



NEW HOONG FATT HOLDINGS BERHAD

(Registration No. 199701010213 (425709-K))

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UNAUDITED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.09.2024	Quarter ended 30.09.2023	Year to date ended 30.09.2024	Year to date ended 30.09.2023
		RM'000	RM'000	RM'000	RM'000
Revenue		72,637	70,714	218,573	213,398
Cost of sales		(53,636)	(51,474)	(154,406)	(152,807)
Gross profit		19,001	19,240	64,167	60,591
Other operating income		6,782	6,126	20,702	23,292
Net (loss)/gain on impairment of financial instruments		(196)	(3)	(346)	714
Operating expenses		(20,623)	(14,868)	(50,282)	(40,376)
Finance costs		(2)	(1)	(5)	(18)
Profit before tax		4,962	10,494	34,236	44,203
Tax credit/(expense)	19	505	(1,015)	(1,530)	(3,987)
Net profit for the period		5,467	9,479	32,706	40,216
Other comprehensive income:					
Foreign currency translations, net of tax		69	(324)	(226)	576
Total comprehensive income for the period		5,536	9,155	32,480	40,792
Profit attributable to owners of the parent		5,467	9,479	32,706	40,216
Total comprehensive income attributable to owners of the parent		5,536	9,155	32,480	40,792
Earnings per share attributable to owners of the parent	25				
Basic (sen)		3.31	5.73 [#]	19.78	24.32 [#]
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

[#] For comparative purposes, the earnings per share for the third quarter and year-to-date ended 30 September 2023 have been adjusted to reflect the share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

(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

	Note	As at 30.09.2024 RM'000 (Unaudited)	As at 31.12.2023 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		322,741	331,807
Right-of-use assets		57,957	62,022
Investment properties		24,100	24,100
Other investments		130	130
Intangible asset		31	282
Deferred tax asset		1,089	356
		406,048	418,697
Current Assets			
Inventories		61,856	66,626
Trade receivables		50,122	43,640
Other receivables, deposits and prepayments		8,686	2,735
Current tax assets		1,840	1,175
Cash and bank balances		119,765	97,952
		242,269	212,128
Total Assets		648,317	630,825
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		(571)	(345)
Fair value reserve		47	47
<u>Distributable:</u>			
Retained earnings		347,354	324,569
		489,046	466,487
Total Equity		571,718	549,159
Non-Current Liabilities			
Employment benefits obligation		274	259
Lease liabilities		175	-
Deferred tax liabilities		54,222	57,446
		54,671	57,705
Current Liabilities			
Trade payables		10,684	10,831
Other payables and accruals		9,526	12,137
Lease liabilities		214	23
Current tax liabilities		1,484	904
Contract liabilities		20	66
		21,928	23,961
Total Liabilities		76,599	81,666
Total Equity and Liabilities		648,317	630,825
Net assets per share attributable to owners of the parent (RM)	26	3.46	3.32 [#]

[#] For comparative purposes, the net assets per share for the financial year ended 31 December 2023 has been adjusted to reflect the share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

(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 30.09.2024 RM'000	Year to date ended 30.09.2023 RM'000
Cash Flows From Operating Activities		
Profit before tax	34,236	44,203
Adjustments for:-		
Amortisation and depreciation	22,863	22,963
Bad debts written off	94	-
Depreciation of right-of-use assets	1,296	1,485
Interest income	(2,276)	(1,173)
Interest expense	-	13
Interest on lease liabilities	5	5
Inventories written down/(back)	170	(157)
Net gain on disposal of property, plant and equipment	(132)	(91)
Property, plant and equipment written off	1	42
Provision for employment benefits obligation	41	39
Provision/(Reversal) of impairment losses on trade receivables	346	(714)
Unrealised loss/(gain) on foreign exchange differences	5,262	(3,566)
Gain on lease modification	66	(8)
Operating profit before changes in working capital	61,972	63,041
Net change in current assets	(9,949)	(796)
Net change in current liabilities	559	(5,315)
Contract Liabilities	(46)	-
Employee benefits contributed	(29)	-
Tax paid	(5,585)	(3,454)
Net cash from operating activities	46,922	53,476
Cash Flows From Investing Activities		
Interest received	2,276	1,173
Proceeds from disposal of property, plant and equipment	146	94
Purchase of property, plant and equipment	(16,700)	(17,855)
Purchase of intangible asset	(15)	(17)
Net cash used in investing activities	(14,293)	(16,605)
Cash Flows From Financing Activities		
Interest paid	-	(13)
Net repayment of bank borrowings	-	(2,552)
Repayment of lease liabilities	(215)	(408)
Dividend paid	(9,921)	(8,267)
Net cash used in financing activities	(10,136)	(11,240)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 30.09.2024 RM'000	Year to date ended 30.09.2023 RM'000
Net increase in cash and cash equivalents	22,493	25,631
Effects of exchange rate fluctuations on cash and cash equivalents	(680)	1,444
Cash and cash equivalents at beginning of the financial period	97,952	62,223
Cash and cash equivalents at end of the financial period	119,765	89,298
Cash and cash equivalents comprise of:		
Cash and bank balances	53,281	45,928
Short term placements	66,484	43,370
	119,765	89,928

