



**RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|  | Note | INDIVIDUAL QUARTER       |                          | CUMULATIVE QUARTER            |                               |
|--|------|--------------------------|--------------------------|-------------------------------|-------------------------------|
|  |      | Quarter ended 30.09.2017 | Quarter ended 30.09.2016 | Year to date ended 30.09.2017 | Year to date ended 30.09.2016 |
|  |      | RM'000                   | RM'000                   | RM'000                        | RM'000                        |
| <b>Revenue</b>   |      | <b>63,006</b>            | <b>54,479</b>            | <b>187,140</b>                | <b>169,081</b>                |
| Cost of sales  |      | (47,506)                 | (39,462)                 | (137,616)                     | (121,452)                     |
| Gross profit   |      | 15,500                   | 15,017                   | 49,524                        | 47,629                        |
| Other operating income   |      | 2,917                    | 9,312                    | 9,135                         | 15,825                        |
| Operating expenses   |      | (14,022)                 | (16,164)                 | (42,000)                      | (38,824)                      |
| Finance costs  |      | (491)                    | (348)                    | (1,213)                       | (923)                         |
| <b>Profit before tax</b>   |      | <b>3,904</b>             | <b>7,817</b>             | <b>15,446</b>                 | <b>23,707</b>                 |
| Tax expense  | 20   | (977)                    | (1,406)                  | (2,616)                       | (3,208)                       |
| <b>Net profit for the period</b>                                       |      | <b>2,927</b>             | <b>6,411</b>             | <b>12,830</b>                 | <b>20,499</b>                 |
| Other comprehensive income / (loss):                                   |      |                          |                          |                               |                               |
| Foreign currency translations, net of tax                              |      | 345                      | (493)                    | 985                           | (2,931)                       |
| Revaluation surplus on land and buildings, net of tax                  |      | -                        | 24,984                   | -                             | 24,984                        |
| <b>Total comprehensive income for the period</b>                       |      | <b>3,272</b>             | <b>30,902</b>            | <b>13,815</b>                 | <b>42,552</b>                 |
| Profit attributable to owners of the parent                            |      | 2,927                    | 6,411                    | 12,830                        | 20,499                        |
| <b>Total comprehensive income attributable to owners of the parent</b> |      | <b>3,272</b>             | <b>30,902</b>            | <b>13,815</b>                 | <b>42,552</b>                 |
| <b>Earnings per share attributable to owners of the parent</b>         | 26   |                          |                          |                               |                               |
| Basic (sen)  |      | 3.89                     | 8.53                     | 17.07                         | 27.27                         |
| 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 2016)*

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|  | Note | As at<br>30.09.2017<br>RM'000 | As at<br>31.12.2016<br>RM'000 |
|--|------|-------------------------------|-------------------------------|
| <b>ASSETS</b>  |      |                               |                               |
| <b>Non-Current Assets</b>                                      |      |                               |                               |
| Property, plant and equipment                                  |      | 334,713                       | 310,439                       |
| Investment properties  |      | 16,500                        | 16,500                        |
| Available-for-sale financial assets                            |      | 130                           | 130                           |
|  |      | 351,343                       | 327,069                       |
| <b>Current Assets</b>  |      |                               |                               |
| Inventories  |      | 44,667                        | 43,979                        |
| Trade receivables  |      | 46,046                        | 44,440                        |
| Other receivables, deposits & prepayments                      |      | 12,502                        | 12,671                        |
| Current tax assets   |      | 635                           | 1,004                         |
| Cash and bank balances   |      | 21,779                        | 24,172                        |
|  |      | 125,629                       | 126,266                       |
| <b>Total Assets</b>  |      | <b>476,972</b>                | <b>453,335</b>                |
| <b>EQUITY AND LIABILITIES</b>                                  |      |                               |                               |
| <b>Equity attributable to owners of the parent</b>             |      |                               |                               |
| Share capital  |      | 75,157                        | 75,157                        |
| Reserves   |      |                               |                               |
| <u>Non-Distributable:</u>                                      |      |                               |                               |
| Share premium  |      | 4,210                         | 4,210                         |
| Revaluation reserve  |      | 60,983                        | 60,983                        |
| Exchange translation reserve                                   |      | (680)                         | (1,665)                       |
| Available-for-sale reserve                                     |      | 47                            | 47                            |
| <u>Distributable:</u>  |      |                               |                               |
| Retained earnings  |      | 238,168                       | 233,605                       |
|  |      | 302,728                       | 297,180                       |
| <b>Total Equity</b>  |      | <b>377,885</b>                | <b>372,337</b>                |
| <b>Non-Current Liabilities</b>                                 |      |                               |                               |
| Borrowings (interest bearing)                                  | 22   | 13,764                        | -                             |
| Employment benefit obligation                                  |      | 58                            | 48                            |
| Deferred tax liabilities                                       |      | 28,105                        | 28,018                        |
|  |      | 41,927                        | 28,066                        |
| <b>Current Liabilities</b>                                     |      |                               |                               |
| Trade payables   |      | 9,939                         | 9,118                         |
| Other payables & accruals                                      |      | 8,133                         | 8,217                         |
| Borrowings (interest bearing)                                  | 22   | 38,920                        | 35,213                        |
| Current tax liabilities  |      | 168                           | 384                           |
|  |      | 57,160                        | 52,932                        |
| <b>Total Liabilities</b>                                       |      | <b>99,087</b>                 | <b>80,998</b>                 |
| <b>Total Equity and Liabilities</b>                            |      | <b>476,972</b>                | <b>453,335</b>                |
| Net assets per share attributable to owners of the parent (RM) |      | 5.03                          | 4.95                          |

