

New Hoong Fatt 3Q net profit up 22%, pays three sen dividend

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KUALA LUMPUR: New Hoong Fatt Holdings Bhd net profit jumped 22.4% to RM6.41 million or 8.53 sen a share for the third quarter ended Sept 30, 2016 (3QFY16) from RM5.24 million or 6.97 sen a share a year ago, on fair value gain on its investment properties amounting to RM900,000 recognised in the current quarter under review.

Revenue rose 2.5% to RM54.48 million in 3QFY16 from RM53.17 million in 3QFY15, mainly due to higher demand in the local market.

The automotive replacement parts manufacturer also declared an interim dividend of three sen per share amounting to RM2.25 million for FY16, payable on Dec 16.

For the cumulative nine months ended Sept 30, 2016 (9MFY16), its net profit increased 38.9% to RM20.5 million from RM14.76 million in 9MFY15, mainly due to higher revenue, favourable impact from foreign exchange rate and fair value gain on the investment properties.

This increase, however, was

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partially offset by higher manufacturing costs and operating expenses.

Revenue for 9MFY16 rose 10.5% to RM169.08 million from RM153.03 million in 9MFY15, on higher demand in the local and overseas markets, as well as favourable impact from foreign exchange rate.

In a statement yesterday, New Hoong Fatt said market conditions are expected to remain challenging for the remainder of 2016 and beyond.

“The group will continue to focus on lowering cost and improving operational efficiency to strengthen its competitiveness in the market,” it added.

New Hoong Fatt shares were untraded yesterday. They last closed at RM3.20 on Nov 3, with a market capitalisation of RM240.5 million.