

New Hoong Fatt to focus on improving export markets in 2016

By Ahmad Naqib Idris / theedgemarkets.com | December 28, 2015 : 6:10 PM MYT

KUALA LUMPUR (Dec 28): Automotive replacement parts manufacturer New Hoong Fatt Holdings Bhd (NHF) said it is aiming to strengthen its export markets, taking advantage of the Asean Economic Community established in 2015.

In a statement today, NHF said it will continue to grow its exports of automotive parts in 2016, capitalising on the liberalisation of the regional market.

"The expected economic integration and elimination of trade barriers among the 10 Southeast Asian country members with an economy size of over US\$2.6 trillion and a population of over 620 million people will open the door for the Group to further expand its business in the region," it said.

In line with the move to better its export sales, the group participated in the Automechanika Shanghai 2015 trade fair, through its wholly-owned subsidiaries Auto Global Parts Industries Sdn Bhd and Ampire Auto Parts (Shanghai) Co Ltd.

NHF said it had established new business relationships with potential international customers, and also had networked with key regional and international suppliers and manufacturers.

"We have worked very hard to expand our foothold globally. In 2015, we have strengthened our presence in Asia, particularly in ASEAN. The export revenue for the group grew by 20%, from RM65.4 million in 9MFY14 to RM78.8 million in 9MFY15.

"We hope to further increase our export revenue through existing and new markets in 2016," said NHF group managing director Chin Jit Sin.

Going forward, the group expects a challenging 2016, amid the weakening consumer spending in the domestic market and global economic volatility. However, NHF will continue to focus on growing organically and optimise its operations.

Shares in NHF were unchanged at RM2.70, giving a market capitalisation of RM202.9 million.

(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.)