written off	7	6,913	40,033	-	-
Realised loss on foreign exchange		62,866	229,841	-	-
Rental of factory and premises		237,250	272,550	-	-
Unrealised loss on foreign exchange		24,441	97,208	-	-
Allowance for doubtful debts no longer required		(18,900)	(93,202)	-	-
Dividend income from unquoted subsidiaries					
- gross		-	-	-	(7,454,700)
- tax exempt		-	-	(8,300,000)	(2,924,027)
Gain on disposal of property, plant and equipment		(490,037)	(331,959)	-	-
Interest income from:					
- fixed deposits		-	(18,051)	-	-
- others		(820,730)	(331,329)	-	-
Rental income		(371,750)	(396,666)	-	-

**25. TAX EXPENSES**

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM</b>	<b>2007 RM</b>	<b>2008 RM</b>	<b>2007 RM</b>
Current tax expense based on profit for the financial year	<b>3,109,058</b>	2,976,698	-	2,018,804
Deferred tax liabilities (Note 19)	<b>242,624</b>	(1,124,561)	-	-
	<b>3,351,682</b>	1,852,137	-	2,018,804
(Over)/Under provision in prior years:				
- current tax expense	<b>(25,339)</b>	37,909	<b>26</b>	102
- deferred tax liabilities (Note 19)	<b>(6,310)</b>	(1,746)	-	-
	<b>3,320,033</b>	1,888,300	<b>26</b>	2,018,906

The Malaysian income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate has been reduced to 26% from the previous financial year's rate of 27% for the fiscal year of assessment 2007 and to 25% for the fiscal year of assessment 2009 onwards. The computation of deferred tax as at 31 December 2008 has reflected these changes.

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

	<b>Group</b>		<b>Company</b>	
	<b>2008 %</b>	<b>2007 %</b>	<b>2008 %</b>	<b>2007 %</b>
Average applicable tax rate	<b>26.0</b>	27.0	<b>26.0</b>	27.0
Tax effects in respect of:				
Reduction in deferred taxes resulting from reduction in tax rate	-	(8.3)	-	-
Double deduction of certain expenses	<b>(0.1)</b>	(0.1)	-	-
Non-taxable income	<b>(0.9)</b>	(2.4)	<b>(26.6)</b>	(7.6)
Non-allowable expenses	<b>8.0</b>	4.2	<b>0.6</b>	0.2
Reinvestment allowance incentives	<b>(17.1)</b>	(12.4)	-	-
Reduction in statutory tax rate on first RM500,000 chargeable income of certain subsidiaries	<b>(0.4)</b>	(0.6)	-	-
	<b>15.5</b>	7.4	-	19.6
(Over)/Under provision in prior years	<b>(0.1)</b>	0.2	-	-
Average effective tax rate	<b>15.4</b>	7.6	-	19.6



## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 26. EARNINGS PER SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit after tax of RM18,280,821 (2007: RM23,002,658) by the number of ordinary shares in issue during the financial year of 75,156,600 (2007: 75,156,600).

Diluted earnings per ordinary share is not presented as there is no dilutive potential ordinary shares outstanding during the financial year.

## 27. DIVIDENDS PER SHARE

	Group/Company			
	2008		2007	
	Gross dividend per share sen	Amount of dividend, net of tax RM	Gross dividend per share sen	Amount of dividend net of tax RM
Interim tax exempt dividend declared/paid in respect of:				
- current financial year	3	2,254,698	3	2,254,698
- previous financial year	-	-	-	-
Final dividend paid in respect of:				
- previous financial year	8	6,012,528	11	6,035,075
	11	8,267,226	14	8,289,773

As approved by the shareholders at the Annual General Meeting held on 15 May 2008, a final tax exempt dividend of 8 sen per share, amounting to RM6,012,528 in respect of the financial year ended 31 December 2007 was paid on 26 June 2008 and was accounted for as an appropriation of retained earnings in the current financial year.

An interim tax exempt dividend in respect of the financial year ended 31 December 2008 of 3 sen per share amounting to RM2,254,698 has been declared by the Directors on 30 October 2008. This dividend was paid on 18 December 2008 and has been accounted for as an appropriation of retained earnings in the financial year in which it is declared.

A final tax exempt dividend in respect of the financial year ended 31 December 2008 of 8 sen per ordinary share amounting to RM6,012,528 has been proposed by the Directors after the balance sheet date for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the year ending 31 December 2009.

**28. FINANCIAL INSTRUMENTS****(a) Financial risk management objectives and policies**

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instrument. Financial risk management is carried out through risk review programmes, internal control system, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to foreign currency risk, liquidity risk, interest rate risk and credit risk. Information on the management of the related exposures are detailed below.

