



New Hoong Fatt Holdings Berhad

(Company No. 425709-K)

(Incorporated in Malaysia)

LETTER TO SHAREHOLDERS

in relation to the

IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT SYSTEM

This letter to Shareholders is issued on 21 April 2010 and enclosed together with the Company's 2009 Annual Report.

This letter is important and requires your immediate attention.



New Hoong Fatt Holdings Berhad

(Company No. 425709-K)
(Incorporated in Malaysia)

REGISTERED OFFICE :

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76 Jalan Raja Chulan
50200 Kuala Lumpur

21 April 2010

To : The Shareholders of NEW HOONG FATT HOLDINGS BERHAD
("NHF" or "the Company")

Dear Sirs / Madams,

IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT SYSTEM ("eDIVIDEND")

1. INTRODUCTION

Bursa Malaysia Securities Berhad had via their letter dated 19 February 2010 issued a directive on the implementation of Electronic Dividend payment system or eDividend. All listed issuers who announce a books closing date for cash dividend entitlements on or after 1 September 2010 shall pay the cash dividends via eDividend to shareholders who have provided their bank account information to Bursa Depository Malaysia Sdn Bhd ("Bursa Depository").

eDividend refers to the payment of cash dividend by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts.

The main objectives of implementing eDividend are, amongst others, to promote greater efficiency of the dividend payment system and to put the Malaysian market on par with practices in other regional markets in relation to receipt of dividend proceeds by shareholders.

2. ADVANTAGES OF eDIVIDEND

The implementation of eDividend is a step towards the national agenda of migrating to electronic payments as well as adherence to G-30's recommendation on best practices of a paperless environment and zero-intervention process.

With eDividend, you as a shareholder will be able to benefit as follows:

- ▶ Faster access to dividends which is credited directly into your bank account.
- ▶ Convenient as you may not need to go to your bank.
- ▶ One-off provision of bank account details for all the companies you invest in on Bursa Malaysia Securities Berhad.
- ▶ Better account management with the option to consolidate the dividends from all your CDS accounts into one bank account.
- ▶ Misplaced, lost or expired cheques will no longer be an issue.

3. PROVISION OF BANK ACCOUNT INFORMATION FOR eDIVIDEND

As a shareholder, you can start providing your bank account information to Bursa Depository through your Authorised Depository Agent or stock broker from 19 April 2010 and you have a grace period of one year, until 18 April 2011 to provide such information. You are encouraged to provide the information within the given grace period so as to ensure timely receipt of your cash dividend. Please be informed that you may have to bear an administrative fee if you provide your bank account information to your stock broker after the one year grace period.

4. FURTHER INFORMATION

All Shareholders are advised to refer to the Frequently Asked Questions on eDividend as set out in the Appendix A attached to this letter.

If you have further enquiries, please contact our Registrar as follows:

Tricor Investor Services Sdn Bhd
(formerly known as Tenaga Koperat Sdn Bhd)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603 2264 3883 Fax : 603 2282 1886
Email : is.enquiry@my.tricorglobal.com

Yours faithfully,
For and on behalf of the Board,

Kam Foong Keng
Executive Chairman

Frequently Asked Questions (FAQ) on eDividend

What?

1. What is eDividend?

eDividend is a service which allows an issuer to electronically pay your cash dividend entitlements directly into your bank account instead of making payment via bank cheques.

2. What do I have to do?

As a depositor, you have to provide your bank account information to Bursa Depository.

Why?

3. Why eDividend?

- ▶ Faster access to dividends which is credited directly into your bank account.
- ▶ Convenience – eliminates the need to go to a bank.
- ▶ One-off provision of bank account details for all the companies you invest in at Bursa Malaysia.
- ▶ Better account management with the option to consolidate the dividends from all your CDS accounts into one bank account.
- ▶ Misplaced, lost or expired cheques will no longer be an issue.

When?

4. When can I start providing my bank account information for eDividend?

You can start providing your bank account information to your Authorised Depository Agent (ADA) (referred to in this FAQ as your “stock broker”) from 19 April 2010 and you have a grace period of one year, until 18 April 2011 to provide such information. The sooner you provide your bank account information, the sooner you will be able to benefit from the advantages of eDividend.

5. Will I incur any additional costs for receiving eDividend or in providing my bank account information for the purposes of eDividend?

No. You can benefit from eDividend without any charges, if your bank account information is provided to your stock broker within the one year grace period.

6. What happens after that one year grace period?

After that one year grace period, depositors who have not provided their bank account information will not be able to benefit from receiving their dividends in a timely, effective and efficient manner. Moreover, depositors will have to bear an administrative fee when they provide their bank account information to their stock brokers after the one year grace period.

How?

7. How do I provide my bank account information for eDividend?

You must complete the relevant prescribed form and submit it together with the required supporting documents at your stock broker's office where your CDS account is maintained.

Note: If you are unable to be present at the stock broker's office, the signing of the relevant prescribed form and the supporting documents must be witnessed by an acceptable witness specified by Bursa Depository. An acceptable witness includes an Authorised Officer of your stock broker, a Dealer's representative, a notary public, or an authorised officer of Malaysian Embassy/High Commission. Once signed accordingly, the document should be submitted to your stock broker.

8. What supporting documents are required?

If you are an individual depositor, when providing your bank account information for eDividend, bring along:

- (i) Original documents for verification.
- (ii) Copy of Identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents.
- (iii) Copy of your bank statement/ bank saving book/ details of your bank account obtained from your bank's website that has been certified by your bank/ copy of the letter from your bank confirming your bank account details.

