

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018

	Notes	Individual Quarter		Changes	Cumulative Quarter		Changes
		Current Year Quarter 31.12.2018 RM'000	Preceding Year Quarter 31.12.2017 RM'000	(%)	Current Year-To-Date 31.12.2018 RM'000	Preceding Year-To-Date 31.12.2017 RM'000	(%)
Revenue	A9	33,675	27,834	20.99	60,812	54,498	11.59
Cost of sales		(22,234)	(20,969)	6.03	(41,489)	(41,095)	0.96
Gross profit		11,441	6,865	66.66	19,323	13,403	44.17
Other Income		249	835	(70.18)	1,148	1,656	(30.67)
Selling and distribution expenses		(1,524)	(1,550)	(1.68)	(3,149)	(3,070)	2.57
Administrative expenses		(2,664)	(2,543)	4.76	(5,395)	(4,850)	11.24
Operating Profit		7,502	3,607	107.98	11,927	7,139	67.07
Finance costs		-	-	-	-	-	-
Profit before tax	B5	7,502	3,607	107.98	11,927	7,139	67.07
Income tax expense	B6	(1,636)	(781)	109.48	(2,604)	(1,526)	70.64
Profit for the period		5,866	2,826	107.57	9,323	5,613	66.10
Other comprehensive income, net of tax							
Exchange difference on translation of foreign operation		1	(1)	(200.00)	(3)	1	(400.00)
Total comprehensive income for the period		5,867	2,825	107.68	9,320	5,614	66.01
Profit attributable to:							
Owners of the company		5,741	2,864	100.45	9,212	5,656	62.87
Non-controlling interest		125	(38)	(428.95)	111	(43)	(358.14)
Profit for the period		5,866	2,826	107.57	9,323	5,613	66.10
Total comprehensive income attributable to:							
Owners of the company		5,741	2,863	100.52	9,210	5,657	62.81
Non-controlling interest		126	(38)	(431.58)	110	(43)	(358.11)
Total comprehensive income for the period		5,867	2,825	107.68	9,320	5,614	66.01
Earnings per share attributable to Owners of the Company⁽²⁾							
- Basic (sen)	B12	3.13	1.54	103.25	5.02	3.03	65.68
- Diluted (sen)	B12	3.13	1.54	103.25	5.02	3.03	65.68

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the explanatory notes attached to this report.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018

	Notes	Individual Quarter		
		Current Quarter 31.12.2018 RM'000	Immediate Preceding Quarter 30.09.2018 RM'000	Changes (%)
Revenue	A9	33,675	27,137	24.09
Cost of sales		(22,234)	(19,255)	15.47
Gross profit		11,441	7,882	45.15
Other Income		249	899	(72.30)
Selling and distribution expenses		(1,524)	(1,625)	(6.22)
Administrative expenses		(2,664)	(2,731)	(2.45)
Operating Profit		7,502	4,425	69.54
Finance costs		-	-	-
Profit before tax	B5	7,502	4,425	69.54
Income tax expense	B6	(1,636)	(968)	69.01
Profit for the period		5,866	3,457	69.68
Other comprehensive income, net of tax				
Exchange difference on translation of foreign operation		1	(4)	(125)
Total comprehensive income for the period		5,867	3,453	69.91
Profit attributable to:				
Owners of the company		5,741	3,471	65.40
Non-controlling interest		125	(14)	(992.86)
Profit for the period		5,866	3,457	69.68
Total comprehensive income attributable to:				
Owners of the company		5,741	3,469	65.49
Non-controlling interest		126	(16)	(887.50)
Total comprehensive income for the period		5,867	3,453	69.91
Earnings per share attributable to Owners of the Company⁽²⁾				
- Basic (sen)	B12	3.13	1.89	65.61
- Diluted (sen)	B12	3.13	1.89	65.61

