



NEW HOONG FATT HOLDINGS BERHAD

(Registration No. 199701010213 (425709-K))

Lot 5043, Jalan Teratai, Meru, 41050 Klang, Selangor Darul Ehsan, Malaysia.

Tel : 603-3392 6818

E-mail : enquiries@newhoongfatt.com.my

Fax : 603-3392 6808

Website : www.newhoongfatt.com.my

UNAUDITED RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2024

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.03.2024	Quarter ended 31.03.2023	Year to date ended 31.03.2024	Year to date ended 31.03.2023
		RM'000	RM'000	RM'000	RM'000
Revenue		74,764	72,705	74,764	72,705
Cost of sales		(52,240)	(51,656)	(52,240)	(51,656)
Gross profit		22,524	21,049	22,524	21,049
Other operating income		7,697	7,977	7,697	7,977
Net (loss)/gain on impairment of financial instruments		(21)	570	(21)	570
Operating expenses		(14,079)	(13,075)	(14,079)	(13,075)
Finance costs		(1)	(16)	(1)	(16)
Profit before tax		16,120	16,505	16,120	16,505
Tax expense	19	(997)	(894)	(997)	(894)
Net profit for the period		15,123	15,611	15,123	15,611
Other comprehensive income:					
Foreign currency translations, net of tax		(37)	267	(37)	267
Total comprehensive income for the period		15,086	15,878	15,086	15,878
Profit attributable to owners of the parent		15,123	15,611	15,123	15,611
Total comprehensive income attributable to owners of the parent		15,086	15,878	15,086	15,878
Earnings per share attributable to owners of the parent	25				
Basic (sen)		18.29	18.88	18.29	18.88
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

(The Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2023)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31.03.2024 RM'000 (Unaudited)	As at 31.12.2023 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	328,378	331,807
Right-of-use assets	62,191	62,022
Investment properties	24,100	24,100
Other investments	130	130
Intangible asset	189	282
Deferred tax asset	353	356
	415,341	418,697
Current Assets		
Inventories	55,795	66,626
Trade receivables	50,611	43,640
Other receivables, deposits and prepayments	5,071	2,735
Current tax assets	1,110	1,175
Cash and bank balances	112,490	97,952
	225,077	212,128
Total Assets	<u>640,418</u>	<u>630,825</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	82,672	82,672
Reserves		
<u>Non-Distributable:</u>		
Revaluation reserve	142,216	142,216
Exchange translation reserve	(382)	(345)
Fair value reserve	47	47
<u>Distributable:</u>		
Retained earnings	339,692	324,569
	481,573	466,487
Total Equity	<u>564,245</u>	<u>549,159</u>
Non-Current Liabilities		
Employment benefits obligation	274	259
Lease liabilities	229	-
Deferred tax liabilities	56,254	57,446
	56,757	57,705
Current Liabilities		
Trade payables	9,458	10,831
Other payables and accruals	8,613	12,137
Lease liabilities	223	23
Current tax liabilities	1,068	904
Contract liabilities	54	66
	19,416	23,961
Total Liabilities	<u>76,173</u>	<u>81,666</u>
Total Equity and Liabilities	<u>640,418</u>	<u>630,825</u>
Net assets per share attributable to owners of the parent (RM)	6.83	6.64

(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2023)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year to date ended 31.03.2024 RM'000	Year to date ended 31.03.2023 RM'000
Cash Flows From Operating Activities		
Profit before tax	16,120	16,505
Adjustments for:-		
Amortisation and depreciation	7,712	7,847
Depreciation of right-of-use assets	427	490
Interest income	(711)	(299)
Interest expense	-	13
Interest on lease liabilities	1	3
Inventories written down/(back)	78	(72)
Net gain on disposal of property, plant and equipment	(135)	(3)
Provision for employment benefits obligation	14	13
Provision/(Reversal) of impairment losses on trade receivables	21	(570)
Unrealised gain on foreign exchange differences	(821)	(1,520)
Operating profit before changes in working capital	22,706	22,407
Net change in current assets	4,993	2,592
Net change in current liabilities	(5,648)	(4,641)
Tax paid	(1,958)	(1,844)
Net cash from operating activities	20,093	18,514
Cash Flows From Investing Activities		
Interest received	711	299
Proceeds from disposal of property, plant and equipment	135	5
Purchase of property, plant and equipment	(6,896)	(4,187)
Purchase of intangible asset	(6)	(2)
Net cash used in investing activities	(6,056)	(3,885)
Cash Flows From Financing Activities		
Interest paid	-	(13)
Net repayment of bank borrowings	-	(2,552)
Repayment of lease liabilities	(19)	(247)
Net cash used in financing activities	(19)	(2,812)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 31.03.2024 RM'000	Year to date ended 31.03.2023 RM'000
Net increase in cash and cash equivalents	14,018	11,817
Effects of exchange rate fluctuations on cash and cash equivalents	520	(159)
Cash and cash equivalents at beginning of the financial period	97,952	62,223
Cash and cash equivalents at end of the financial period	112,490	73,881
Cash and cash equivalents comprise of:		
Cash and bank balances	52,321	52,211
Short term placements	60,169	21,670
	112,490	73,881

