

New Hoong Fatt expands overseas amid stronger U.S. dollar

KUALA LUMPUR (June 2): Automotive component distributor New Hong Fatt Holdings Bhd (NHF) is expanding overseas sales to grow earnings.

NHF managing director Chin Jit Sin said a strengthening U.S. dollar had enhanced the group's profitability. He said last year was the first time NHF's overseas business contributed more revenue than the local market on higher sales and foreign exchange gains.

Today, Chin said: "Malaysia is a small market, compared to the whole of Association of Southeast Asian Nations (Asean). The total industry volume (TIV) of about 600,000 units last year, is small compared with Indonesia that has a TIV of one million last year.

"Indonesia has a population of 225 million, so there is much more room to grow."

Chin said this at a press conference, after NHF's annual general meeting here today.

According to Chin, NHF exports to more than 50 countries across Asia, Central and South America, Europe and Africa. He said the group would focus on Asean countries, China and India.

Export market revenue exceeded 51% of NHF's total revenue in financial year ended Dec 31, 2015. He said NHF was pursuing its target of 70% contribution from overseas markets by 2020.

At Bursa Malaysia today, NHF shares rose four sen or 1.4% at 12:30pm to settle at RM2.80, for a market capitalisation of RM208.94 million. The stock saw 59,000 shares traded.

The ringgit weakened to 4.1547 at 12:57 p.m. against a strengthening U.S. dollar. The U.S. dollar has strengthened in anticipation of near-term U.S. interest rate hikes.

<http://www2.theedgemarkets.com/my/article/new-hoong-fatt-expands-overseas-amid-stronger-us-dollar>