*(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2016)*

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | <b>Year to date<br/>ended<br/>30.09.2017<br/>RM'000</b> | <b>Year to date<br/>ended<br/>30.09.2016<br/>RM'000</b> |
|---|---|---|
| <b>Cash Flows From Operating Activities</b>                   |   |   |
| Profit before tax   | 15,446  | 23,707  |
| Adjustments for:-   |   |   |
| Amortisation and depreciation                                 | 21,431  | 20,153  |
| Bad debts written off   | -   | 3   |
| Fair value gain on investment properties                      | -   | (900)   |
| Impairment losses on trade receivables                        | 148   | 150   |
| Interest income   | (287)   | (126)   |
| Interest expense  | 1,213   | 923   |
| Inventories written down                                      | 152   | 201   |
| Net gain on disposal of property, plant and equipment         | (168)   | (304)   |
| Property, plant and equipment written off                     | 5   | 13  |
| Provision for employment benefit obligation                   | 13  | 23  |
| Reversal of impairment losses on trade receivables            | (31)  | (37)  |
| Unrealised loss on foreign exchange differences               | 5,110   | 3,469   |
| Operating profit before changes in working capital            | 43,032  | 47,275  |
| Net change in current assets                                  | (4,803)   | (4,295)   |
| Net change in current liabilities                             | 1,244   | (7,902)   |
| Tax paid  | (2,378)   | (3,034)   |
| <b>Net cash generated from operating activities</b>           | 37,095  | 32,044  |
| <b>Cash Flows From Investing Activities</b>                   |   |   |
| Interest received   | 287   | 126   |
| Proceeds from disposal of property, plant and equipment       | 243   | 316   |
| Purchase of property, plant and equipment                     | (47,760)  | (28,576)  |
| <b>Net cash used in investing activities</b>                  | (47,230)  | (28,134)  |
| <b>Cash Flows From Financing Activities</b>                   |   |   |
| Interest paid   | (1,213)   | (923)   |
| Net drawdown from bank borrowings                             | 17,944  | 750   |
| Drawdown from/(Repayment of) hire purchase                    | 49  | (8)   |
| Dividend paid   | (8,267)   | (6,013)   |
| <b>Net cash generated from/(used in) financing activities</b> | 8,513   | (6,194)   |

**CONSOLIDATED STATEMENTS OF CASH FLOWS** (continued)

|  | <b>Year to date<br/>ended<br/>30.09.2017<br/>RM'000</b> | <b>Year to date<br/>ended<br/>30.09.2016<br/>RM'000</b> |
|--|---|---|
| Net decrease in cash and cash equivalents                        | (1,622)   | (2,284)   |
| Effects of exchange rate fluctuations on cash & cash equivalents | (771)   | (327)   |
| Cash and cash equivalents at beginning of the financial period   | 24,172  | 23,669  |
| <b>Cash and cash equivalents at end of the financial period</b>  | <b>21,779</b>   | <b>21,058</b>   |
| <b>Cash and cash equivalents comprise of:</b>                    |   |   |
| Cash and bank balances   | 21,778  | 21,055  |
| Short term placements  | 1   | 3   |
|  | <b>21,779</b>   | <b>21,058</b>   |