**(i) 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, Taiwan, Saudi Arabia and South America. The currencies giving rise to this risk are primarily the US Dollar and New Taiwan Dollar. As the effect of the foreign currency risk is immaterial, the Group does not enter into any hedging contract as at the balance sheet date.

The net unhedged financial assets and liabilities of the Group and the Company that are not denominated in their functional currencies are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM</b>	<b>2007 RM</b>	<b>2008 RM</b>	<b>2007 RM</b>
Financial assets and liabilities not held in functional currencies				
<u>Trade and other receivables</u>				
US Dollar	<b>7,670,296</b>	6,121,688	-	-
New Taiwan Dollar	<b>1,260,844</b>	2,102,262	-	-
	<b>8,931,140</b>	8,223,950	-	-
<u>Trade and other payables</u>				
US Dollar	<b>1,695,706</b>	3,050,334	-	-

**(ii) 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 28. FINANCIAL INSTRUMENTS (continued)

## (a) Financial risk management objectives and policies (continued)

## (iii) 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 and term loans. 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.

The following tables set out the carrying amounts, the effective interest rates as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	Effective interest rate per annum %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	5 years RM	Total RM
<b>Group</b>								
<b>At 31 December 2008</b>								
<b>Floating rates</b>								
Bankers' acceptances	17	3.87 – 4.05	32,900,000	-	-	-	-	32,900,000
Revolving credits	17	4.54	5,000,000	-	-	-	-	5,000,000
<b>Fixed rates</b>								
Term loans	18	5.40 - 5.75	4,373,837	4,202,738	2,814,520	1,964,059	410,000	13,765,154
<b>At 31 December 2007</b>								
<b>Floating rates</b>								
Bankers' acceptances	17	3.83 - 3.86	19,900,000	-	-	-	-	19,900,000
Revolving credits	17	4.33	5,000,000	-	-	-	-	5,000,000
Term loans	18	5.55	948,339	-	-	-	-	948,339
<b>Fixed rates</b>								
Term loans	18	4.70 - 5.75	4,793,366	3,692,159	3,522,294	2,134,839	1,286,834	15,429,492

## (iv) 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.

In respect of the deposits, cash and bank balances placed with major financial institutions in Malaysia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

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

**28. FINANCIAL INSTRUMENTS** (continued)

## (b) Fair values

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

		Group		Company	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
At 31 December 2008					
Investments	11	83,000	*	-	-
Amount owing by subsidiaries	10	-	-	1,491,795	#
Term loans	18	13,765,154	13,575,701	-	-
At 31 December 2007					
Investments	11	83,000	*	-	-
Amount owing by subsidiaries	10	-	-	3,861,617	#
Term loans	18	16,377,831	16,453,282	-	-

\* It is not practical to estimate the fair value of the long term unquoted investments because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. The Company believes that the carrying amount of the investments approximately their fair values based on their estimated net realisable value.

# It is not practical to estimate the fair value of the amount owing by subsidiaries because of the lack of fixed repayment terms and the inability to estimate fair value without incurring excessive costs. The Group do 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 fair values of the term loans are estimated by discounting future cash flows at the current market interest rate available to the Group for similar financial instruments.
- (ii) The carrying amounts of other financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 29. SIGNIFICANT RELATED PARTY DISCLOSURES

## (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

## (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the year:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sales to:				
- Pong Codan Marketing Sdn. Bhd.	15,622	8,256	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	198,503	261,501	-	-
Purchases from:				
- Pong Codan Marketing Sdn. Bhd.	1,312,668	1,120,660	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	379,086	378,735	-	-
Rental paid to LF Kim Holdings Sdn. Bhd.	108,000	108,000	-	-

The related party transactions described above were 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 siblings of two (2) executive directors of the Company have substantial financial interest.
Pong Codan Rubber (M) Sdn. Bhd.	
LF Kim Holdings Sdn. Bhd.	

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 29. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

### (c) Compensation of key management personnel

The remuneration of key management personnel for the financial year was as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Directors' emoluments payable to:				
Executive Directors:				
- fees	213,500	354,500	15,000	20,000
- Directors' emoluments other than fees	910,677	1,349,456	15,000	20,000
- EPF contributions	129,324	189,072	-	-
Non-executive Directors:				
- fees	127,550	78,000	127,550	78,000
- Directors' emoluments other than fees	31,000	27,000	31,000	27,000
	<b>1,412,051</b>	<b>1,998,028</b>	<b>188,550</b>	<b>145,000</b>

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM65,847 (2007: RM87,752).

