



NEW HOONG FATT HOLDINGS BERHAD

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PRESS STATEMENT

(FOR IMMEDIATE RELEASE)

NEW HOONG FATT POSTS HIGHER PBT IN 3Q 2020 DECLARES INTERIM DIVIDEND OF 3 SEN

Klang, 12 November 2020 – New Hoong Fatt Holdings Berhad [**NHFATT: 7060**] (“NHF” or “the Group”) (“新鸿发集团”) today announced its unaudited results for the third financial quarter ended 30 September 2020:

	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Year to date ended 30.09.2020	Year to date ended 30.09.2019
	RM million	RM million	RM million	RM million
Total Revenue	71.2	72.1	175.0	206.4
Profit Before Tax	7.5	6.5	6.6	14.4
Net Profit	5.8	5.0	4.7	11.3
Earnings per Share (sen)	7.02	5.99	5.71	13.64

Compared to the corresponding quarter of preceding year (“3Q 2019”), revenue decreased by RM0.9 million or 1.2% from RM72.1 million in 3Q 2019 to RM71.2 million in the current quarter under review (“3Q 2020”). The decrease in revenue was mainly due to lower export revenue.

Profit Before Tax (“PBT”) increased by RM1.0 million or 15.4% from PBT of RM6.5 million in 3Q 2019 to RM7.5 million in 3Q 2020. The increase was mainly due to lower expenses incurred during the quarter.

As for year to date (“YTD”), the Group recorded RM31.4 million or 15.2% decrease in revenue from RM206.4 million in YTD 3Q 2019 to RM175.0 million in YTD 3Q 2020. The decrease in revenue was mainly due to Movement Control Order being implemented in Malaysia in March and April 2020 resulting in operation shutdown during this period.

PBT had decreased by RM7.8 million or 54.2% from RM14.4 million in YTD 3Q 2019 to PBT of RM6.6 million in YTD 3Q 2020. The decrease in PBT was mainly due the reduction in revenue as mentioned above.

Consequently, Net Profit for YTD 3Q 2020 decreased by RM6.6 million or 58.4% from RM11.3 million in YTD 3Q 2019 to RM4.7 million. Earnings per share for YTD 3Q 2020 stood at 5.71 sen per share compared to 13.64 sen per share in the corresponding period in 2019.

The International Monetary Fund had revised the global growth projection in October 2020 to -4.4%, a marginal increase of 0.5% from June's forecast of -4.9%. The COVID-19 pandemic has a prolonged effect on the world economy as policy makers enforced measures to combat the spread of the virus which has caused business disruptions.

Malaysia is currently in the Recovery Movement Control Order stage running from 10 June 2020 to 31 December 2020. With the spike in new cases of COVID-19 beginning of October 2020, the Government of Malaysia had implemented Conditional Movement Control Order ("CMCO") on a few states in the country which is targeted to end in early December 2020. The implementation of CMCO does not pose material impact to the daily business activities of the Group.

The business environment in Malaysia and around the globe remains challenging and uncertain surrounding the progress of COVID-19. There are still concerns of further waves of COVID-19 infections and potential further lockdown in the countries in which the Group exports to and thereby may affect the Group's exports in the near term. The Group will continue to assess various strategies to mitigate the adverse impact to the Group.

Dividend

The Board has declared an interim single tier dividend of 3 sen per ordinary share in respect of the financial year ending 31 December 2020 amounting to RM2,480,167.80. The dividend will be paid on 31 December 2020 to shareholders registered in the Record of Depositors on 1 December 2020.

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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