

General Announcement

Reference No **CCS-110310-17B93**

Submitting Merchant Bank : -

Company Name : **NEW HOONG FATT HOLDINGS BERHAD**

Stock Name : NHFATT

Date Announced : 10/03/2011

Type : Announcement

Subject : OTHERS

Description : NEW HOONG FATT HOLDINGS BERHAD
- INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY IN
INDONESIA

Announcement Details/Table Section :

1. Introduction and Rationale

The Board of Directors of New Hoong Fatt Holdings Berhad (“NHFHB” or “the Company”) wishes to announce that a new wholly-owned subsidiary, namely PT. NHF Auto Supplies Indonesia (“Indonesian Subsidiary”) has been incorporated in Indonesia on 11 January 2011 with an initial paid-up capital of USD250,000.00 via the approval from the Ministry of Justice, Indonesia dated 3 March 2011 which was received on 9 March 2011.

The Indonesian Subsidiary is held via New Hoong Fatt Auto Supplies Sdn Bhd (99.99%) and New Hoong Fatt Industries Sdn Bhd (0.01%). Both are wholly-owned subsidiaries of NHFHB.

The Indonesian Subsidiary is principally involved in marketing, distribution and trading of automotive spare parts. This overseas venture is to expand the Group's operations abroad.

2. Financial Effects

The incorporation of the Indonesian Subsidiary (“Incorporation”) is not expected to have any material effects on the issued and paid-up capital, consolidated earnings, net assets per share, gearing and substantial shareholders’ shareholdings of the Company for the financial year ending 31 December 2011.

3. Approvals required

The Incorporation is not subject to the approval of NHFHB’s shareholders.

4. Interests of the Directors, Major Shareholders and Persons connected with them

None of the Directors or major shareholders of NHFHB or persons connected with them have any interest, direct or indirect, in the Incorporation.

5. Directors’ Opinion

The Directors of the Company are of the opinion that the Incorporation is in the best interest of the NHFHB Group.

This announcement is dated 10 March 2011.