## 30. COMMITMENTS

### (a) Operating lease commitments

#### (i) The Group as lessee

The Group had entered into non-cancellable lease agreements for staff housing, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

	Group	
	2008 RM	2007 RM
Not later than one (1) year	180,150	124,150
Later than one (1) year and not later than five (5) years	-	2,250
	<b>180,150</b>	<b>126,400</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2008 (continued)**

**30. COMMITMENTS (continued)**

(a) Operating lease commitments (continued)

(ii) The Group as lessor

The Group has entered into non-cancellable lease arrangements on certain properties for a term of 1 year. The leases include a clause to enable upward revision of the rental charge on an annual basis depending on prevailing market conditions.

	<b>Group</b>	
	<b>2008 RM</b>	<b>2007 RM</b>
Not later than one (1) year	<b>150,729</b>	371,750
Later than one (1) year and not later than five (5) years	<b>-</b>	150,729
	<b>150,729</b>	522,479

(b) Capital commitments

	<b>Group</b>	
	<b>2008 RM</b>	<b>2007 RM</b>
Capital expenditure in respect of property, plant and equipment: Contracted but not provided for	<b>3,131,166</b>	7,053,142
Capital expenditure in respect of an investment in a subsidiary (Note 34): Contracted but not provided for	<b>3,000,000</b>	-
	<b>6,131,166</b>	7,053,142

**31. CONTINGENT LIABILITIES - UNSECURED**

	<b>Company</b>	
	<b>2008 RM</b>	<b>2007 RM</b>
Guarantee in favour of banks for banking facilities utilised by subsidiaries	<b>51,665,154</b>	41,277,831
Guarantee in favour of third parties for supply of goods to subsidiaries	<b>483,896</b>	1,142,534
	<b>52,149,050</b>	42,420,365



### 32. EMPLOYEES BENEFITS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries, wages, overtime, bonuses, allowances and commissions	<b>16,775,390</b>	15,928,038	<b>195,000</b>	200,000
Contributions to defined contribution plan	<b>1,606,297</b>	1,551,517	-	-
Social security contributions	<b>197,456</b>	189,282	-	-
	<b>18,579,143</b>	17,668,837	<b>195,000</b>	200,000

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM910,677 (2007: RM1,349,456) and RM15,000 (2007: RM20,000) respectively.

### 33. SEGMENTAL INFORMATION

#### (a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and returns are affected predominantly by differences in the products and services it produces.

Secondary information is reported geographically.

#### (b) Business segments

The Group comprises the following main business segments:

##### (i) Manufacturing

Manufacturing and marketing of automobile parts.

##### (ii) Trading

Marketing, distribution and trading of automobile spare parts and accessories.

##### (iii) Investment

Investment holding.

##### (iv) Others

Comprise computer software, consultancy and management services.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 33. SEGMENTAL INFORMATION (continued)

## (c) Geographical segments

The Group operates mainly in Malaysia, ASEAN and Non ASEAN (such as Middle East, Central and South America, Europe and Africa). The revenue disclosed in geographical segments are based on the geographical location of its customers. Segment assets and segment expenditure are based on the geographical location of assets. The composition of each geographical segment is as follows:

- (i) Malaysia : Manufacture and sale of plastic and metal of automotive parts and accessories and computer software, consultancy and management service.
- (ii) Asean : Manufacture and sale of plastic and metal of automotive parts and accessories.
- (iii) Non Asean : Manufacture and sale of plastic and metal of automotive parts and accessories.

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

2008	Manufacturing RM'000	Trading RM'000	Investment RM'000	Others RM'000	Elimi- nations RM'000	Consolidated RM'000
<b>Revenue</b>						
Sales to external customers	41,189	127,713	-	-	-	168,902
Inter-segment sales	76,494	-	8,636	498	(85,628)	-
Total revenue	117,683	127,713	8,636	498	(85,628)	168,902
<b>Results</b>						
Segment results	17,997	5,978	8,111	13	(8,300)	23,799
Finance costs						(2,198)
Profit before tax						21,601
Tax expense						(3,320)
Profit for the financial year						18,281
<b>Other information</b>						
Segment assets	220,250	74,372	281	307	-	295,210
Total assets						295,210
Segment liabilities	6,992	3,453	357	54	-	10,856
Unallocated liabilities:						66,692
- borrowings						51,665
- current tax liabilities						804
- deferred tax liabilities						14,223
Total liabilities						77,548
Capital expenditure	21,061	781	-	5	-	21,847
Depreciation and amortisation	15,594	1,343	-	15	-	16,952
Other non-cash income and expenses	5,302	(65)	-	-	-	5,237
						44,036

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 33. SEGMENTAL INFORMATION (continued)

(c) Geographical segments (continued)

