



NEW HOONG FATT HOLDINGS BERHAD

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PRESS STATEMENT

(FOR IMMEDIATE RELEASE)

NHF POSTS RM33.2 MIL PBT IN 2022: PROPOSES FINAL DIVIDEND OF 10 SEN

Klang, 27 February 2023 – 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 2022:

	Quarter ended 31.12.2022	Quarter ended 31.12.2021	Year to date ended 31.12.2022	Year to date ended 31.12.2021
	RM million	RM million	RM million	RM million
Total Revenue	67.2	83.0	290.4	244.2
Profit Before Tax	0.4	11.9	33.2	25.1
Net Profit	0.4	7.8	26.7	19.6
Earnings per Share (sen)	0.51	9.41	32.30	23.69

Compared to the corresponding quarter of preceding year (“4Q 2021”), revenue for the current quarter under review (“4Q 2022”) was lower by RM15.8 million from RM83.0 million in 4Q 2021 to RM67.2 million in 4Q 2022, mainly due to the softer demand in the export markets.

Profit Before Tax (“PBT”) decreased by RM11.5 million from RM11.9 million in 4Q 2021 to RM0.4 million in 4Q 2022, mainly due to lower revenue, higher manufacturing costs and foreign exchange loss.

As for year-to-date (“YTD”), the Group recorded RM46.2 million or 18.9% increase in revenue from RM244.2 million in YTD 4Q 2021 to RM290.4 million in YTD 4Q 2022. The higher revenue was partly due to higher selling prices and higher foreign exchange rate for exports in YTD 2022 and also due to Full Movement Control Order in Malaysia as a result of COVID-19 pandemic from June 2021 to mid-August 2021.

PBT had increased by RM8.1 million from RM25.1 million in YTD 4Q 2021 to RM33.2 million in YTD 4Q 2022. The increase was mainly due to higher revenue.

Consequently, Net Profit for YTD 4Q 2022 increased by RM7.1 million or 36.2% from RM19.6 million in YTD 4Q 2021 to RM26.7 million. Earnings per share for YTD 4Q 2022 stood at 32.30 sen per share compared to 23.69 sen per share in the corresponding period in 2021.



The global economic environment in 2023 remains challenging, mainly due to escalating geopolitical tensions and continued tightening monetary policy. The US Federal Reserve's strategy of maintaining high interest rates to slow inflation would lead to tighter monetary policies, thereby weighing on economic activity.

On the domestic front, the Malaysian economy is expected to continue to expand, driven by robust consumer spending, further improvement in tourism-related activities, and the revival of infrastructural projects. Domestic demand should therefore continue to be strong, although inflationary pressure may dampen consumer spending.

Meanwhile, lower manufacturing costs, along with normalised logistics and easing supply chain disruptions bode well for NHF. In addition, the improved labour supply provides further support for the Group's operational efficiencies. Stronger ringgit against the US dollar however, puts the Group's exports in an unfavourable position with lower export value in ringgit terms which impact profitability. Moreover, due to tighter monetary conditions in many economies and shifting international trade patterns, the Group expects softer export demand in the first half of 2023.

Despite the fact that pricing pressure from competitors will continue to be intense given the prevailing volatile economic climate, the Group is cautiously optimistic that market demand for the Group's products will remain firm, driven by the growing car population on the road each year and the rising middle-income class, particularly in the ASEAN region. This will be further supported by improved access to inter- and intra-regional trade through free trade agreements and closer economic partnerships, such as the Regional Comprehensive Economic Partnership (RCEP).

Moving forward into 2023, the Group will sharpen its focus on cost controls and operational efficiencies. Building on the resiliency established during the pandemic years, the Group will continue to pursue a consolidation strategy to strengthen its current foundation for growing the business sustainably. The acceleration of its digital transformation agenda as well as better customer and product portfolio management provide an avenue to grow its profit and market share. Barring any unforeseen circumstances, the Group expects the financial performance for 2023 to be satisfactory.

Dividend

The Board of Directors is pleased to propose a final single tier dividend of ten (10) sen per ordinary share in respect of the financial year ended 31 December 2022 amounting to RM8,267,226.00. 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 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.

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

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