(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	-	-	-	-	40,216	40,216
Foreign currency translations, net of tax	-	-	-	576	-	576
Total comprehensive income	-	-	-	576	40,216	40,792
Dividend paid	-	-	-	-	(8,267)	(8,267)
As at 30 September 2023	82,672	139,866	47	(148)	319,570	542,007
As at 1 January 2024	82,672	142,216	47	(345)	324,569	549,159
Profit for the financial period	-	-	-	-	32,706	32,706
Foreign currency translations, net of tax	-	-	-	(226)	-	(226)
Total comprehensive income	-	-	-	(226)	32,706	32,480
Dividend paid	-	-	-	-	(9,921)	(9,921)
As at 30 September 2024	82,672	142,216	47	(571)	347,354	571,718

(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.

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 and Standards 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 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 and Standards 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 are no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

6 Changes in estimates

There is 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

	Quarter ended 30.09.2024 RM'000	Year to date ended 30.09.2024 RM'000
Second interim single tier dividend of 4 sen per ordinary share declared for financial year ended 2023, paid on 4 April 2024.	-	3,307
A final single tier dividend of 8 sen per ordinary share declared for financial year ended 2023, paid on 15 July 2024.	<u>6,614</u>	<u>6,614</u>
Total single tier dividends paid	<u>6,614</u>	<u>9,921</u>

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.

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	36,919	37,446	113,533	112,390
- ASEAN	13,609	12,308	39,627	42,082
- Non-ASEAN	22,109	20,960	65,413	58,926
Total Segment Revenue	72,637	70,714	218,573	213,398

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

By Geographical Segment	Quarter ended		Year to date ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	4,689	7,396	16,630	17,824
- ASEAN	-	3	13	36
- Non-ASEAN	72	-	72	13
Total Segment Capital Expenditure	4,761	7,399	16,715	17,873

By Geographical Segment	As at 30.09.2024	As at 31.12.2023
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	358,148	365,980
- ASEAN	47,342	52,621
- Non-ASEAN	558	96
Total Segment Non-Current Assets	406,048	418,697

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

In the opinion of the Directors, there are no material subsequent events to be disclosed as at the date of this report.

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 30.09.2024 RM'000	As at 31.12.2023 RM'000
Corporate guarantees given to financial institutions in respect of credit facilities granted to certain subsidiaries	<u>9,322</u>	<u>5,725</u>

14 Capital commitments

	As at 30.09.2024 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>9,912</u>
Approved but not contracted for	<u>24,987</u>

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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

Revenue for the current quarter under review (“3Q 2024”) was slightly higher by RM1.9 million from RM70.7 million in the corresponding quarter of preceding year (“3Q 2023”) to RM72.6 million in 3Q 2024.

However, Profit Before Tax (“PBT”) decreased by RM5.5 million from RM10.5 million in 3Q 2023 to RM5.0 million in 3Q 2024, mainly due to unfavourable movement of foreign exchange (“forex”), which was mitigated by lower manufacturing costs.

Comparison of current YTD period with corresponding YTD period of preceding year

The Group recorded RM5.2 million increase in revenue from RM213.4 million in YTD 3Q 2023 to RM218.6 million in YTD 3Q 2024. This growth was the result of higher revenue in both the export and local markets.

PBT, however, decreased by RM10.0 million from RM44.2 million in YTD 3Q 2023 to RM34.2 million in YTD 3Q 2024. The decrease was mainly due to unfavourable movement of forex, which was mitigated by lower manufacturing costs.

16 Variation of results against preceding quarter

Compared to preceding quarter (“2Q 2024”), revenue increased by RM1.4 million from RM71.2 million in 2Q 2024 to RM72.6 million in 3Q 2024 due to higher revenue from the export markets.