2007

	Manufacturing RM'000	Trading RM'000	Investment RM'000	Others RM'000	Elimi- nations RM'000	Consolidated RM'000
<b>Revenue</b>						
Sales to external customers	40,865	115,535	-	357	-	156,757
Inter-segment sales	70,115	-	10,763	527	(81,405)	-
Total revenue	110,980	115,535	10,763	884	(81,405)	156,757
<b>Results</b>						
Segment results	22,027	4,576	10,322	288	(10,379)	26,834
Finance costs						(1,943)
Profit before tax						24,891
Tax expense						(1,888)
Profit for the financial year						23,003
<b>Other information</b>						
Segment assets	209,164	69,464	87	199	-	278,914
Total assets						278,914
Segment liabilities	8,819	3,905	2,376	52	-	15,152
Unallocated liabilities:						56,113
- borrowings						41,278
- current tax liabilities						848
- deferred tax liabilities						13,987
Total liabilities						71,265
Capital expenditure	22,965	4,866	-	64	-	27,895
Depreciation and amortisation	14,139	1,268	-	8	-	15,415
Other non-cash income and expenses	139	5	-	60	-	204
						43,514

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2008 (continued)

## 33. SEGMENTAL INFORMATION (continued)

## (c) Geographical segments (continued)

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segment:

	Revenue		Segment assets		Capital expenditure	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	128,487	116,965	288,623	274,069	21,847	27,895
Asean	8,060	7,690	794	836	-	-
Non Asean	32,355	32,102	5,793	4,009	-	-
	168,902	156,757	295,210	278,914	21,847	27,895

## 34. SIGNIFICANT EVENT DURING THE YEAR

On 18 November 2008, the Group has entered into an agreement to subscribe for 3,000,000 shares representing 60% of the total issued and paid-up ordinary share capital of New Kean Tat Auto Parts Sdn. Bhd. ('NKT'), a company incorporated in Malaysia, which is engaged in trading of motor vehicle parts and accessories for a cash consideration of RM3,000,000.

The Group has subsequently subscribed for the shares on 15 January 2009.

The acquisition of NKT has no impact to the net assets of the Group as NKT is a newly set up company.

# LIST OF PROPERTIES / *SENARAI HARTANAH*

as at 31 December 2008 / *pada 31 Disember 2008*

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Location	Description / Existing Use	Land Area / Built-Up Area	Tenure / Approximate Age of Building	Date of Last Revaluation or Acquisition	Net Book Value (RM'000)
<i>Lokasi</i>	<i>Keterangan / Kegunaan</i>	<i>Keluasan Tanah / Luas Kawasan Terbina</i>	<i>Jenis Hakmilik / Anggaran Usia Bangunan</i>	<i>Tarikh Penilaian Semula atau Pembelian</i>	<i>Nilai Buku Bersih (RM'000)</i>
GRN 28195 Lot 6342 Mukim of Setapak District of Kuala Lumpur Federal Territory	3-storey shop house/ Office and warehouse <i>Rumah kedai 3 tingkat/ Pejabat dan gudang</i>	152 sq m/ 457 sq m	Freehold/ 40 years  <i>Pegangan bebas/ 40 tahun</i>	21.12.06	558
HS(M) 22101 No. PT 29778 & GM 1827 Lot 5028 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory <i>Tanah perindustrian dan bangunan/ Pejabat dan kilang</i>	31,240 sq m/ 29,034 sq m	Freehold/ 10 – 17 years  <i>Pegangan bebas/ 10 - 17 tahun</i>	21.12.06	25,089
GM 3890 Lot 5043 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and warehouse <i>Tanah perindustrian dan bangunan/ Pejabat dan gudang</i>	10,918 sq m/ 9,486 sq m	Freehold/ 6 years  <i>Pegangan bebas/ 6 tahun</i>	21.12.06	8,544
GM 1672 Lot 5044 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Warehouse <i>Tanah perindustrian dan bangunan/ Gudang</i>	10,031 sq m/ 17,756 sq m	Freehold/ 6 years  <i>Pegangan bebas/ 6 tahun</i>	21.12.06	10,642
HS(M)35401 No. PT 54723 (Lot 5045) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory <i>Tanah perindustrian dan bangunan/ Kilang</i>	10,085 sq m/ 6,786 sq m	Freehold/ 8 years  <i>Pegangan bebas/ 8 tahun</i>	21.12.06	7,287
GM 1859 Lot 5046 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory <i>Tanah perindustrian dan bangunan/ Pejabat dan kilang</i>	10,669 sq m/ 7,237 sq m	Freehold/ 6 years  <i>Pegangan bebas/ 6 tahun</i>	21.12.06	7,451

