

NHF allocates capex of RM30 mln for FY19 to raise production capacity

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KUALA LUMPUR, May 31 (Bernama) -- Automotive replacement parts manufacturer, New Hoong Fatt Holdings Bhd (NHF), has allocated RM30 million as capital expenditure (capex) for the financial year 2019 (FY19) to raise production.

Managing director Chin Jit Sin said in FY18, the capex amounted to RM39.4 million, lower by 30.4 per cent compared to RM56.6 million in FY17.

“The capex spent was mainly for the development of moulds and dies for new products, as well as investment in new plant and machinery, to raise the production capacity and efficiencies.

“Hence, for this year, we want to strengthen and grow the core business of manufacturing and distribution of automotive replacement parts for both the local and overseas markets, which remains a key priority for us,” he told reporters after the company's annual general meeting here today.

According to Chin, NHF continues to undertake various talent management initiatives to build a pool of highly skilled and an efficient workforce to execute strategy, thus ensuring the long-term success of the group.

In FY18, the group invested RM0.4 million in 31 students as part of its human capital development initiatives, specifically in the Malaysia Meister programme and Apprenticeship programme.

“We strongly believe that this investment is crucial for us to achieve our goal. It is in line with the government's push to empower technical and vocational education to increase national competitiveness and equip the local workforce with skills required for the fourth industrial revolution,” Chin said.

For FY18, NHF's net profit fell to RM14 million compared with RM20.33 million in the previous year, while revenue rose by 2.6 per cent to RM257 million from RM250.6 million.

Higher demand from the local market was the main driver behind the commendable growth, while revenue from the overseas market was affected by an unfavourable forex impact.

Local sales contributed 48.7 per cent to the total revenue in FY18, with the remainder 51.3 per cent being from export sales.

Moving forward, ASEAN remained NHF's main focus as the group see huge potential in it.

Chin said there were some 220 million registered motor vehicles as of 2017 in ASEAN and these would require replacement parts at some point of time.

“This is where the group plays a key role, being a major replacement parts supplier in the region. We also benefit from the ASEAN Free Trade Area which boosts our competitiveness,” he added.

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