



# NEW HOONG FATT HOLDINGS BERHAD

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## PRESS STATEMENT

(FOR IMMEDIATE RELEASE)

### NEW HOONG FATT DOUBLES ITS PROFIT IN 2Q 2022

**Klang, 17 August 2022** – New Hoong Fatt Holdings Berhad [**NHFATT: 7060**] (“New Hoong Fatt” or “the Group”) (“新鸿发集团”) today announced its unaudited results for the second financial quarter ended 30 June 2022:

	<b>Quarter ended 30.06.2022</b>	Quarter ended 30.06.2021	<b>Year to date ended 30.06.2022</b>	Year to date ended 30.06.2021
	<b>RM million</b>	RM million	<b>RM million</b>	RM million
<b>Total Revenue</b>	<b>75,424</b>	55,987	<b>146,088</b>	121,162
<b>Profit Before Tax</b>	<b>11,056</b>	5,077	<b>21,033</b>	13,079
<b>Net Profit</b>	<b>8,792</b>	4,462	<b>16,996</b>	11,657
<b>Earnings per Share (sen)</b>	<b>10.64</b>	5.40	<b>20.56</b>	14.10

Compared to the corresponding quarter of preceding year (“2Q 2021”), revenue for the current quarter under review (“2Q 2022”) was higher by RM19.4 million from RM56.0 million in 2Q 2021 to RM75.4 million in 2Q 2022. The Group recorded a lower revenue in 2Q 2021 due to the implementation of the Full Movement Control Order for the month of June 2021, where operations were opened with very limited capacity.

Profit Before Tax (“PBT”) increased by RM6.0 million from RM5.1 million in 2Q 2021 to RM11.1 million in 2Q 2022, in line with higher revenue and higher other operating income.

As for year to date (“YTD”), the Group recorded RM24.9 million or 20.5% increase in revenue from RM121.2 million in YTD 2Q 2021 to RM146.1 million in YTD 2Q 2022 as a result of higher demand in the current YTD in both the local and export segments. In addition, the lower revenue recorded in YTD 2Q 2021 was due to the aforesaid limited operations in June 2021.

PBT had increased by RM7.9 million from RM13.1 million in YTD 2Q 2021 to RM21.0 million in YTD 2Q 2022. The increase was mainly due to higher revenue as well as other operating income.

Consequently, Net Profit for YTD 2Q 2022 increased by RM5.3 million or 45.3% from RM11.7 million in YTD 2Q 2021 to RM17.0 million. Earnings per share for YTD 2Q 2022 stood at 20.56 sen per share compared to 14.10 sen per share in the corresponding period in 2021.



The economic impact of the ongoing military conflict in Ukraine is being felt more widely around the world. It has threatened the global economic recovery by creating more uncertainties and exacerbating supply shocks and prices of global commodities such as crude oil and natural gas. Amidst an already turbulent backdrop of global disrupted supply chains following the COVID-19 outbreak, the crisis has further intensified inflationary pressures which may erode consumer purchasing power and soften consumer demand. The strict containment measures in China have also prolonged the supply chain disruptions and aggravated shortages in critical industries. At the same time, the global automotive industry is still struggling with the shortage of semiconductor chip supply, which is not expected to subside in the immediate term.

Malaysian economic growth continued to strengthen, supported by the improved economic conditions and the transition into endemicity. However, the domestic economic boost may be dampened by the aforementioned headwinds to global growth, particularly the pandemic and war-related supply bottlenecks as well as the related inflationary pressures.

In spite of the challenging economic backdrop, the Group experienced a rebound in the demand for automotive spare parts from both domestic and export markets. Nonetheless, the Group's efforts to raise production to fulfil pent-up export demand are hampered by the persistent supply chain challenges, high raw material prices, delivery delays due to tight supply of shipping containers and labour shortages, none of which are expected to be resolved in the foreseeable future. Meanwhile, on the domestic front, demand has surged notably owing to increased people's mobility and vehicular traffic on the road.

During these turbulent times, the Group will continue to strive to generate higher revenues and profits with optimal quantities from market demand, while managing production costs at the most efficient level. The Group is cautiously optimistic about the overall outlook of the automotive aftermarket industry and will further drive operational efficiency improvements, digitalisation of business and talent development to sustain future business growth. Barring any unforeseen circumstances, the Group expects a satisfactory financial performance for the current financial year.

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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 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 New Hoong Fatt 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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