**LIST OF PROPERTIES / SENARAI HARTANAH**  
as at 31 December 2008 / pada 31 Disember 2008 (continued / sambungan)

Location	Description / Existing Use	Land Area / Built-Up Area	Tenure / Approximate Age of Building	Date of Last Revaluation or Acquisition	Net Book Value (RM'000)
<i>Lokasi</i>	<i>Keterangan / Kegunaan</i>	<i>Keluasan Tanah / Luas Kawasan Terbina</i>	<i>Jenis Hakmilik / Anggaran Usia Bangunan</i>	<i>Tarikh Penilaian Semula atau Pembelian</i>	<i>Nilai Buku Bersih (RM'000)</i>
HS(M) 36093 No. PT 56761 (Lot 5047/48) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory <i>Tanah perindustrian dan bangunan/ Kilang</i>	20,109 sq m/ 1,171 sq m	Freehold/ 6 years  <i>Pegangan bebas/ 6 tahun</i>	21.12.06	5,871
GM 4325 Lot 4982 Mukim of Kapar District of Klang Selangor	Vacant land  <i>Tanah kosong</i>	12,141 sq m/ -	Freehold/ -  <i>Pegangan bebas/ -</i>	21.12.06	1,500
GM 593 Lot 4983 Mukim of Kapar District of Klang Selangor	Vacant agricultural land  <i>Tanah pertanian kosong</i>	12,141 sq m/ -	Freehold/ -  <i>Pegangan bebas/ -</i>	21.12.06	1,500
GM 2445 Lot 4984 Mukim of Kapar District of Klang Selangor	Vacant land  <i>Tanah kosong</i>	12,141 sq m/ -	Freehold/ -  <i>Pegangan bebas/ -</i>	21.12.06	1,500
GM 5582 Lot 5065 Mukim of Kapar Daerah of Klang Selangor	Vacant industrial land  <i>Tanah perindustrian kosong</i>	12,141 sq m/ -	Freehold/ -  <i>Pegangan bebas/ -</i>	21.12.06	2,300

**LIST OF PROPERTIES / SENARAI HARTANAH**  
as at 31 December 2008 / pada 31 Disember 2008 (continued / sambungan)

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Location	Description / Existing Use	Land Area / Built-Up Area	Tenure / Approximate Age of Building	Date of Last Revaluation or Acquisition	Net Book Value (RM'000)
<i>Lokasi</i>	<i>Keterangan / Kegunaan</i>	<i>Keluasan Tanah / Luas Kawasan Terbina</i>	<i>Jenis Hakmilik / Anggaran Usia Bangunan</i>	<i>Tarikh Penilaian Semula atau Pembelian</i>	<i>Nilai Buku Bersih (RM'000)</i>
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 <i>Tanah perindustrian dan bangunan/ Kegunaan sendiri dan separuh disewa sebagai pejabat dan gudang</i>	7,264 sq m/ 5,014 sq m	Leasehold of 99 years expiring on 16.06.2067/ 35 years  <i>Pajakan 99 tahun berakhir 16.06.2067/ 35 tahun</i>	21.12.06	10,065
Pajakan Negeri CL015413797 Miles 5 ½ Tuaran Road District of Kota Kinabalu Sabah	Industrial land and building/ Office and warehouse <i>Tanah perindustrian dan bangunan/ Pejabat dan gudang</i>	3,565 sq m/ 1,780 sq m	Leasehold of 60 years expiring on 29.09.2028/ 2 years  <i>Pajakan 60 tahun berakhir 29.09.2028/ 2 tahun</i>	16.05.07	3,190

# ANALYSIS OF SHAREHOLDINGS / ANALISA PEGANGAN SAHAM

as at 13 March 2009 / pada 13 Mac 2009

Authorised Share Capital / <i>Modal Saham Dibenarkan</i>	:	RM100,000,000.00
Issued and Paid-Up Share Capital / <i>Modal Saham Terbitan dan Berbayar</i>	:	RM75,156,600.00
Class of Shares / <i>Kelas Saham</i>	:	Ordinary shares of RM1.00 each / <i>Saham biasa RM1.00 sesaham</i>
No. of Shareholders / <i>Bilangan Pemegang Saham</i>	:	1,456
Voting Rights / <i>Hak Mengundi</i>	:	One vote per ordinary share / <i>Satu undi bagi setiap saham biasa</i>

## DISTRIBUTION OF SHAREHOLDINGS / PENGAGIHAN PEGANGAN SAHAM

Size of Shareholdings / <i>Saiz Pegangan Saham</i>	Shareholders / <i>Pemegang Saham</i>	%	Shareholdings / <i>Pegangan Saham</i>	%
1 – 99	4	0.27	110	0.00
100 – 1,000	294	20.19	264,300	0.35
1,001 – 10,000	868	59.62	3,695,190	4.92
10,001 – 100,000	236	16.21	6,725,400	8.95
100,001 – less than 5% of issued shares / <i>kurang dari 5% terbitan saham</i>	52	3.57	28,813,713	38.34
5% and above of issued shares / <i>5% dan ke atas terbitan saham</i>	2	0.14	35,657,887	47.44
TOTAL / JUMLAH	1,456	100.00	75,156,600	100.00

Note : 5% of issued shares = 3,757,829 shares

Nota : 5% terbitan saham = 3,757,829 saham

## SUBSTANTIAL SHAREHOLDERS / PEMEGANG SAHAM UTAMA

Name / Nama	No. of Shares Held / <i>Bilangan Saham Dipegang</i>			
	Direct / <i>Langsung</i>	%	Indirect / <i>Tidak Langsung</i>	%
Kam Foong Keng	25,620,942	34.09	838,200 <sup>1</sup>	1.12
Wong Ah Moy @ Wong Yoke Len	10,036,945	13.35	31,602,917 <sup>2</sup>	42.05

Notes / Nota-nota:

<sup>1</sup> Deemed interested in the shares held by her spouse, Chin Jit Sin.

