



NEW HOONG FATT HOLDINGS BERHAD

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PRESS STATEMENT

(FOR IMMEDIATE RELEASE)

NHF RECORDS PBT OF RM2.2 MILLION IN 2Q 2020

Klang, 21 August 2020 – 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 2020:

	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Year to date ended 30.06.2020	Year to date ended 30.06.2019
	RM million	RM million	RM million	RM million
Total Revenue	46,457	72,196	103,822	134,311
Profit/(Loss) Before Tax	2,181	5,362	(906)	7,891
Net Profit/(Loss)	2,441	4,314	(1,082)	6,319
Earnings/(Loss) per Share (sen)	2.95	5.22	(1.31)	7.64

Compared to the corresponding quarter of preceding year (“2Q 2019”), revenue decreased by RM25.7 million or 35.6% from RM72.2 million in 2Q 2019 to RM46.5 million in the current quarter under review (“2Q 2020”). The decrease in revenue was mainly due to the Movement Control Order (“MCO”) being in placed in Malaysia as well as movement restrictions in countries all around the world. Revenue picked up toward end of the quarter as countries began to relax their restrictions.

Profit Before Tax (“PBT”) decreased by RM3.2 million or 59.3% from PBT of RM5.4 million in 2Q 2019 to RM2.2 million in 2Q 2020. The decrease was mainly due to the aforementioned reduction in revenue while partially offset by unrealised forex gain of RM4.4 million.

As for year to date (“YTD”), the Group recorded RM30.5 million or 22.7% decrease in revenue from RM134.3 million in YTD 2Q 2019 to RM103.8 million in YTD 2Q 2020. The decrease in revenue was mainly due to lower demand in both local and overseas markets as a result of the global lockdown.

PBT had decreased by RM8.8 million or 111.4% from RM7.9 million in YTD 2Q 2019 to Loss Before Tax of RM0.9 million in YTD 2Q 2020. The decrease in PBT was mainly due the reduction in revenue.

The COVID-19 pandemic crisis continues unabated and continues to put the world's economy in a state of uncertainty as countries wrestle with the dilemma of reopening their economies versus the fear of a second wave. The International Monetary Fund in June 2020 had revised their global growth projection to -4.9%, a reduction of 1.9% from April's forecast of -3.0%. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted.

The Government of Malaysia had first implemented MCO on 18 March 2020 have now moved to Recovery MCO stage which is scheduled to last until 31 August 2020. The Government had implemented fiscal and monetary policies to mitigate the impact of the pandemic.

The Group had temporarily halted its operations during the MCO but had resumed its full operations on 29 April 2020. Even though sales had slowly picked up in 2Q 2020, the impact to the Group's overall performance for 2020 is still uncertain. Business in many countries is still slow as governments have taken measures to prevent and control the rebound of the pandemic. Nevertheless, the Group will focus on achieving the best outcome in these uncertain times.

About New Hoong Fatt Holdings Berhad [NHFATT:7060]

New Hoong Fatt Holdings Berhad is a public listed company listed on the Main Market of Bursa Malaysia Securities Berhad. The Group first established its business in 1977 as a trading company providing automotive parts solutions to the local replacement market. It has grown to become a major distributor of genuine and alternative automotive body replacement parts, with an extensive distribution channel of more than 1,000 wholesalers and retailers throughout Malaysia. Since then, the NHF Group has also expanded to manufacturing of metal and plastic automotive replacement body parts such as doors, hoods, fenders, bumpers, grilles and lamps. Headquartered in Klang, Selangor, it is a market leader that now exports to more than 50 countries around the world. For further information on NHF Group, kindly visit www.newhoongfatt.com.my.

The full announcement is available at www.bursamalaysia.com.

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