If you are a corporate depositor, you are required to submit the following documents when providing your bank account details:

- (i) Certified true copy of Certificate of Incorporation/Certificate of Registration.
- (ii) Certified true copy of your bank statement/ bank savings book/details of your bank account obtained from your bank's website/any letter from bank confirming your bank account details.

In the case of a bank savings book or bank statement, for the purpose of confidentiality, you are advised to show to your stock broker only the part containing your bank account particulars when providing your bank account information for eDividend.

9. Is there any restriction on the type of bank account that can be assigned for the purposes of eDividend?

You are allowed to provide the details of existing active savings or current accounts maintained with a local bank that is under your name or in the case of a joint account, has your name as one of the accountholders.

10. Can I provide bank account information of a bank that is located overseas?

No, you must provide details of a bank account maintained with a financial institution that are offering MEPS Inter-Bank GIRO (IBG) service. A current list of IBG members can be located via the following website http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer

11. Can I change my bank account information provided for eDividend?

Yes, you are allowed to change your bank account details by submitting the relevant prescribed form together with the relevant supporting documents substantiating your request to your stock broker. There will be no cost charged to you for changing or updating your bank account details.

12. How will I receive my dividends for those shares held in my CDS accounts if I have not provided my bank account information?

If you have not provided your bank account information, you will not be able to benefit from receiving your dividends in a timely, effective and efficient manner. You will then be paid your cash dividend entitlements through an existing manner as authorised under the issuer's Articles of Association.

Other questions

13. When will listed issuers be required to pay dividends via eDividend to their shareholders?

All listed issuers who announce a books closing date for dividend entitlements on or after 1 September 2010 are required to pay dividends via eDividend to their shareholders who have provided their bank account information to Bursa Depository.

14. When will my bank account be credited with my dividend entitlement?

Dividends will be paid by the issuer on the payment date. Generally, your dividend will be credited into your bank account within the same day of payment depending on your bank's processes.

15. How will my bank account information be used and will it remain confidential?

Your bank account details and other related information:

- (i) will be used solely for the purpose of enabling dividend payments to be credited directly into your bank account and for other purposes relevant for eDividend e.g. using your email address to send notifications to you;
- (ii) will only be provided to those persons necessary to facilitate the payment of your dividends via eDividend e.g. the issuers, share registrars and the appointed paying banks; and

- (iii) is protected under the Securities Industry (Central Depositories) Act 1991 that strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. All the parties, including those parties referred to in item (ii) above, are compelled to strictly adhere to these provisions. It should be noted that by signing the relevant form to provide your bank account information, you will be authorising the disclosure of your bank account information to these parties.

16. What will happen to my dividend if the payment cannot be credited into my bank account?

If the dividend cannot be credited into your bank account due to any reason whatsoever (for example due to an incorrect bank account number, a closed bank account or an inactive bank account), you will be contacted by Bursa Depository to validate your bank account details with your stock brokers. Arrangements will be made by the issuer to pay dividends using an existing manner as authorised under the listed issuer's Articles of Association.

17. Will I be notified that my application for eDividend has been successful?

Bursa Depository will send a confirmation by posting a computer generated notice to your correspondence address as specified in your CDS account details. The confirmation will also include your bank account information which you have provided in the relevant prescribed form for providing your bank account information, for verification.

18. Will I still receive my dividend tax voucher?

Yes, you will continue to receive your tax voucher so long as it is required under the law.

19. Will I be notified once the listed issuer has paid the dividend?

Yes, you will be notified electronically once the listed issuer has paid the dividend out of its account, if you have provided both your mobile phone number and your email address to Bursa Depository. Such electronic notification may be via mobile phone or email, at the listed issuer's discretion.

Email is currently the main method of electronic notification and if you only provide your mobile phone number, you may only be notified of the dividend payment when you receive your tax vouchers.

20. Can I choose to discontinue receiving dividends via eDividend?

No, you are not allowed to discontinue receiving dividends via eDividend once you have provided your bank account information for the purposes of eDividend.

21. What if my CDS account is held in the name of a nominee?

If your CDS account is held in the name of a nominee, the depositor entitled to provide the bank account information for eDividend will be the nominee.

22. Do I need to provide bank account information separately for eDividend for each of my CDS accounts if I have more than one CDS account?

If you want all dividend payments arising from shares held in your CDS accounts to be credited into the same bank account, you can request for consolidation of all of your CDS accounts for dividend payment at the point of providing your bank account information for eDividend.

You can also opt to assign different bank accounts for each of your CDS accounts. In this case, you will need to provide your bank account information separately for each of the CDS accounts at the respective stock brokers where your CDS accounts are maintained.

23. Do I need to provide my bank account information again when opening a new CDS account after having provided my bank account information earlier and consolidating my CDS accounts?

No, once you have provided your bank account information for eDividend and opted for consolidation, your bank account details under your existing CDS accounts will be automatically assigned to your new CDS account.

However, if you had provided your bank account information for eDividend and had not opted for the consolidation feature, you will need to provide your bank account information every time you open a new CDS account.

24. Can I opt to consolidate all my CDS accounts for the purpose of eDividend after initially opting to have different bank accounts assigned to my various CDS accounts?

Yes, however you will need to decide and assign only one bank account to receive all the dividend payment arising from shares held in all your various CDS accounts. You will be able to perform the consolidation at the stock broker's office where you maintain a CDS account that your bank account has been assigned for the purpose of e-Dividend.

25. Do I need to provide my bank account information for eDividend to Bursa Depository if I have already been receiving my dividends from listed issuers who are currently providing payment of dividends via electronic means?

Yes, you will still be required to provide your bank account information to your stock broker.