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the explanatory notes attached to this report.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	(Unaudited) 31.12.2018 RM'000	(Audited) 30.06.2018 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	51,257	52,874
Other investments	167	5,293
	<u>51,424</u>	<u>58,167</u>
Current Assets		
Inventories	20,178	18,887
Trade and other receivables	23,461	19,997
Prepayments	1,269	866
Tax assets	466	947
Other investments	-	38,738
Cash and bank balances	89,340	47,228
	<u>134,714</u>	<u>126,663</u>
TOTAL ASSETS	<u>186,138</u>	<u>184,830</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	27,385	23,854
	<u>163,087</u>	<u>159,556</u>
Non-Controlling interest	(164)	(274)
Total Equity	<u>162,923</u>	<u>159,282</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	6,120	6,120
	<u>6,120</u>	<u>6,120</u>
Current Liabilities		
Trade and other payables	17,095	19,428
Total Liabilities	<u>23,215</u>	<u>25,548</u>
TOTAL EQUITY AND LIABILITIES	<u>186,138</u>	<u>184,830</u>
Net assets per share attributable to owners of the Company (sen) ⁽²⁾	<u>88.79</u>	<u>86.87</u>

Notes:

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the explanatory notes attached to this report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 31 December 2018 of 183,676,700 (30 June 2018: 183,676,700).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018**

	6 months ended 31 December	
	2018	2017
	RM'000	RM'000
Cash flows from/(for) operating activities		
Profit before tax	11,927	7,139
Adjustment for:		
Depreciation of property, plant and equipment	1,977	2,026
(Gain)/loss on disposal of property, plant and equipment	467	-
Changes in fair value of other investments	164	-
Provision for inventories	159	-
(Gain)/loss on unrealised foreign exchange	(289)	96
Interest income	(1,490)	(1,505)
Operating profit before working capital changes	12,915	7,756
Changes in working capital:		
Inventories	(1,450)	(153)
Trade and other receivables	(3,947)	3,009
Trade and other payables	(2,243)	6,962
Cash from operations	5,275	17,574
Income tax paid	(2,123)	(1,526)
Net cash from/ (for) operating activities	3,152	16,048
Cash flows from/ (for) investing activities		
Proceeds from disposal of plant and equipment	-	24
Purchase of plant and equipment	(827)	(3,808)
Proceeds from disposal of other assets	-	-
Interest received	1,490	1,505
Placement of other investment	43,700	-
Net withdrawal/(placement) of fixed deposits with licensed banks	-	-
Net cash from/ (for) investing activities	44,363	(2,279)
Cash flows from/ (for) financing activities		
Proceeds from issuance of shares	-	-
Advance from/(Repayment to) a related director	-	-
Treasury Stock	-	(3,848)
Dividend paid	(5,510)	(5,548)
Net cash from/ (for) investing activities	(5,510)	(9,396)
Net increase in cash and cash equivalents	42,005	4,373
Effect of foreign exchange translation	107	(268)
Cash and cash equivalents at beginning of the financial period	47,228	92,689
Cash and cash equivalents at the end of financial period	89,340	96,794

Notes:

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the explanatory notes attached to this report.

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")
134: INTERIM FINANCIAL REPORTING**

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018.

A2. Significant accounting policies

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2018. The Group has not applied in advance the following accounting standards (including the consequential amendments, if any that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRSs (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 2, <i>Share-based Payment</i>	1 January 2020
Amendments to MFRS 3, <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
Amendment to MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101, <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 134, <i>Interim Financial Reporting</i>	1 January 2020
Amendments to MFRS 137, <i>Provision, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendments to MFRS 138, <i>Intangible Assets</i>	1 January 2020
Amendments to IC Interpretation 12, <i>Service Concession Arrangements</i>	1 January 2020
Amendments to IC Interpretation 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendments to IC Interpretation 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendments to IC Interpretation 132, <i>Intangible Assets – Web Site Costs</i>	1 January 2020
MFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be confirmed

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

(i) MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company reviewed the contracts with the customers to account for the financial impact of the adoption of the new standard.

The Group and the Company have assessed the initial application of MFRS 15 on its financial statements for the year ended 30 June 2018 will have no material impact on the net profit.

(ii) MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The new standard contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or lifetime ECLs. The Group applied the simplified approach in providing for ECL.

The Group has assessed the impact of the adoption of MFRS9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.



A3. Auditors' Report

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2018.

