

## New Hoong Fatt to spend RM20m on capex

By Yimie Yong / theedgemarkets.com | June 3, 2015 : 12:14 PM MYT

KUALA LUMPUR (June 3): Automotive replacement parts maker New Hoong Fatt (NHF) Holdings Bhd will allocate RM20 million as capital expenditure (capex) this year, mainly for the product design of its manufacturing segment.

Its managing director Chin Jit Sin told reporters after the annual general meeting that with the capex allocated, the company is "hoping" for a double-digit growth in the revenue.

Capex last year was higher at RM60 million.

Despite challenges in Malaysia and Asean markets, Chin expects the company to perform better this year, looking at the good result in the first quarter.

He said the company will expand further in the South American market; as for Asean region, they will focus more on Indonesia.

NHF (fundamental: 1.95; valuation: 2.0) posted a net profit of RM4.37 million in the first quarter ended Mar 31, 2015 (1QFY15), a 76% jump over the prior-year period.

The automotive replacement parts maker attributed the better profit to higher revenue, which rose 5% to RM48.2 million in 1QFY15 from RM45.95 million in 1QFY14.

NHF said its manufacturing segment's profit grew 53% to RM6.6 million, due to higher demand in the overseas market.

(Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.)

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