



RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2017

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.12.2017	Quarter ended 31.12.2016	Year to date ended 31.12.2017	Year to date ended 31.12.2016
		RM'000	RM'000	RM'000	RM'000
Revenue		63,466	62,813	250,606	231,894
Cost of sales		(46,751)	(42,465)	(184,367)	(163,917)
Gross profit		16,715	20,348	66,239	67,977
Other operating income		7,985	6,248	17,120	22,073
Operating expenses		(15,313)	(13,200)	(57,313)	(52,024)
Finance costs		(420)	(293)	(1,633)	(1,216)
Profit before tax		8,967	13,103	24,413	36,810
Tax expense	19	(1,469)	(3,612)	(4,085)	(6,820)
Net profit for the period		7,498	9,491	20,328	29,990
Other comprehensive income/(loss):					
Foreign currency translations, net of tax		623	(932)	1,608	(3,863)
Revaluation surplus on land and buildings, net of tax		42,859	(551)	42,859	24,433
Remeasurement of employment benefit obligation		(16)	(3)	(16)	(3)
Total comprehensive income for the period		50,964	8,005	64,779	50,557
Profit attributable to owners of the parent		7,498	9,491	20,328	29,990
Total comprehensive income attributable to owners of the parent		50,964	8,005	64,779	50,557
Earnings per share attributable to owners of the parent	25				
Basic (sen)		9.98	12.63	27.05	39.90
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 31.12.2017 RM'000	As at 31.12.2016 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		381,087	310,439
Investment properties		21,000	16,500
Available-for-sale financial assets		130	130
		402,217	327,069
Current Assets			
Inventories		47,877	43,979
Trade receivables		47,691	44,440
Other receivables, deposits & prepayments		14,154	12,671
Current tax assets		752	1,004
Cash and bank balances		24,504	24,172
		134,978	126,266
Total Assets		537,195	453,335
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		79,367	75,157
Reserves			
<u>Non-Distributable:</u>			
Share premium		-	4,210
Revaluation reserve		103,842	60,983
Exchange translation reserve		(57)	(1,665)
Available-for-sale reserve		47	47
<u>Distributable:</u>			
Retained earnings		243,395	233,605
		347,227	297,180
Total Equity		426,594	372,337
Non-Current Liabilities			
Borrowings (interest bearing)	21	11,184	-
Employment benefit obligation		189	48
Deferred tax liabilities		32,733	28,018
		44,106	28,066
Current Liabilities			
Trade payables		12,024	9,118
Other payables & accruals		9,480	8,217
Borrowings (interest bearing)	21	44,507	35,213
Current tax liabilities		484	384
		66,495	52,932
Total Liabilities		110,601	80,998
Total Equity and Liabilities		537,195	453,335
Net assets per share attributable to owners of the parent (RM)		5.68	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

	Year to date ended 31.12.2017 RM'000	Year to date ended 31.12.2016 RM'000
Cash Flows From Operating Activities		
Profit before tax	24,413	36,810
Adjustments for:-		
Amortisation and depreciation	28,792	27,575
Bad debts written off	-	47
Fair value gain on investment properties	(4,500)	(900)
Impairment losses on trade receivables	431	110
Interest income	(345)	(180)
Interest expense	1,633	1,216
Inventories written down	101	229
Net gain on disposal of property, plant and equipment	(221)	(374)
Property, plant and equipment written off	6	20
Provision for employment benefit obligation	145	16
Reversal of impairment losses on trade receivables	(39)	(69)
Unrealised loss on foreign exchange differences	7,360	335
Operating profit before changes in working capital	57,776	64,835
Net change in current assets	(12,873)	(10,145)
Net change in current liabilities	3,493	(9,792)
Employee benefits contributed	(1)	(5)
Tax paid	(3,019)	(4,475)
Net cash generated from operating activities	45,376	40,418
Cash Flows From Investing Activities		
Interest received	345	180
Proceeds from disposal of property, plant and equipment	569	387
Purchase of property, plant and equipment	(56,558)	(38,061)
Net cash used in investing activities	(55,644)	(37,494)
Cash Flows From Financing Activities		
Interest paid	(1,633)	(1,216)
Net drawdown from bank borrowings	21,982	6,587
Repayment of hire purchase	(47)	(8)
Dividend paid	(10,522)	(8,267)
Net cash generated from/(used in) financing activities	9,780	(2,904)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 31.12.2017 RM'000	Year to date ended 31.12.2016 RM'000
Net (decrease)/increase in cash and cash equivalents	(488)	20
Effects of exchange rate fluctuations on cash & cash equivalents	820	483
Cash and cash equivalents at beginning of the financial period	24,172	23,669
Cash and cash equivalents at end of the financial period	24,504	24,172
Cash and cash equivalents comprise of:		
Cash and bank balances	22,150	24,172
Short term placements	2,354	-
	24,504	24,172