(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2023)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					Total Equity RM'000
	Non-distributable			Distributable		
	Share capital RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	
As at 1 January 2023	82,672	139,866	47	(724)	287,621	509,482
Profit for the financial period	-	-	-	-	15,611	15,611
Foreign currency translations, net of tax	-	-	-	267	-	267
Total comprehensive income	-	-	-	267	15,611	15,878
As at 31 March 2023	82,672	139,866	47	(457)	303,232	525,360
As at 1 January 2024	82,672	142,216	47	(345)	324,569	549,159
Profit for the financial period	-	-	-	-	15,123	15,123
Foreign currency translations, net of tax	-	-	-	(37)	-	(37)
Total comprehensive income	-	-	-	(37)	15,123	15,086
As at 31 March 2024	82,672	142,216	47	(382)	339,692	564,245

(The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2023)

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS) 134, INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2023.

2 Adoption of Malaysian Financial Reporting Standards

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2023, except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) applied during the current financial period:-

Title	Effective date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-Current Liability with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group.

The Group has not adopted the following Amendments that have been issued but not yet effective:

Title	Effective date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Amendments to have a significant impact on its financial statements.

3 Qualified audit report

The financial statements for the financial year ended 31 December 2023 were not qualified.

4 Seasonal or cyclical factors

The Group's operation is not significantly affected by seasonal or cyclical factors.

5 Unusual items

Other than those stated in the notes, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review due to their nature, size, or incidence.

6 Changes in estimates

There was no significant change in estimates of amounts reported in prior interim periods of the current or previous financial year.

7 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current quarter under review.

8 Dividends paid

There were no dividends paid during the quarter under review.

9 Segmental information

Operating segment reporting is not separately presented as the Group is principally engaged in the manufacturing and trading of automotive parts and accessories, which are substantially within a single operating segment.

For the purpose of resources allocation and performance assessment, the chief operating decision-maker reviews the profit from operations of the Group as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

- Quarterly Report on consolidated results for the financial quarter ended 31 March 2024
- Page 8

9 Segmental information (continued)

The breakdown of the Group's revenue based on the geographical location of the customers is as follows:

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	38,506	37,775	38,506	37,775
- ASEAN	14,701	14,723	14,701	14,723
- Non-ASEAN	21,557	20,207	21,557	20,207
Total Segment Revenue	74,764	72,705	74,764	72,705

The Group's segment capital expenditures and non-current assets are as follows:

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	6,890	4,158	6,890	4,158
- ASEAN	12	31	12	31
- Non-ASEAN	-	-	-	-
Total Segment Capital Expenditure	6,902	4,189	6,902	4,189

By Geographical Segment	As at 31.03.2024	As at 31.03.2023
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	362,766	364,455
- ASEAN	52,025	53,274
- Non-ASEAN	550	231
Total Segment Non-Current Assets	415,341	417,960

10 Valuation of Property, Plant and Equipment and Investment Properties

The valuation of land and buildings has been brought forward, without any amendment to the previous annual financial statements.

11 Subsequent events

There were no material events subsequent to the end of the quarter under review, except for the corporate proposal disclosed in Note 20.

12 Changes in the composition of the Group

There are no changes in the composition of the Group in the current quarter under review.

13 Changes in contingent liabilities

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Corporate guarantees given to financial institutions in respect of credit facilities granted to certain subsidiaries	<u>7,928</u>	<u>10,953</u>

14 Capital commitments

	As at 31.03.2024 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>14,040</u>
Approved but not contracted for	<u>2,384</u>

(The remainder of this page is intentionally left blank)

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

15 Review of performance

Comparison of current quarter under review with corresponding quarter of preceding year

Compared to the corresponding quarter of preceding year (“1Q 2023”), revenue for the current quarter under review (“1Q 2024”) of RM74.8 million was slightly higher by RM2.1 million from RM72.7 million in 1Q 2023.

However, Profit Before Tax (“PBT”) was slightly lower by RM0.4 million from RM16.5 million in 1Q 2023 to RM16.1 million in 1Q 2024, mainly due to higher operational costs and lower foreign exchange (“forex”) gain.

16 Variation of results against preceding quarter

Compared to preceding quarter (“4Q 2023”), revenue had increased by RM7.0 million from RM67.8 million in 4Q 2023 to RM74.8 million in 1Q 2024, mainly due to the increased demand in both local and export sectors.