*(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2016)*

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|  | Attributable to owners of the parent |                            |                                  |  |  |                                | Total<br>Equity<br>RM'000 |
|--|--------------------------------------|----------------------------|----------------------------------|--|--|--------------------------------|---------------------------|
|  | Non-distributable                    |                            |                                  | Distributable                              |  |                                |                           |
|  | Share<br>capital<br>RM'000           | Share<br>premium<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Available<br>for sale<br>reserve<br>RM'000 | Exchange<br>translation<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 |                           |
| As at 1 January 2016                                     | 75,157                               | 4,210                      | 36,550                           | 47   | 2,198  | 211,885                        | 330,047                   |
| Profit for the financial period                          | -                                    | -                          | -                                | -  | -  | 20,499                         | 20,499                    |
| Foreign currency translations,<br>net of tax             | -                                    | -                          | -                                | -  | (2,931)                                      | -                              | (2,931)                   |
| Revaluation surplus on land and<br>buildings, net of tax | -                                    | -                          | 24,984                           | -  | -  | -                              | 24,984                    |
| Total comprehensive income / (loss)                      | -                                    | -                          | 24,984                           | -  | (2,931)                                      | 20,499                         | 42,552                    |
| Dividend   | -                                    | -                          | -                                | -  | -  | (6,013)                        | (6,013)                   |
| <b>As at 30 September 2016</b>                           | <b>75,157</b>                        | <b>4,210</b>               | <b>61,534</b>                    | <b>47</b>                                  | <b>(733)</b>                                 | <b>226,371</b>                 | <b>366,586</b>            |
| As at 1 January 2017                                     | 75,157                               | 4,210                      | 60,983                           | 47   | (1,665)                                      | 233,605                        | 372,337                   |
| Profit for the financial period                          | -                                    | -                          | -                                | -  | -  | 12,830                         | 12,830                    |
| Foreign currency translations,<br>net of tax             | -                                    | -                          | -                                | -  | 985  | -                              | 985                       |
| Total comprehensive income                               | -                                    | -                          | -                                | -  | 985  | 12,830                         | 13,815                    |
| Dividend   | -                                    | -                          | -                                | -  | -  | (8,267)                        | (8,267)                   |
| <b>As at 30 September 2017</b>                           | <b>75,157</b>                        | <b>4,210</b>               | <b>60,983</b>                    | <b>47</b>                                  | <b>(680)</b>                                 | <b>238,168</b>                 | <b>377,885</b>            |

*(The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2016)*

## 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 2016.

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 financial year ended 31 December 2016.

### 2 Adoption of Malaysian Financial Reporting Standards

The significant accounting policies 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 2016, except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) applied during the current financial period:-

| <b>Title</b>   | <b>Effective date</b> |
|--|-----------------------|
| Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>   | 1 January 2017        |
| Amendments to MFRS 107 <i>Disclosure Initiatives</i>                                   | 1 January 2017        |
| Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i> | 1 January 2017        |

The Group has not adopted the following Standards of MFRS and IC Int. Framework that have been issued but not yet effective:

| <b>Title</b>   | <b>Effective date</b>           |
|--|---------------------------------|
| Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i> | Deferred                        |
| Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>  | 1 January 2018                  |
| Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>                                   | 1 January 2018                  |
| Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>                                | See MFRS 4 Paragraphs 46 and 48 |
| Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>  | 1 January 2018                  |
| Amendments to MFRS 140 <i>Transfer of Investment Property</i>  | 1 January 2018                  |
| MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>  | 1 January 2018                  |
| MFRS 15 <i>Revenue from Contracts with Customers</i>   | 1 January 2018                  |
| Clarifications to MFRS 15  | 1 January 2018                  |
| IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>  | 1 January 2018                  |
| IC Interpretation 23 <i>Uncertainty over Income Tax treatments</i>   | 1 January 2019                  |
| MFRS 16 <i>Leases</i>  | 1 January 2019                  |
| MFRS 17 <i>Insurance Contracts</i>   | 1 January 2021                  |