(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 Equity RM'000
	Non-distributable			Distributable			
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Available for sale reserve RM'000	Exchange translation reserve RM'000	Retained earnings 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	-	-	-	-	-	29,990	29,990
Foreign currency translations, net of tax	-	-	-	-	(3,863)	-	(3,863)
Remeasurement of employment benefit obligation	-	-	-	-	-	(3)	(3)
Revaluation surplus on land and buildings, net of tax	-	-	24,433	-	-	-	24,433
Total comprehensive income / (loss)	-	-	24,433	-	(3,863)	29,987	50,557
Dividend	-	-	-	-	-	(8,267)	(8,267)
As at 31 December 2016	75,157	4,210	60,983	47	(1,665)	233,605	372,337
As at 1 January 2017	75,157	4,210	60,983	47	(1,665)	233,605	372,337
Profit for the financial period	-	-	-	-	-	20,328	20,328
Foreign currency translations, net of tax	-	-	-	-	1,608	-	1,608
Remeasurement of employment benefit obligation	-	-	-	-	-	(16)	(16)
Revaluation surplus on land and buildings, net of tax	-	-	42,859	-	-	-	42,859
Transfer pursuant to Companies Act 2016	4,210	(4,210)	-	-	-	-	-
Total comprehensive income	4,210	(4,210)	42,859	-	1,608	20,312	64,779
Dividend	-	-	-	-	-	(10,522)	(10,522)
As at 31 December 2017	79,367	-	103,842	47	(57)	243,395	426,594

With the introduction of the new Companies Act, 2016 (the "Act") effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. Consequently, balances within the share premium account have been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the new Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(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:-

Title	Effective date
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:

Title	Effective date
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
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019

2 Adoption of Malaysian Financial Reporting Standards (continued)

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

Title	Effective date
Amendments to MFRS 128 <i>Long-term interests in Associates and Joint Ventures</i>	1 January 2019
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

	Quarter ended 31.12.2017 RM'000	Year to date ended 31.12.2017 RM'000
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.	-	8,267
Interim single tier dividend of 3 sen per ordinary share declared for financial year ended 31 December 2017, paid on 15 December 2017.	2,255	2,255
Total single-tier dividend paid	2,255	10,522

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. The revision was made in line with the recent change on the composition of the Group as stated in Note 12.

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.

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	30,260	28,416	118,143	110,522
- Asean	9,378	10,434	42,951	36,345
- Non-Asean	23,828	23,963	89,512	85,027
Total Segment Revenue	63,466	62,813	250,606	231,894

By Geographical Segment	Quarter ended		Year to date ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	8,862	9,449	38,189	37,913
- Asean	2	36	18,434	136
- Non-Asean	14	-	15	12
Total Segment Capital Expenditure	8,878	9,485	56,638	38,061

By Geographical Segment	As at	As at
	31.12.2017	31.12.2016
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	352,964	300,286
- Asean	49,135	26,639
- Non-Asean	118	144
Total Segment Non-Current Assets	402,217	327,069

10 Valuation of Property, Plant and Equipment and Investment Properties

Four (4) valuations had been conducted on 29 December 2017 by two (2) registered valuers, KPH Property Consultants (KL) Sdn Bhd in Malaysia and Andreas Parlindungan Siregar in Indonesia on the Group's Property, Plant and Equipment and Investment Properties (freehold land and building, long term leasehold land and building) by reference to the open market value based on existing use basis and cost approach method respectively. The purpose of the valuation exercise was to ascertain the market value of the assets for accounting purposes in accordance with the Malaysian Financial Reporting Standards 116 and 140.

Accordingly, a revaluation surplus of RM51.4 million had been incorporated into the Group's Property, Plant and Equipment and Investment Properties for the financial year ended 31 December 2017. The revaluation surplus (net of tax) that was recognised in the Statement of Financial Position as Revaluation Reserve amounted to RM42.9 million for the Property, Plant and Equipment and RM4.3 million for the Investment Properties in the Retained Earnings. As a result, the consolidated net assets value per share of the Group increased by RM0.63 in the current financial year.

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

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 is 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.

13 Changes in contingent liabilities

The contingent liabilities of the Group were as follows:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries	63,196	41,541

14 Capital commitments

	As at 31.12.2017 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	11,186
Approved but not contracted for	32,301

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 RM0.7 million or 1.1% increase in revenue from RM62.8 million in the corresponding quarter of preceding year (“4Q 2016”) to RM63.5 million in the current quarter under review (“4Q 2017”). The increase in revenue was mainly attributed to higher demand in both local and overseas markets.

However, Profit Before Tax (“PBT”) decreased by RM4.1 million or 31.3% from RM13.1 million in 4Q 2016 to RM9.0 million in 4Q 2017, despite the fair value gain on revaluation of investment properties amounted to RM4.5 million which was recognised in the current quarter. The decrease in PBT was mainly due to unfavourable impact from foreign exchange rates which amounted to RM5.9 million. 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 RM18.7 million or 8.1% increase in revenue from RM231.9 million in YTD 4Q 2016 to RM250.6 million in YTD 4Q 2017. The increase in revenue was mainly attributed to higher demand in both local and overseas markets.