PBT in 1Q 2024 had increased by RM7.7 million from RM8.4 million in 4Q 2023 to RM16.1 million in 1Q 2024 mainly due to higher revenue, lower costs and favourable forex movement.

17 Future Prospects

Amidst a complex landscape marked by geopolitical risks, inflationary pressures and financial market volatility, the Group maintains a positive position for the first quarter of 2024. Looking ahead, the Group anticipates that business operating conditions to remain uncertain. While the global and local economy are expanding, they face several headwinds that could influence their trajectory. These circumstances are likely to have spillover effects on trade, market confidence and financial markets, ultimately impacting customer demand.

The global economy continues to expand, with positive labour market conditions and moderating inflation helping to offset the effects of tight monetary policy and reduced fiscal support. However, the growth outlook remains subject to downside risks, mainly from the further escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets. On the domestic front, the latest indicators point towards higher economic activity in the first quarter of 2024, driven by resilient domestic expenditure and a positive turnaround in exports. The growth outlook is, however, subject to downside risks from weaker-than-expected external demand and larger declines in commodity production.

Despite the volatile environment, the Group is optimistic about the sustained market demand for its products. Barring any unforeseen circumstances, the Group expects its financial performance for the financial year ending 2024 to be satisfactory. This is to be achieved through efforts in product pricing management, strengthening cost control and improving operational efficiency.

18 Profit forecast

There was no revenue or profit forecast announced by the Group.

19 Tax expense

	Quarter ended 31.03.2024 RM'000	Year to date ended 31.03.2024 RM'000
Current tax expense	2,186	2,186
Deferred tax	(1,189)	(1,189)
	997	997

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate, mainly due to utilisation of Reinvestment Allowance incentives.

20 Status of corporate proposal

On 18 March 2024, the Company announced to Bursa Securities that it proposes to undertake a share split involving the subdivision of every one (1) existing ordinary share held by shareholders of the Company on an entitlement date to be determined and announced by the Board at a later date into two (2) subdivided ordinary shares ("Proposed Share Split").

On 22 March 2024, the Company announced that the listing application in relation to the Proposed Share Split has been submitted to Bursa Securities. Bursa Securities, vide its letter dated 1 April 2024, approved the Proposed Share Split. The Proposed Share Split is further subject to the approval of the shareholders at the forthcoming Annual General Meeting ("AGM") of the Company to be held on 6 June 2024. The Circular to Shareholders, together with the AGM notice, was circulated to shareholders on 30 April 2024. The Proposed Share Split is expected to be completed by the end of June 2024. After the Proposed Share Split, the total number of ordinary shares in the Company is expected to increase from 82,672,260 to 165,344,520.

Further details and the effect of the Proposed Share Split are stated in the Circular to Shareholders dated 30 April 2024.

Saved as disclosed above, there were no corporate proposals announced but not completed as at the date of this report.

21 Group borrowings and debt securities

There were no borrowings during the quarter under review.

22 Changes in fair value of financial instruments

The carrying amounts of the financial instruments of the Group as at reporting date approximate their fair values due to relatively short-term maturity of these financial instruments.

23 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings which might materially affect the position or business of the Group as at the date of this report.

24 Dividend

The Board of Directors has not recommended any interim dividend for the financial quarter ended 31 March 2024.

25 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended 31.03.2024</u>	<u>Quarter ended 31.03.2023</u>	<u>Year to date ended 31.03.2024</u>	<u>Year to date ended 31.03.2023</u>
Net profit attributable to owners of the parent (RM'000)	15,123	15,611	15,123	15,611
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	82,672	82,672	82,672	82,672
Basic earnings per share (sen)	18.29	18.88	18.29	18.88

(The remainder of this page is intentionally left blank)

26 Profit before tax

	Quarter ended 31.03.2024 RM'000	Year to date ended 31.03.2024 RM'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of intangible asset	98	98
Bad debts written off	-	-
Depreciation of property, plant and equipment	7,614	7,614
Depreciation of right-of-use assets	427	427
Gain on foreign exchange:		
- Realised	(281)	(281)
- Unrealised	(1,602)	(1,602)
Impairment losses on trade receivables	21	21
Interest on lease liabilities	1	1
Interest income	(711)	(711)
Gain on disposal of property, plant and equipment	(135)	(135)
Inventories written down	78	78
Loss on foreign exchange:		
- Realised	74	74
- Unrealised	781	781
Provision for employment benefits obligation	14	14
Rental income from investment properties	(215)	(215)

By Order of the Board

TEO MEE HUI
TAN BEE HWA
Secretaries

Kuala Lumpur
27 May 2024