### 3 Qualified audit report

The financial statements for the financial year ended 31 December 2016 was 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

|   | <b>Quarter<br/>ended<br/>30.09.2017<br/>RM'000</b> | <b>Year to date<br/>ended<br/>30.09.2017<br/>RM'000</b> |
|---|--|---|
| A final single tier dividend of 8 sen and a special final single tier dividend of 3 sen per ordinary share declared for financial year ended 2016, paid on 7 July 2017. | <u>8,267</u>                                       | <u>8,267</u>  |

### 9 Segmental information

| By Business Segment    | Quarter ended |            | Year to date ended |            |
|------------------------|---------------|------------|--------------------|------------|
|                        | 30.09.2017    | 30.09.2016 | 30.09.2017         | 30.09.2016 |
|                        | RM'000        | RM'000     | RM'000             | RM'000     |
| <u>Segment Revenue</u> |               |            |                    |            |
| - Trading              | 34,304        | 29,648     | 101,629            | 90,583     |
| - Manufacturing        | 28,702        | 24,831     | 85,511             | 78,498     |
| Total Segment Revenue  | 63,006        | 54,479     | 187,140            | 169,081    |

## 9 Segmental information (continued)

| By Business Segment                     | Quarter ended |            | Year to date ended |            |
|---|---------------|------------|--------------------|------------|
|   | 30.09.2017    | 30.09.2016 | 30.09.2017         | 30.09.2016 |
|   | RM'000        | RM'000     | RM'000             | RM'000     |
| <u>Segment Profit/(Loss) Before Tax</u> |               |            |                    |            |
| - Trading                               | (1,135)       | 480        | (2,218)            | 436        |
| - Manufacturing                         | 5,703         | 7,884      | 19,409             | 24,783     |
| - Investment                            | (173)         | (199)      | (532)              | (589)      |
| Total Segment Profit                    | 4,395         | 8,165      | 16,659             | 24,630     |

| By Geographical Segment            | Quarter ended |            | Year to date ended |            |
|------------------------------------|---------------|------------|--------------------|------------|
|                                    | 30.09.2017    | 30.09.2016 | 30.09.2017         | 30.09.2016 |
|                                    | RM'000        | RM'000     | RM'000             | RM'000     |
| <u>Segment Revenue</u>             |               |            |                    |            |
| - Malaysia                         | 29,549        | 26,877     | 87,883             | 82,106     |
| - Asean                            | 11,717        | 7,503      | 33,573             | 25,911     |
| - Non-Asean                        | 21,740        | 20,099     | 65,684             | 61,064     |
| Total Segment Revenue              | 63,006        | 54,479     | 187,140            | 169,081    |
| <u>Segment Capital Expenditure</u> |               |            |                    |            |
| - Malaysia                         | 10,636        | 10,816     | 29,327             | 28,464     |
| - Asean                            | 18,405        | 2          | 18,432             | 100        |
| - Non-Asean                        | -             | 9          | 1                  | 12         |
| Total Segment Capital Expenditure  | 29,041        | 10,827     | 47,760             | 28,576     |

| By Geographical Segment           | As at<br>30.09.2017 | As at<br>31.12.2016 |
|-----------------------------------|---------------------|---------------------|
|                                   | RM'000              | RM'000              |
| <u>Segment Non-Current Assets</u> |                     |                     |
| - Malaysia                        | 308,954             | 300,286             |
| - Asean                           | 42,275              | 26,639              |
| - Non-Asean                       | 114                 | 144                 |
| Total Segment Non-Current Assets  | 351,343             | 327,069             |

Included in the measure of segment profit are:

|                                  | Trading<br>RM'000 | Manufacturing<br>RM'000 | Investment<br>RM'000 | Total<br>RM'000 |
|----------------------------------|-------------------|-------------------------|----------------------|-----------------|
| Depreciation and<br>amortisation | (2,418)           | (19,013)                | -                    | (21,431)        |



## 9 Segmental information (continued)

Reconciliation of reportable segment profit or loss to the Group's corresponding amount is as follows:

| <b>Profit for the financial period</b> | <b>RM'000</b>        |
|--|----------------------|
| Total profit for reportable segments   | 16,659               |
| Finance costs                          | <u>(1,213)</u>       |
| Profit before tax                      | 15,446               |
| Income tax expense                     | <u>(2,616)</u>       |
| Net profit for the financial period    | <u><u>12,830</u></u> |

## 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 Changes in the composition of the Group and subsequent events

The Group had incorporated a wholly-owned subsidiary, Auto Global International Sdn. Bhd. ("AGI") on 17 October 2017 by subscribing for ten (10) ordinary shares, representing the entire issued share capital of AGI. This subsidiary will be principally involved in exporting, distributing and marketing of automotive parts and accessories.