However, PBT decreased by RM12.4 million or 33.7% from RM36.8 million in YTD 4Q 2016 to RM24.4 million in YTD 4Q 2017. There was a fair value gain on the revaluation of investment properties amounted to RM4.5 million which was recognised in YTD 4Q 2017 compared to RM0.9 million which was recognised in YTD 4Q 2016 (recognised in 3Q 2016). The decrease in PBT was mainly due to unfavourable impact from foreign exchange rates which amounted to RM13.5 million. 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 Variation of results against preceding quarter

Compared to the preceding quarter (“3Q 2017”), revenue increased marginally by RM0.5 million or 0.8% from RM63.0 million in 3Q 2017 to RM63.5 million in 4Q 2017.

PBT had increased by RM5.1 million or 130.8% from RM3.9 million in 3Q 2017 to RM9.0 million in 4Q 2017. PBT only improved marginally by RM0.6 million excluding the fair value gain on the revaluation of investment properties which amounted to RM4.5 million. The marginal improvement in PBT was largely due to higher sales volume and lower manufacturing costs, partly offset by operating expenses and unfavourable impact from foreign exchange rates compared to 3Q 2017.

17 Future Prospects

The global economy is expected to grow stronger in 2018. The Group is cautiously optimistic on the overall outlook of the automotive aftermarket industry and will drive further cost and operational efficiency programs to strengthen its cost competitiveness.

The Group will continue to focus on building a wider product range and intensify the market development activities in the Malaysian market and other ASEAN markets to drive the growth of the Group.

18 Profit forecast

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

19 Tax expense

	Quarter ended 31.12.2017 RM'000	Year to date ended 31.12.2017 RM'000
Tax expense	847	3,378
Deferred tax liabilities	622	707
	1,469	4,085

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 attributed to utilisation of Reinvestment Allowance, Investment Tax Allowance and Real Property Gains Tax of 5% which was imputed on the fair value gain on revaluation of investment properties, partly offset by the timing differences arising from unabsorbed losses and unrealised foreign exchange differences by subsidiary companies of the Group.

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

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Current liabilities		
<i>Unsecured:-</i>		
Bankers' acceptance	22,430	32,000
Foreign currency trade loan	14,927	-
Revolving credit	7,117	-
Hire purchase creditor	33	-
Term loans	-	3,213
	44,507	35,213
Sub-total	44,507	35,213

21 Group borrowings and debt securities (continued)

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Non-current liabilities		
<i>Unsecured:-</i>		
Revolving Credit	11,184	-
Sub-total	11,184	-
Total borrowings	<u>55,691</u>	<u>35,213</u>
Total borrowings		
Bankers' acceptances	22,430	32,000
Foreign currency trade loan	14,927	-
Revolving credit	18,301	-
Hire purchase creditor	33	-
Term loans	-	3,213
	<u>55,691</u>	<u>35,213</u>

The currency exposure profile of borrowings is as follows:

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Indonesian Rupiah	33	-
Ringgit Malaysia	22,430	32,304
US Dollar	33,228	2,909
	<u>55,691</u>	<u>35,213</u>

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 is pleased to propose a final single tier dividend of eight (8) sen per ordinary share in respect of the financial year ended 31 December 2017 amounting to RM6,012,528 (2016: final single tier dividend of eight (8) sen and a special final single tier dividend of three (3) sen per ordinary share, RM8,267,226).

The proposed final dividend is subject to the approval of the shareholders at the upcoming Annual General Meeting of the Company. This dividend, upon approval by the shareholders, will be accounted for as an appropriation of retained earnings in the year in which it is declared. The dividend payment date and entitlement date will be announced in due course.

25 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended</u> 31.12.2017	<u>Quarter ended</u> 31.12.2016	<u>Year to date ended</u> 31.12.2017	<u>Year to date ended</u> 31.12.2016
Net profit attributable to owners of the parent (RM'000)	7,498	9,491	20,328	29,990
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)	9.98	12.63	27.05	39.90

26 Profit before tax

	Quarter ended 31.12.2017 RM'000	Year to date ended 31.12.2017 RM'000
Profit before tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	7,361	28,792
Fair value gain on investment properties	(4,500)	(4,500)
Gain on disposal of property, plant and equipment	(53)	(221)
Gain on foreign exchange:		
- Realised	(251)	(917)
Impairment losses on trade receivables	283	431
Interest expense	420	1,633
Interest income	(58)	(345)
Inventories written (back)/down	(51)	101
Loss on foreign exchange:		
- Realised	-	83
- Unrealised	2,250	7,360
Property, plant and equipment written off	1	6
Provision for employment benefit obligation	132	145
Rental income from investment properties	(201)	(772)
Reversal of impairment loss on trade receivables	(8)	(39)

By Order of the Board

WONG YOUN KIM
SecretaryKuala Lumpur
27 February 2018