A4. Seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors during the current financial quarter under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6. Changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter under review. As at 31 December 2018, the number of treasury shares held were 4,323,300 ordinary shares.

A8. Dividend paid

The final single tier dividend of 3.0 sen per ordinary share amounting to RM5.55 million in respect of the financial year ended 30 June 2018 was approved by the shareholders during the Annual General Meeting on 26 November 2018 and paid on 27 December 2017.

A9. Segmental information

a) Operating segments

The Group's current business activities comprise of three segments namely automotive, aviation and furniture segments. Automotive segment focuses on styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories cover. Aviation segment provides services in manufacturing, repair, refurbishment, distribution and installation of aircraft seat covers and parts refurbishment. The furniture segment provides for manufacturing of leather furniture and supply of furniture seat covers. Breakdown of the Group's total revenue by business activities and products are as follows:-

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	20,559	10,549	32,747	21,532
- REM	4,964	5,721	10,931	10,971
- PDI	3,684	2,676	8,575	5,874
Sub-total for car seat covers	29,207	18,946	52,253	38,377
Leather cut pieces supply	2,049	6,896	4,579	12,358
<u>Others</u>				
- Sewing of fabric car seat covers	20	23	39	37
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,765	1,843	3,145	3,380
	33,041	27,708	60,016	54,152
<u>Others</u>				
Aviation	599	126	745	346
Furniture	35	-	51	-
Grand Total	33,675	27,834	60,812	54,498

b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Malaysia	28,739	22,535	50,396	44,473
Rest of Asia	3,347	3,152	6,642	5,543
Europe	790	929	1,579	1,725
North America	362	294	1,253	708
Oceania	437	924	942	2,049
Grand Total	33,675	27,834	60,812	54,498

Note (1): OEM – Original Equipment Manufacturer
REM – Replacement Equipment Manufacturer
PDI – Pre-delivery Inspection



A10. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

A11. Capital commitments

Authorised capital commitment not provided for as at 31 December 2018 were as follows: -

	RM'000
Construction of an additional storey of production floor area on the existing factory building	<u>253</u>

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A13. Contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets as at the date of this report.

A14. Materials events subsequent to the end of the quarter

There were no other materials events subsequent to the end of current quarter that have not been reflected in this interim financial report.

A15. Related Party Transactions

The Group's related party transactions for the current quarter and the cumulative quarter ended 31 December 2018 are as follows:

	Current Quarter Ended 31.12.2018 RM'000	Cumulative Quarter Ended 31.12.2018 RM'000
Rental charges to related party		
- Tint Auto (M) Sdn Bhd	<u>54</u>	<u>108</u>

Note:

The related party is a company in which certain Directors and substantial shareholders of the Company have interests.



B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

Current Quarter

For the current quarter under review, the Group recorded a revenue of RM33.68 million and profit before taxation of RM7.50 million.

Revenue from leather car seat covers remained the largest contributor accounting for approximately 86.73% of total revenue followed by leather cut pieces supply which is approximately 6.09% of total revenue during the quarter under review.

In terms of business segment, OEM leather car seat continues to be the largest contributor segment accounting for approximately 70.39% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 17.00% and 12.61% respectively.

Financial Year-To-Date

Cumulative Year-To-Date (YTD) performance for the Group garnered a revenue of RM60.81 million with a profit before taxation of RM11.93 million. This is an increase of revenue from previous year's performance YTD of RM54.50 million revenue and RM7.14 million profit before taxation.

Leather car seat cover provides the largest revenue contribution to the Group at 85.93%, with its OEM sales being the main contributor at 62.67%.

The Group's profit before taxation stands at RM11.93 million, which is an increase from previous YTD performance by 67.07% contributed by the increased Leather car seat cover performance which has a better profit margin.

B2. Material changes in the quarterly results compared to the immediate preceding quarter

In comparison to the preceding quarter's revenue performance, the Group recorded a higher revenue performance with 24.09% increase, while profit before taxation recorded an increase of 69.54%.