Save for the above, there have been no other changes in the composition of the Group.

## 12 Changes in contingent liabilities

The contingent liabilities of the Group were as follows:

|   | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|---|--|--|
| Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries | <u>60,045</u>                          | <u>41,541</u>                          |

## 13 Capital commitments

|                                      | <b>As at<br/>30.09.2017<br/>RM'000</b> |
|--------------------------------------|--|
| <u>Property, plant and equipment</u> |  |
| Contracted but not provided for      | <u>7,100</u>                           |
| Approved but not contracted for      | <u>16,048</u>                          |

## **14 Others**

On 10 August 2017, The Board of Directors of New Hoong Fatt Holdings Berhad (“NHFHB”) had announced that PT. Auto Global Parts Indonesia (“PT. AGPI”), an indirect wholly-owned subsidiary of NHFHB had executed a Sales and Purchase Deed with PT. Gerbang Teknologi Cikarang (the “Vendor”) before the Land Deed Officer in Indonesia. The Balance Purchase Consideration of IDR37,845,500,000 (equivalent to approximately RM12,155,975) (excluding 10% Value Added Tax), being the remaining 70% of the Purchase Consideration, had been paid to the Vendor for the acquisition of a piece of land located in Kawasan Industri Jababeka, Jl. Tekno Boulevard Blok A2.B, Kel. Pasirgombang, Kec. Cikarang Utara, Kota Bekasi, Jawa Barat, Indonesia based on the binding sales and purchase agreement (“SPA”) dated 17 April 2017. The Acquisition of Land was completed on 10 August 2017 in accordance with the terms and conditions of the SPA.

## **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*

The Group recorded RM8.5 million or 15.6% increase in revenue from RM54.5 million in the corresponding quarter of preceding year (“3Q 2016”) to RM63.0 million in the current quarter under review (“3Q 2017”). The increase in revenue was mainly attributed to higher demand in both local and overseas markets.

However, Profit Before Tax (“PBT”) decreased by RM3.9 million or 50.0% from RM7.8 million in 3Q 2016 to RM3.9 million in 3Q 2017. PBT was lower mainly due to unfavourable impact from foreign exchange rates which amounted to RM3.6 million and fair value gain on the investment properties amounted to RM0.9 million which was recorded in 3Q 2016. In addition, higher manufacturing and raw material costs had also impacted the PBT in the current quarter under review. The Group managed to cushion part of the adverse impact from the significantly higher costs through higher sales volume and price increases.

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

The Group recorded RM18.0 million or 10.6% increase in revenue from RM169.1 million in YTD 3Q 2016 to RM187.1 million in YTD 3Q 2017. The increase in revenue was mainly attributed to higher demand in both local and overseas markets.

However, PBT decreased by RM8.3 million or 35.0% from RM23.7 million in YTD 3Q 2016 to RM15.4 million in YTD 3Q 2017. PBT was lower mainly due to unfavourable impact from foreign exchange rates which amounted to RM7.5 million and fair value gain on the investment properties amounted to RM0.9 million which was recorded in 3Q 2016. In addition, as explained above, higher manufacturing costs, higher raw material costs and higher operating expenses had also impacted the PBT. The Group managed to cushion part of the adverse impact from the significantly higher costs through higher sales volume and price increases in the current YTD period under review.

### **16 Segmental performance review**

#### **Trading segment**

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

Revenue for the trading segment increased by RM4.7 million or 15.9% from RM29.6 million in 3Q 2016 to RM34.3 million in 3Q 2017. The increase in revenue was mainly attributed to higher demand in both local and overseas markets.

