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Higher sales, forex gain lift New Hoong Fatt's 2Q earnings by 67%

By [Gho Chee Yuan](#) / [theedgemarkets.com](#) | July 29, 2016 : 6:48 PM MYT

KUALA LUMPUR (July 29): New Hoong Fatt Holdings Bhd saw its net profit for the second quarter ended June 30, 2016 (2QFY16) rise 66.9% to RM8.61 million or 11.46 sen a share, as revenue expanded 16.1% on higher demand and the impact of a favourable exchange rate.

Quarterly revenue came in at RM59.96 million, compared to RM51.66 million last year, when it recorded a net profit of RM5.16 million or 6.86 sen a share.

No dividend was declared during the quarter.

For the cumulative six-month period (1HFY16), the automotive replacement parts manufacturer recorded a 48% jump in net profit to RM14.09 million or 18.74 sen per share as compared to RM9.52 million or 12.67 sen per share, again due to higher revenue and favourable foreign exchange rate impact.

Revenue grew 14.8% to RM114.6 million from RM99.86 million a year ago.

Going forward, New Hoong Fatt expects the global and local economic conditions to remain challenging; hence it remains cautiously optimistic on the overall outlook of the automotive replacement parts industry.

Further, the group said it will continue to focus on driving cost and operational efficiency programmes to enhance its competitiveness in the market.

Shares in New Hoong Fatt closed unchanged at RM2.80 today, for a market value of RM210.44 million.

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