

NHF: Posted Highest Ever Six-Month Revenue

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New Hoong Fatt Holdings Berhad [**NHFATT: 7060**] (“NHF” or “the Group”) (“新鸿发集团”) today announced its unaudited results for the second financial quarter ended 30 June 2019:

	Quarter ended 30.06.2019 RM million	Quarter ended 30.06.2018 RM million	Year to date ended 30.06.2019 RM million	Year to date ended 30.06.2018 RM million
Total Revenue	72.2	65.5	134.3	125.6
Profit Before Tax	5.4	4.0	7.9	6.8
Net Profit	4.3	2.9	6.3	4.7
Earnings per Share (sen)	5.22	3.48	7.64	5.69

The Group recorded RM6.7 million or 10.2% increase in revenue from RM65.5 million in the corresponding quarter of preceding year (“2Q 2018”) to RM72.2 million in the current quarter under review (“2Q 2019”). The increase in revenue was mainly due to higher demand in both local and overseas markets as well as favourable impact from foreign exchange rate.

Profit Before Tax (“PBT”) increased by RM1.4 million or 35.0% from RM4.0 million in 2Q 2018 to RM5.4 million in 2Q 2019. The increase was mainly due to higher revenue achieved and higher foreign exchange gain but partly offset by higher manufacturing costs in the current quarter under review.

As for year to date (“YTD”), the Group recorded RM8.7 million or 6.9% increase in revenue from RM125.6 million in YTD 2Q 2018 to RM134.3 million in YTD 2Q 2019. The increase in revenue was due to higher demand in both local and overseas markets as well as favourable impact from foreign exchange rate.

PBT had increased by RM1.1 million or 16.2% from RM6.8 million in YTD 2Q 2018 to RM7.9 million in YTD 2Q 2019. The increase in PBT was mainly due to higher revenue achieved, lower operating expenses and impact from favourable foreign exchange rate. The increase however, was partially offset by higher manufacturing costs in the current YTD period under review. The Group continues to take a cautiously optimistic outlook for 2019. The Group will continue to focus on driving business growth through expanding its product range as well as further strengthening its cost competitiveness via various cost efficiency programs and driving higher productivity on available resources.

On balance sheet strength, net gearing remains healthy at 0.1x with net assets per share of RM5.60 as at 30 June 2019.

NHF’s Managing Director, Mr. Chin Jit Sin (陈日新) said in a statement, “We are delighted to have posted a set of solid results for the first-half of 2019 amidst the challenging operating environment. Our YTD 2Q 2019 revenue registered a growth of 6.9% year-on-year (“YoY”) to RM134.3 million. This is the first time that our six-month revenue broke the RM130.0 million mark. The record revenue was achieved on the back of stronger sales from all three geographical segments. Sales from ASEAN segment recorded a double-digit growth of 13.3% YoY while the non-ASEAN and local sales grew 7.8% and 4.2% YoY respectively.”

“Meanwhile, our YTD 2Q 2019 PBT jumped 16.2% YoY to RM7.9 million from RM6.8 million in the corresponding period last year. The growth in PBT was mainly due to strong revenue growth in 2Q 2019, favourable foreign exchange rate as well as lower operating expenses incurred in YTD 2Q 2019.”

“Our focus remains in ASEAN as we look to capitalize on its huge potential. As of 2017, there are about 51.4 million registered motor vehicles in ASEAN alone and all of these vehicles would require replacement parts at some point and that is where NHF comes in. At the same time, we will also continue to expand our product range coverage to capture more market share. All in all, with the plans and initiatives we have in place, we remain broadly optimistic on the Group’s outlook going forward.”

On the corporate front, NHF was recently awarded the Minority Shareholders Watch Group (“MSWG”)-ASEAN Corporate Governance (“CG”) Excellence Award for Overall CG & Performance in the market capitalization between RM100 million to RM300 million category. The award aims to commend public listed companies that have achieved excellence in CG best practices based on the ASEAN CG Scorecard assessment. NHF is proud and pleased that its commitment in CG is recognized and this award will continue to push the Group to strive for the highest standard of corporate governance. The prestigious MSWG-ASEAN CG Recognition 2018 Award was held on 31 July 2019 at The Majestic Hotel in Kuala Lumpur.

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