



PRESS STATEMENT
(FOR IMMEDIATE RELEASE)

**NEW HOONG FATT RECORDS PBT OF RM14.5 MILLION
PROPOSES FINAL DIVIDEND OF 5 SEN**

Klang, 24 February 2021 – New Hoong Fatt Holdings Berhad [**NHFATT: 7060**] (“NHF” or “the Group”) (“新鸿发集团”) today announced its unaudited results for the fourth financial quarter ended 31 December 2020:

	Quarter ended 31.12.2020	Quarter ended 31.12.2019	Year to date ended 31.12.2020	Year to date ended 31.12.2019
	RM million	RM million	RM million	RM million
Total Revenue	66.6	69.7	241.6	276.1
Profit Before Tax	7.9	4.3	14.5	18.8
Net Profit	6.8	3.6	11.6	14.9

Earnings per Share (sen)	8.28	4.35	13.99	17.99
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Compared to the corresponding quarter of preceding year (“4Q 2019”), revenue decreased by RM3.1 million or 4.4% from RM69.7 million in 4Q 2019 to RM66.6 million in the current quarter under review (“4Q 2020”). The decrease in revenue was mainly due to lower demand from the local market.

However, Profit Before Tax (“PBT”) increased by RM3.6 million or 83.7% from PBT of RM4.3 million in 4Q 2019 to RM7.9 million in 4Q 2020. The increase was mainly due to lower manufacturing and operating expenses incurred during the quarter.

As for year to date (“YTD”), the Group recorded RM34.5 million or 12.5% decrease in revenue from RM276.1 million in YTD 4Q 2019 to RM241.6 million in YTD 4Q 2020. The decrease in revenue was mainly due to Movement Control Order (“MCO”) being implemented in Malaysia in March and April 2020 as a result of COVID-19 pandemic resulting in operation shutdown during this period as well as global lockdown and slowdown in economy worldwide.

PBT had decreased by RM4.3 million or 22.9% from RM18.8 million in YTD 4Q 2019 to PBT of RM14.5 million in YTD 4Q 2020. The decrease in PBT was mainly due to the reduction in revenue and unfavourable forex impact.

Consequently, Net Profit for YTD 4Q 2020 decreased by RM3.3 million or 22.1% from RM14.9 million in YTD 4Q 2019 to RM11.6 million. Earnings per share for YTD 4Q 2020 decreased to 13.99 sen per share compared to 17.99 sen per share in the corresponding period in 2019.

In January 2021, the International Monetary Fund had forecasted that the global economy to grow 5.5% in 2021. Despite the COVID-19 vaccine rollouts, the global economic outlook remains at heightened uncertainty due to renewed waves and new strains of the pandemic which affects the Group's business internationally. On the domestic front, Malaysia's Gross Domestic Product (GDP) in 2021 is projected to rebound by 6.5% and 7.5% supported by the recovery in global demand and a turnaround in public and private sector expenditure amid various policies of the Government. Nevertheless, the ongoing MCO 2.0 and anticipated subsequent Conditional MCO will affect demand and the Group's operation locally. The Group will continue to assess various strategies to mitigate the adverse impact of the pandemic to the Group.

The Group has been operating during the MCO 2.0 with strict adherence to standard operating procedures (SOPs) for employees at the workplace whilst Management and supervisory staffs continued to work from home to minimise the risk of COVID-19 transmission at the workplace. The Group remains committed to ensuring the safety and well-being of all staff and the surrounding community.

Dividend

The Board of Directors is pleased to propose a final single tier dividend of five (5) sen per ordinary share in respect of the financial year ended 31 December 2020 amounting to RM4,133,613. The proposed final dividend is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company. The dividend payment date and entitlement date will be announced in due course.

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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