

## NHF allocates RM30m in capex for 2019



New Hoong Fatt Holdings Bhd (NHF) managing director Chin Jit Sin said the company will continue its strategy to grow in Asean through product range expansion, including developing and adding more products in the market to fuel topline growth. (Pic by NSTP/NURUL SHAFINA JEMENON)

KUALA LUMPUR: Automotive parts solutions provider New Hoong Fatt Holdings Bhd (NHF) has allocated RM30 million in capital expenditure (capex) for the financial year ending December 31, 2019 for product coverage expansion and human capital development.

Managing director Chin Jit Sin said the company will continue its strategy to grow in Asean through product range expansion, including developing and adding more products in the market to fuel topline growth.

"We will continue to build on the momentum that we have gained so far and increase product offerings.

"We have over the years spent a lot of money putting the manufacturing capacity to where it is now and we will gradually expand as where and when is needed to facilitate this growth," he told reporters after NHF's annual general meeting (AGM) here today.

Chin said at the moment, the company has no plan to further expand its manufacturing facility in Meru, Klang as the facility currently running at 70 per cent utilisation rate.

The plant manufactures up to six million automotive body parts per annum.

It also manufactures more than 3,300 auto items in-house.

Chin said Asean remains NHF's main focus as the company sees huge potential in the region, with some 220 million registered motor vehicles as of 2017.

"These vehicles would require replacement parts at some point of time and this is where we play a key role, being a major replacement parts supplier in the region.

"Therefore, we will continue to grow as long as there are more vehicles on the road. Additionally, we also benefit from the Asean Free Trade Area (AFTA) trade liberalisation which boosts our competitiveness.

"As we continue on our expansion journey, Asean will be NHF's home market given its tremendous prospects," he said.

NHF posted a record revenue in 2018 of RM257.0 million, an increase of 2.6 per cent from RM250.6 million in the previous year due to higher demand from the local market.

However, NHF's revenue from overseas market was affected by unfavourable foreign exchange (forex).

Local sales contributed 48.7 per cent to the total revenue in financial year 2018 with remainder 51.3 per cent from export sales.

During the AGM, NHF's shareholders have approved a final single tier dividend of 7.0 sen per ordinary share amounting to RM5.8 million for financial year 2018.

Together with the earlier interim single tier dividend of 3.0 sen per ordinary share paid on December 14, 2018, total single tier dividends for financial year 2018 amounted to 10 sen per ordinary share, representing 59 per cent payout of net profit.

<https://www.nst.com.my/business/2019/05/493023/nhf-allocates-rm30m-capex-2019>