However, the segment recorded a loss of RM1.1 million in 3Q 2017 compared to a profit of RM0.5 million in 3Q 2016. The decline in profit was mainly due to unfavourable impact from foreign exchange rates and fair value gain on the investment properties which was recorded in 3Q 2016.

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

Revenue for the trading segment increased by RM11.0 million or 12.1% from RM90.6 million in YTD 3Q 2016 to RM101.6 million in YTD 3Q 2017, mainly attributed to higher demand in both local and overseas markets.

## 16 Segmental performance review (continued)

### Trading segment (continued)

#### Comparison of current YTD period with corresponding YTD period of preceding year (continued)

However, the segment recorded a loss of RM2.2 million in YTD 3Q 2017 compared to a profit of RM0.4 million in YTD 3Q 2016, mainly due to higher operating expenses, unfavourable impact from foreign exchange rates and fair value gain on the investment properties which was recorded in YTD 3Q 2016.

### Manufacturing segment

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

Revenue for the manufacturing segment increased by RM3.9 million or 15.7% from RM24.8 million in 3Q 2016 to RM28.7 million in 3Q 2017. The increase was mainly due to higher revenue in the overseas market.

However, profit for the segment decreased by RM2.2 million or 27.8% from RM7.9 million in 3Q 2016 to RM5.7 million in 3Q 2017. This was mainly due to higher manufacturing and raw material costs as well as unfavourable impact from foreign exchange rates in the current quarter under review.

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

Revenue for the manufacturing segment increased by RM7.0 million or 8.9% from RM78.5 million in YTD 3Q 2016 to RM85.5 million in YTD 3Q 2017. The increase was mainly due to higher revenue in the overseas market.

However, profit for the segment decreased by RM5.4 million or 21.8% from RM24.8 million in YTD 3Q 2016 to RM19.4 million in YTD 3Q 2017. The decline in profit was mainly due to higher manufacturing and raw material costs, higher operating expenses and unfavourable impact from foreign exchange rates in the current YTD period under review.

## 17 Variation of results against preceding quarter

Compared to the preceding quarter (“2Q 2017”), revenue increased by RM1.3 million or 2.1% from RM61.7 million in 2Q 2017 to RM63.0 million in 3Q 2017.

PBT had increased by RM1.0 million or 34.5% from RM2.9 million in 2Q 2017 to RM3.9 million in 3Q 2017. This was mainly due to lower operating expenses and favourable impact from foreign exchange rates compared to 2Q 2017.

## 18 Future Prospects

The operating environment will remain challenging and profit margins will be significantly impacted by rising raw material costs. The Group will continue to drive cost and operational efficiency programs to further strengthen its competitiveness and drive business growth through expanding its product range and market expansion.

The Group remains cautiously optimistic on the overall outlook of the automotive aftermarket industry.

**19 Profit forecast**

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

**20 Tax expense**

|                          | <b>Quarter<br/>ended<br/>30.09.2017<br/>RM'000</b> | <b>Year to date<br/>ended<br/>30.09.2017<br/>RM'000</b> |
|--------------------------|--|---|
| Tax expense              | 642  | 2,531   |
| Deferred tax liabilities | 335  | 85  |
|                          | 977  | 2,616   |

The effective tax rate of the Group for the current quarter under review was marginally higher than the statutory tax rate mainly due to the timing differences of unabsorbed losses and unrealised foreign exchange differences by subsidiary companies of the Group. However, the effective tax rate for the year to date period under review was lower than the statutory tax rate mainly attributed to the utilisation of Reinvestment Allowance and Investment Tax Allowance.

**21 Status of corporate proposal**

There were no corporate proposals announced but not completed as at the date of this report.

**22 Group borrowings and debt securities**

|                                | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|--------------------------------|--|--|
| <b>Current liabilities</b>     |  |  |
| <i>Unsecured:-</i>             |  |  |
| Bankers' acceptance            | 31,460                                 | 32,000                                 |
| Revolving credit               | 7,411                                  | -                                      |
| Hire purchase creditor         | 49                                     | -                                      |
| Term loans                     | -                                      | 3,213                                  |
|                                | 38,920                                 | 35,213                                 |
| Sub-total                      |  |  |
|                                | 38,920                                 | 35,213                                 |
| <b>Non-current liabilities</b> |  |  |
| <i>Unsecured:-</i>             |  |  |
| Revolving Credit               | 13,764                                 | -                                      |
|                                | 13,764                                 | -                                      |
| Sub-total                      |  |  |
|                                | 13,764                                 | -                                      |
| <b>Total borrowings</b>        | 52,684                                 | 35,213                                 |
| <b>Total borrowings</b>        |  |  |
| Bankers' acceptances           | 31,460                                 | 32,000                                 |
| Revolving credit               | 21,175                                 | -                                      |
| Hire purchase creditor         | 49                                     | -                                      |
| Term loans                     | -                                      | 3,213                                  |
|                                | 52,684                                 | 35,213                                 |