*Dianggap mempunyai kepentingan dalam saham yang dipegang oleh suaminya, Chin Jit Sin.*

<sup>2</sup> 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 children, Kam Foong Keng, Kam Foong Sim, Kam Kin Foong and Kam Fong Mei.

*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 anak-anaknya, Kam Foong Keng, Kam Foong Sim, Kam Kin Foong dan Kam Fong Mei.*



## DIRECTORS' INTERESTS (based on Register of Directors' Shareholdings)

## KEPENTINGAN PENGARAH-PENGARAH (menurut Daftar Pegangan Saham Pengarah)

Name / Nama	No. of Shares Held / Bilangan Saham Dipegang			
	Direct / Langsung	%	Indirect / Tidak Langsung	%
Kam Foong Keng	25,620,942	34.09	838,200 <sup>1</sup>	1.12
Chin Jit Sin	838,200	1.12	25,620,942 <sup>2</sup>	34.09
Kam Foong Sim	1,807,425	2.40	-	-
Wong Kwan @ Wong Kwong Kwan	24,000	0.03	2,000 <sup>3</sup>	0.00
Wong Yoke Nyen	10,000	0.01	17,000 <sup>4</sup>	0.02
Danny Ng Siew L'Leong	-	-	-	-
Datuk Dr Anis Bin Ahmad	-	-	-	-

## Notes / Nota-nota:

- <sup>1</sup> Deemed interested in the shares held by her spouse, Chin Jit Sin.  
*Dianggap mempunyai kepentingan dalam saham yang dipegang oleh suaminya, Chin Jit Sin.*
- <sup>2</sup> Deemed interested in the shares held by his spouse, Kam Foong Keng.  
*Dianggap mempunyai kepentingan dalam saham yang dipegang oleh isterinya, Kam Foong Keng.*
- <sup>3</sup> Deemed interested in the shares held by his spouse, Leong Sin Who @ Leong Swee Hong.  
*Dianggap mempunyai kepentingan dalam saham yang dipegang oleh isterinya, Leong Sin Who @ Leong Swee Hong.*
- <sup>4</sup> Deemed interested in the shares held by his spouse, Jannie Tsen.  
*Dianggap mempunyai kepentingan dalam saham yang dipegang oleh isterinya, Jannie Tsen.*

**ANALYSIS OF SHAREHOLDINGS / ANALISA PEGANGAN SAHAM**

as at 13 March 2009 / pada 13 Mac 2009 (continued / sambungan)

