

New Hoong Fatt eyes 70% export revenue by 2021



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KUALA LUMPUR: Automotive replacement parts manufacturer [New Hoong Fatt Holdings Bhd](#) (NHF) aims to increase its export revenue contribution to 70% by 2021.

Managing director Chin Jit Sin said group sales from overseas market currently stood at 52%.

"Asean remains a key focus for the group, with a 30% contribution to total exports. We are making continuous efforts to expand our product range and distribution coverage in the region, along with our ongoing investment in human capital.

"We are confident of being on course to meet the target," he told reporters after the company's AGM in Kuala Lumpur on Thursday.

NHF currently exports to over 50 countries. Apart from Asean, its main markets include the Middle East, Central and South America, Europe and Africa.

He said among the Asean countries, Thailand was currently its biggest export country but the group saw growth potential in Indonesia.

For the financial year ended Dec 31, 2016 (FY16), the company registered a 38.3% increase in pre-tax profit to RM36.8mil while revenue grew 11.9% to RM231.9mil.

Chin said the record result was due to the favourable impact from foreign exchange gains which had contributed about RM6.8mil to the group's bottom line while for the top line, the sales quantity had also increased.

He added that the company had allocated about RM30mil-RM35mil in capital expenditure this year for product development, purchase of equipment to increase capacity and equipment upgrade, excluding its recent purchase of land in Indonesia for RM18mil which is expected to be completed by July.

On its plan to build a manufacturing plant in Indonesia, he said the country had huge growth potential with 250 million population and over one million motor vehicle sales annually, hence the new plant would help serve that market.

"We are still strategising on the items to be produced there, definitely it will be the popular items required there but if there are opportunities to export those items to other countries, we will do that," Chin said.

Meanwhile, on Geely-Proton strategic alliance, Chin said the company was positive on the move as the Chinese automaker intended to use the production plant in Tanjung Malim to increase car volume.

The increase in the number of cars in Asean presents a bigger market for NHF.

However, NHF was mindful of the risk of bigger competition from China, he added. -
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