PBT in 3Q 2024 decreased by RM8.2 million from RM13.2 million in 2Q 2024 to RM5.0 million in 3Q 2024 mainly due to unfavourable foreign exchange movement.

17 Future Prospects

The global economy is expected to maintain steady growth for the rest of the year, backed by easing inflation and resilient consumer spending in major advanced markets. However, growth is expected to remain low due to widening risks, driven by various economic, geopolitical, climate and political challenges.

Malaysia’s economy is expected to maintain its upward trajectory, driven by resilient domestic expenditure and better export performance. However, challenges from external factors, such as global economic slowdowns, geopolitical uncertainties, and commodity price volatility pose risks to growth.

Despite the volatile environment, the Group remain optimistic to maintain its current positive performance through efforts in strengthening cost control and improving operational efficiency. Barring any unforeseen circumstances, the Group expects its financial performance for the financial year ending 2024 to be satisfactory.

18 Profit forecast

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

19 Tax (credit)/expense

	Quarter ended 30.09.2024 RM'000	Year to date ended 30.09.2024 RM'000
Current tax expense	1,496	5,501
Deferred tax	(2,001)	(3,791)
	<u>(505)</u>	<u>1,710</u>

The effective tax rate of the Group for the current quarter and year to date under review was lower than the statutory tax rate, mainly due to utilisation of Reinvestment Allowance incentives and reversal of Deferred Tax liabilities in the Group's plant and machinery.

20 Status of corporate proposal

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 had on 27 August 2024 declared a first interim single tier dividend of two (2) sen per ordinary share in respect of the financial year ending 31 December 2024, amounting to RM3,306,890.40. This dividend was paid on 3 October 2024 to shareholders registered in the Record of Depositors as at 5.00 p.m. on 11 September 2024.

For the financial quarter under review, the Board of Directors has declared a second interim single tier dividend of three (3) sen per ordinary share in respect of the financial year ending 31 December 2024, amounting to RM4,960,335.60. The dividend will be paid on 23 December 2024 to shareholders registered in the Record of Depositors as at 5.00 p.m. on 12 December 2024.

The interim dividends will be accounted for as an appropriation of retained earnings in the year in which they are declared.

25 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended 30.09.2024</u>	<u>Quarter ended 30.09.2023</u>	<u>Year to date ended 30.09.2024</u>	<u>Year to date ended 30.09.2023</u>
Net profit attributable to owners of the parent (RM'000)	5,467	9,479	32,706	40,216
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	165,344	82,672	165,344	82,672
Share split subsequent to year end ('000)	-	82,672	-	82,672
Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000)	165,344	165,344 [#]	165,344	165,344 [#]
Basic earnings per share (sen)				
- Before share split	3.31	11.47	19.78	48.65
- After share split	3.31	5.73 [#]	19.78	24.32 [#]

[#] For comparative purposes, the earnings per share for the third quarter and year-to-date ended 30 September 2023 have been adjusted to reflect the share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

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26 Net assets per share

	As at 30.09.2024	As at 31.12.2023
Total equity attributable to owners of the parent (RM'000)	<u>571,718</u>	<u>549,159</u>
Weighted average number of ordinary shares applicable to net assets per share ('000)	165,344	82,672
Share split subsequent to year end ('000)	-	82,672
Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000)	<u>165,344</u>	<u>165,344[#]</u>
Net assets per share (RM)		
- Before share split	3.46	6.64
- After share split	<u>3.46</u>	<u>3.32[#]</u>

[#] For comparative purposes, the net assets per share for the financial year ended 31 December 2023 has been adjusted to reflect the share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

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27 Profit before tax

	Quarter ended 30.09.2024 RM'000	Year to date ended 30.09.2024 RM'000
Profit before tax is arrived at after charging/(crediting):		
Amortisation of intangible asset	68	265
Depreciation of property, plant and equipment	7,506	22,598
Depreciation of right-of-use assets	436	1,296
Gain on foreign exchange:		
- Realised	-	(375)
- Unrealised	-	(1,602)
Impairment losses on trade receivables	196	346
Interest on lease liabilities	2	5
Interest income	(809)	(2,276)
Gain on disposal of property, plant and equipment	(4)	(132)
Inventories written (back)/down	(63)	170
Loss on foreign exchange:		
- Realised	1,244	1,688
- Unrealised	4,754	6,864
Provision for employment benefits obligation	13	41
Property, plant and equipment written off	-	1
Rental income from investment properties	(226)	(664)

By Order of the Board

TEO MEE HUI
TAN BEE HWA
Secretaries

Kuala Lumpur
25 November 2024