OEM sales increase by 68.68% as the preceding quarter was negatively affected by the end-of-life a major car model. PDI sales decrease by 24.68% due to zero GST period enjoyed during the preceding quarter. Export revenue were lower compared to preceding year quarter by 6.85% due to recovery of supply in Singapore from the new emission scheme interruption. Leather cut pieces revenue were significantly lower by 70.29% compared to the preceding year quarter due to discontinuance of 3 car models.

The Group achieved a higher gross profit margin against the immediate preceding quarter due to higher contribution from OEM sales and Export sales which command better margins.

B3. Prospect

In the local market, Malaysian Automotive Association (MAA) expects total vehicle sales to be flattish in 2019 with a meagre 0.21% growth in total industry volume (TIV) with the reason being sales impact from 2018 due to the 3 months tax holiday enjoyed. The 2018 TIV was 598,714.

Despite the relatively weak sentiment surrounding the automotive market, the Board remains optimistic of the Group's performance going forward in view of encouraging sales number from the current replacement model of a popular car make.

B4. Variance of actual profit from profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation or announcement.

B5. Profit before taxation

The profit before taxation is stated after charging/ (crediting):-

	Current Quarter Ended 31.12.2018 RM'000	Cumulative Quarter Ended 31.12.2018 RM'000
Interest income	(1,088)	(1,490)
Depreciation and amortisation	963	1,977
Provision for inventories	-	159
Realised foreign exchange loss	420	259
Unrealised foreign exchange (gain)	<u>(491)</u>	<u>(289)</u>

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

B6. Taxation

	Current Quarter Ended 31.12.2018 RM'000	Cumulative Quarter Ended 31.12.2018 RM'000
Current tax expense	<u>(1,636)</u>	<u>(2,216)</u>

The effective tax rate for the current quarter of 21.21% is lower than the statutory tax rate of 24% due mainly to tax exempt income from unit trust investments.

B7. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this report.

B8. Utilization of Proceeds

As announced on 23 April 2018, the Board of Directors has approved the variation of the utilisation of IPO proceeds amounting to RM6.60 million and the extension of time for utilisation of IPO proceeds amounting to RM2.62 million for another 24 months from 19 April 2018. The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as at 31 December 2018 is as follows:

	Purposes	Revised Expected Timeframe for Utilization (from 19 April 2018)	Revised Amount (RM'000)	Actual Utilization (RM'000)	Utilized %
a)	Working capital	-	27,859	(27,859)	100
b)	Repayment of bank borrowings	-	17,100	(17,100)	100
c)	Purchase of new machineries for the production of car leather seat covers	Within 24 months	4,871	(3,863)	79
d)	Construction of an additional storey of production floor area on the existing factory building	-	5,000	(5,000)	100
e)	Opening of retail outlets	-	0	0	100
f)	Establishment of market presence in Thailand	Within 24 months	1,500	(270)	18
g)	Expansion of aviation business	Within 24 months	834	(704)	84
h)	Estimated listing expenses	-	4,111	(4,111)	100
g)	Purchase of raw material	-	3,000	(3,000)	100
i)	Selling and distribution expenses of:				
	- Retail	Within 24 months	2,000	(40)	2
	- Thailand	Within 24 months	850	(17)	2
	- Aviation	Within 24 months	745	(18)	2
	Total Public Issue Proceeds		67,870	(61,982)	91

Note:

(a) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 March 2016 and the announcement dated 23 April 2018.

B9. Group borrowings (secured)

The Group has fully settled all the bank borrowings with the proceeds from IPO as disclosed in Note B8 above.

B10. Material litigation

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.

B11. Dividend

No dividend was declared or recommended for payment by the company during the quarter under review.

B12. Earnings Per Share ("EPS")

a) Basic earnings per share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	Current Quarter Ended 31.12.2018 RM'000	Cumulative Quarter Ended 31.12.2018 RM'000
Profit attributable to equity holders	5,741	9,212
Weighted average number of ordinary shares in issue excluding Treasury Shares	183,677	183,677
Basic earnings per shares (sen)	3.13	5.02
Diluted earnings per shares (sen)	3.13	5.02

(b) Diluted earnings per share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 31 December 2018.

BY ORDER OF THE BOARD
28 FEBRUARY 2019