



## NEW HOONG FATT HOLDINGS BERHAD

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### PRESS STATEMENT

(FOR IMMEDIATE RELEASE)

## NHF ACHIEVES PBT OF RM10 MILLION IN 1Q 2022

Klang, 24 May 2022 – New Hoong Fatt Holdings Berhad [NHFATT: 7060] (“NHF” or “the Group”) (“新鸿发集团”) today announced its unaudited results for the first financial quarter ended 31 March 2022:

	Year to date ended 31.03.2022  RM million	Year to date ended 31.03.2021  RM million
<b>Total Revenue</b>	<b>70.7</b>	65.2
<b>Profit Before Tax</b>	<b>10.0</b>	8.0
<b>Net Profit</b>	<b>8.2</b>	7.2
<b>Earnings per Share (sen)</b>	<b>9.92</b>	8.70

Compared to the corresponding quarter of preceding year (“1Q 2021”), revenue for the current quarter under review (“1Q 2022”) was higher by RM5.5 million from RM65.2 million in 1Q 2021 to RM70.7 million in 1Q 2022. The increase was mainly due to better sales performance in both local and export segments as compared to 1Q 2021.

Profit Before Tax (“PBT”) increased by RM2.0 million from RM8.0 million in 1Q 2021 to RM10.0 million in 1Q 2022, in line with higher revenue as mentioned above.

Net profit increased by 13.9% to RM8.2 million in 1Q 2022 compared to RM7.2 million in 1Q 2021. Earnings per share for the quarter under review stood at 9.92 sen per share compared to 8.70 sen previously.

Global economy continues to grow, albeit moderately, due to the lingering effects of the COVID-19 pandemic, prolonged global supply disruptions, inflation due to supply factors, and increased volatility surrounding the Russia-Ukraine war. Nonetheless, the progressive transition of many countries to endemic management of COVID-19 will boost global growth prospects, which will in turn boost export demand from overseas markets.

On the local front, Malaysia transited into endemic phase on 1 April 2022. The reopening of economy and international borders, as well as the normalisation of economic and social activities had rebuilt business confidence resulting in a gradual revival of the local economy.



The Group anticipates that steel prices will remain high due to strong demand driven by the easing of COVID-19 restrictions, the headwinds brought on by the Ukraine war as well as China's measures to reduce carbon emissions curtailing output of steel. The price of plastic resin is expected to rise due to rising crude oil prices. Meanwhile, high freight and shipping costs, as well as tight supply of containers are unlikely to improve in the near future, posing challenges to the Group's export sales. On top of that, the revision of the minimum wage in Malaysia which came into effect on 1 May 2022 will increase labour costs. On the bright side, the Group expects that the reopening of foreign worker recruitment for industries in Malaysia will help to alleviate its labour crunch issue.

Amid the prevailing uncertainties and challenges, the Group will remain focus on managing operational efficiency in its production and carrying out effective pricing management in order to manage rising material costs. Barring any unforeseen circumstances, the Group expects the financial performance for the current financial year to be satisfactory.

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**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](http://www.newhoongfatt.com.my).

The full announcement is available at [www.bursamalaysia.com](http://www.bursamalaysia.com).

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