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

Name / Nama		Shareholdings / Pegangan Saham	%
1.	Kam Foong Keng	25,620,942	34.09
2.	Wong Ah Moy @ Wong Yoke Len	10,036,945	13.35
3.	Lembaga Tabung Haji	2,622,300	3.49
4.	Kam Fong Mei	1,777,425	2.37
5.	Patricia Lim Pek Yew	1,630,200	2.17
6.	Lee Kam Tai	1,627,425	2.17
7.	Diong Siew Gi	1,545,913	2.06
8.	Wong Fong Ngoh	1,439,600	1.92
9.	Diong Siew Gi	1,359,600	1.81
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd For / Untuk Employees Provident Fund	1,251,000	1.66
11.	Kam Kin Foong	1,177,125	1.57
12.	Kam Foong Sim	1,132,425	1.51
13.	Chin Jit Sin	838,200	1.12
14.	Wong Fong Ngoh	744,000	0.99
15.	L F Kim Holdings Sdn Bhd	720,000	0.96
16.	Kam Foong Sim	675,000	0.90
17.	Yoi Chi @ Lim Yoi Chi	653,700	0.87
18.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An For / Untuk British and Malayan Trustees Limited (Yeoman 3-Rights)	600,000	0.80
19.	Jason Lim Yu Sang	583,000	0.78
20.	Kam Kin Foong	500,000	0.67
21.	Koay Keng Ling	464,200	0.62
22.	Lien, Li-Yu	452,800	0.60
23.	Pui Cheng Wui	442,200	0.59
24.	Lee Yeow Teng	419,500	0.56
25.	Koay Keng Teik @ Koay Chia Wah	411,600	0.55
26.	Koay Keng Huat	383,100	0.51
27.	Lai Fook Hoy	381,800	0.51
28.	Lim Pin Kong	372,000	0.50
29.	Lim Pin Kong	368,100	0.49
30.	Tseng Wan-I	306,000	0.41
<b>TOTAL / JUMLAH</b>		<b>60,536,100</b>	<b>80.55</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twelfth (12th) Annual General Meeting of **NEW HOONG FATT HOLDINGS BERHAD** will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 14 May 2009 at 9.30 a.m. for the following purposes:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon.
2. To declare a final tax exempt dividend of eight percentum (8%) per ordinary share of RM1.00 in respect of the financial year ended 31 December 2008.  
**Ordinary Resolution 1**
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 Chin Jit Sin  
**Ordinary Resolution 2**
  - (ii) Datuk Dr Anis Bin Ahmad  
**Ordinary Resolution 3**
4. To re-elect Mr Wong Yoke Nyen retiring pursuant to Article 85 of the Company's Articles of Association, and being eligible, offers himself for re-election.  
**Ordinary Resolution 4**
5. 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**
6. To approve the Directors' fees of RM142,500.00 for the financial year ended 31 December 2008.  
**Ordinary Resolution 6**
7. To re-appoint Messrs BDO Binder as Auditors of the Company and to authorise the Directors to fix their remuneration.  
**Ordinary Resolution 7**
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 Twelfth (12th) Annual General Meeting of the Company, a final tax exempt dividend of eight percentum (8%) per ordinary share of RM1.00 for the financial year ended 31 December 2008 will be paid on 18 June 2009 to Depositors whose names appear in the Record of Depositors on 21 May 2009.

A depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 21 May 2009 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.

## NOTICE OF ANNUAL GENERAL MEETING

(continued)

By Order of the Board

**MAH LI CHEN** (MAICSA 7022751)  
Company Secretary

Kuala Lumpur  
22 April 2009

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Further details of the Directors standing for re-election or re-appointment are set out in the Directors' Profile appearing on pages 13 to 19 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 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur at least forty-eight (48) hours before the time fixed for the meeting.

**DENGAN INI DIMAKLUMKAN BAHAWA** Mesyuarat Agung Tahunan **NEW HOONG FATT HOLDINGS BERHAD** yang ke-Duabelas (12) akan diadakan di Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, pada hari Khamis, 14 Mei 2009, pada pukul 9.30 pagi bagi tujuan-tujuan berikut:

1. Menerima Penyata Kewangan yang telah diaudit bagi tahun kewangan berakhir pada 31 Disember 2008 bersama dengan Laporan-Laporan Pengarah dan Juruaudit.
2. Mengisytiharkan dividen akhir dikecualikan cukai sebanyak lapan peratus (8%) sesaham biasa berharga RM1.00 bagi tahun kewangan berakhir pada 31 Disember 2008. **Resolusi Biasa 1**
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 Chin Jit Sin **Resolusi Biasa 2**
  - (ii) Datuk Dr Anis Bin Ahmad **Resolusi Biasa 3**
4. Melantik semula Encik Wong Yoke Nyen yang bersara mengikut Artikel 85 Tataurusan Syarikat, dan oleh kerana layak, menawarkan diri sendiri untuk dilantik semula. **Resolusi Biasa 4**
5. 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**
6. Meluluskan yuran Pengarah sebanyak RM142,500.00 bagi tahun kewangan berakhir 31 Disember 2008. **Resolusi Biasa 6**
7. Melantik semula Tetuan BDO Binder sebagai Juruaudit Syarikat dan memberi kuasa kepada Pengarah-Pengarah untuk menetapkan bayaran mereka. **Resolusi Biasa 7**
8. Untuk menjalankan sebarang urusan lain yang mana notis sewajarnya telah diberikan.

## NOTIS BERKELAYAKAN DIVIDEN

**DENGAN INI JUGA DIMAKLUMKAN BAHAWA** tertakluk kepada kelulusan oleh pemegang-pemegang saham pada Mesyuarat Agung Tahunan Syarikat yang ke-Duabelas (12), dividen akhir dikecualikan cukai sebanyak lapan peratus (8%) sesaham biasa berharga RM1.00 bagi tahun kewangan berakhir 31 Disember 2008 yang akan dibayar pada 18 Jun 2009 kepada pendeposit sepertimana yang terdapat di dalam Rekod Pendeposit pada 21 Mei 2009.

Pendeposit hanya layak untuk menerima dividen berhubung dengan:

- (a) Sekuriti yang dipindahkan ke dalam Akaun Sekuriti Pendeposit sebelum 4.00 petang pada 21 Mei 2009 berkaitan dengan pemindahan; dan
- (b) Sekuriti yang dibeli di Bursa Malaysia Securities Berhad atas dasar dengan kelayakan menurut Peraturan-Peraturan Bursa Malaysia Securities Berhad.

