

NHF allocates more than RM20m in capex for FY2015

KUALA LUMPUR: New Hoong Fatt Holdings Bhd (NHF), an automotive replacement parts manufacturer, has allocated more than RM20 million in capital expenditure (capex) for the financial 2015 (FY2015) and towards product design and development.

Managing Director Chin Jit Sin said the company is looking into growing revenue by a double-digit this year, and as a manufacturer, needs to come up with various new designs for parts to capture the market.

“At present, NHF has more than 1,000 wholesalers and retailers in Malaysia and exports to more than 50 countries in Asia, Central and South America, Europe and Africa,” he told a press conference here after the company’s annual general meeting Wednesday.

He also said there were better prospects in the export market compared to locally for the company’s business.

“We are aiming to increase our export revenue contribution to 70 per cent by 2020 to remain sustainable. “As of the financial year 2014, the contribution stood at 43 per cent, an increase of 4.6 per cent from previously,” Chin added.

The Asean market contributed about 32

per cent of total exports for NHF and will continue to be the key driver of growth in the segment.

According to Chin, all of NHF’s products will be produced locally, as the current plant utilisation is still at between 60 per cent – 70 per cent, depending on the product line.

On performance for the financial year ended Dec 31, 2014, the group registered a 34.7 per cent lower pre-tax profit at RM17.9 million, while revenue declined by 4.8 per cent to RM200.6 million. The lower revenue is attributed to among others, higher manufacturing costs.

China said last year was very challenging due to the global economic conditions, while revenue on the local front dropped by 10.8 per cent. “Despite all the challenges, NHF remains profitable.

“The company reported a favourable result for the first quarter this year (1Q15) and hope to maintain the momentum in the coming months,” he added.

For the 1Q15, NHF’s pre-tax profit rose to RM5.31 million from RM3.49 million, while revenue increased to RM48.2 million from RM45.95 million when compared to the same quarter last year. –Bernama