

# New Hoong Fatt targets double-digit sales growth

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*Company's profit push to focus on 'biggest market in the region which is Indonesia'*

by TANU PANDEY

**NEW HOONG Fatt Holdings Bhd (NHF)** is targeting a double-digit growth in sales this year, driven by increase in exports to key markets in the region.

Inspired by its first-quarter (1Q) profits, the automotive replacement parts maker which recorded a 75% increase year-on-year, believes it can sustain the momentum this year.

"We will concentrate on the biggest market in the region which is Indonesia. Thailand is also an important market for us," said NHF MD Chin Jit Sin after the company's AGM in Kuala Lumpur yesterday.

The company exports to more than 50 countries but substantial revenues are derived from the Asean region. Although the local market contributes about 57% of the company's revenues, the company wants to increase the exports market. "We hope to improve the domestic and overseas business to 30:70 by 2020," Chin said.



Pic by Hafzi Mohame

**NHF executive chairman Kam Foong Keng (left) and Chin speaking to journalists after the company's AGM in Kuala Lumpur yesterday**

The company has allocated RM20 million for its capital expenditure (capex) for the current financial year.

"It (capex) is not less but of course lesser than what we spent two years ago," he added.

The company's capex will be allocated for the design and development of new parts and increasing production capability especially to cater for the export markets.

"If we spend so much

money, we expect a double-digit growth in sales," Chin said.

On the present business environment, Chin said 2015 will be a challenging year as production cost has increased and consumers are more careful with their spending.

To further supplement its revenues, the company aims to explore new markets like Central America and South America

For the 1Q ended March 31 2015, NHF's net profit improved to RM4.37 million from RM2.48 million recorded in the previous corresponding quarter. Revenue also improved to RM48.2 million from RM45.95 million a year earlier.

The company's stock has currently been witnessing an uptrend since the beginning of May largely on the news of improving profits