**NOTIS MESYUARAT AGUNG TAHUNAN**  
**(sambungan)**

*Dengan Perintah Lembaga Pengarah*

**MAH LI CHEN** (MAICSA 7022751)  
*Setiausaha Syarikat*

*Kuala Lumpur*  
*22 April 2009*

**PENYATA MENGIRINGI NOTIS MESYUARAT AGUNG TAHUNAN**

*Butir-butir yang selanjutnya bagi Pengarah-Pengarah yang akan dilantik semula, dinyatakan di dalam Profil Pengarah dari mukasurat 13 hingga 19 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 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, sekurang-kurangnya empat-puluh lapan (48) jam sebelum waktu yang telah ditetapkan untuk mesyuarat itu berlangsung.*

# PROXY FORM



## NEW HOONG FATT HOLDINGS BERHAD

(425709-K)

I/We ..... (full name of shareholder 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 Twelfth (12th) Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit  
Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 14 May 2009  
at 9.30 a.m. or at any adjournment thereof and to vote as indicated below:

		Agenda	For	Against
1.	Ordinary Resolution 1	Declaration of final tax exempt dividend of 8%		
2.	Ordinary Resolution 2	Re-election of Mr Chin Jit Sin as Director		
3.	Ordinary Resolution 3	Re-election of Datuk Dr. Anis Bin Ahmad as Director		
4.	Ordinary Resolution 4	Re-election of Mr Wong Yoke Nyen 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 RM142,500		
7.	Ordinary Resolution 7	Re-appointment of Auditors and authorise Directors to fix their remuneration		

(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 ..... 2009

No. of Ordinary Shares held	
CDS Account No.	

.....  
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 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 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 pemegang saham 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-Duabelas (12) yang akan diadakan di Dewan Berjaya, Bukit Kiara Equestrian  
& Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur pada hari Khamis, 14 Mei 2009 jam 9.30 pagi  
dan pada sebarang penangguhannya seperti berikut:

		<b>Agenda</b>	<b>Menyokong</b>	<b>Menentang</b>
1.	Resolusi Biasa 1	Pengisytiharan dividen akhir dikecualikan cukai sebanyak 8%		
2.	Resolusi Biasa 2	Pemilihan semula Encik Chin Jit Sin sebagai Pengarah		
3.	Resolusi Biasa 3	Pemilihan semula Datuk Dr. Anis Bin Ahmad sebagai Pengarah		
4.	Resolusi Biasa 4	Pemilihan semula Encik Wong Yoke Nyen sebagai Pengarah		
5.	Resolusi Biasa 5	Perlantikan semula Encik Wong Kwan @ Wong Kwong Kwan sebagai Pengarah		
6.	Resolusi Biasa 6	Meluluskan yuran Pengarah sebanyak RM142,500		
7.	Resolusi Biasa 7	Perlantikan semula Juruaudit dan memberi kuasa kepada Pengarah untuk menetapkan bayaran mereka		

(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 ..... 2009

<b>Bilangan Saham Biasa yang dipegang</b>	
<b>No. CDS Akaun</b>	

.....  
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 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, sekurang-kurangnya empat-puluh lapan (48) jam sebelum waktu yang telah ditetapkan untuk mesyuarat berlangsung.



**NHF**

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

**76**

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Fax : 603-3392 6775

#### Gombak Branch

9, Jalan Gombak, Setapak  
53000 Kuala Lumpur  
Malaysia

Tel : 603-4022 4220, 4023 0150  
Fax : 603-4021 8659

#### Sg Besi Branch

27, Jalan 6/89B, 3 ½ Miles  
Off Jalan Sungai Besi  
57100 Kuala Lumpur  
Malaysia

Tel : 603-7983 6900, 7983 6508  
Fax : 603-7983 6543

#### Segambut Branch

53 & 53A  
Persiaran Segambut Tengah  
Off Jalan Ipoh  
51200 Kuala Lumpur  
Malaysia

Tel : 603-6250 8800  
Fax : 603-6250 8811

#### K. Kinabalu Branch

28, Lorong Burong Keleto, 5 ½ Miles  
Off Jalan Tuaran Bypass  
Likas Industrial Estate  
88450 Kota Kinabalu  
P.O.Box 603, 88856 Likas, Sabah  
Malaysia

Tel : 6088-388 686  
Fax : 6088-388 683

Email : [enquiries@newhoongfatt.com.my](mailto:enquiries@newhoongfatt.com.my)

Website: [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my)

[www.newhoongfatt.com.my](http://www.newhoongfatt.com.my)

**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](mailto:enquiries@newhoongfatt.com.my)