## 22 Group borrowings and debt securities (continued)

The currency exposure profile of borrowings is as follows:

|                   | As at<br>30.09.2017<br>RM'000 | As at<br>31.12.2016<br>RM'000 |
|-------------------|-------------------------------|-------------------------------|
| Indonesian Rupiah | 49                            | -                             |
| Ringgit Malaysia  | 25,970                        | 32,304                        |
| US Dollar         | 26,665                        | 2,909                         |
|                   | 52,684                        | 35,213                        |

## 23 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.

## 24 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.

## 25 Dividend

The Board of Directors is pleased to declare an interim single tier dividend of 3 sen per ordinary share in respect of the financial year ending 31 December 2017 amounting to RM2,254,698 (2016: interim single tier 3 sen per ordinary share, RM2,254,698).

The dividend will be paid on 15 December 2017 to shareholders registered in the Record of Depositors on 21 November 2017.

The interim dividend will be accounted for as an appropriation of retained earnings in the year in which it is declared.

## 26 Earnings per share

|  | <u>INDIVIDUAL QUARTER</u>      |                                | <u>CUMULATIVE QUARTER</u>           |                                     |
|--|--------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
|  | Quarter<br>ended<br>30.09.2017 | Quarter<br>ended<br>30.09.2016 | Year to<br>date ended<br>30.09.2017 | Year to<br>date ended<br>30.09.2016 |
| Net profit attributable to owners of the parent (RM'000)                                 | 2,927                          | 6,411                          | 12,830                              | 20,499                              |
| Weighted average number of ordinary shares applicable to basic earnings per share ('000) | 75,157                         | 75,157                         | 75,157                              | 75,157                              |
| Basic earnings per share (sen)   | 3.89                           | 8.53                           | 17.07                               | 27.27                               |

**27 Realised and unrealised profits or losses disclosure**

The determination of Realised and Unrealised Profits or Losses is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and at the directive of Bursa Malaysia Securities Berhad:

|  | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|--|--|--|
| Total retained earnings before consolidated adjustments                |  |  |
| - Realised   | 335,724                                | 333,547                                |
| - Unrealised   | (14,042)                               | (17,563)                               |
|  | 321,682                                | 315,984                                |
| Less: Consolidated adjustments   | (83,514)                               | (82,379)                               |
| Total Group retained earnings as per consolidated financial statements | 238,168                                | 233,605                                |

**28 Profit before tax**

|   | <b>Quarter<br/>ended<br/>30.09.2017<br/>RM'000</b> | <b>Year to date<br/>ended<br/>30.09.2017<br/>RM'000</b> |
|---|--|---|
| Profit before tax is arrived at after charging/(crediting): |  |   |
| Depreciation of property, plant and equipment               | 7,212  | 21,431  |
| Gain on disposal of property, plant and equipment           | (12)   | (168)   |
| Gain on foreign exchange:                                   |  |   |
| - Realised  | -  | (666)   |
| Impairment losses on trade receivables                      | 113  | 148   |
| Interest expense  | 491  | 1,213   |
| Interest income   | (194)  | (287)   |
| Inventories written down                                    | 51   | 152   |
| Loss on foreign exchange:                                   |  |   |
| - Realised  | 83   | 83  |
| - Unrealised  | 1,479  | 5,110   |
| Property, plant and equipment written off                   | -  | 5   |
| Provision for employment benefit obligation                 | 4  | 13  |
| Rental income from investment properties                    | (201)  | (571)   |
| Reversal of impairment loss on trade receivables            | (9)  | (31)  |

By Order of the Board

TAI YIT CHAN  
CHOONG LEE WAH  
Secretaries

Selangor  
6 November 2017