



RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2018

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.03.2018	Quarter ended 31.03.2017	Year to date ended 31.03.2018	Year to date ended 31.03.2017
		RM'000	RM'000	RM'000	RM'000
Revenue		60,099	62,473	60,099	62,473
Cost of sales		(46,183)	(43,875)	(46,183)	(43,875)
Gross profit		13,916	18,598	13,916	18,598
Other operating income		3,257	3,086	3,257	3,086
Operating expenses		(13,961)	(12,770)	(13,961)	(12,770)
Finance costs		(455)	(304)	(455)	(304)
Profit before tax		2,757	8,610	2,757	8,610
Tax expense	19	(931)	(1,239)	(931)	(1,239)
Net profit for the period		1,826	7,371	1,826	7,371
Other comprehensive (loss)/income:					
Foreign currency translations, net of tax		(411)	86	(411)	86
Total comprehensive income for the period		1,415	7,457	1,415	7,457
Profit attributable to owners of the parent		1,826	7,371	1,826	7,371
Total comprehensive income attributable to owners of the parent		1,415	7,457	1,415	7,457
Earnings per share attributable to owners of the parent	25				
Basic (sen)		2.43	9.81	2.43	9.81
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 2017)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		379,579	381,087
Investment properties		21,000	21,000
Available-for-sale financial assets		130	130
		400,709	402,217
Current Assets			
Inventories		49,221	47,877
Trade receivables		45,485	47,691
Other receivables, deposits & prepayments		14,609	14,154
Current tax assets		824	752
Cash and bank balances		24,351	24,504
		134,490	134,978
Total Assets		535,199	537,195
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		79,367	79,367
Reserves			
<u>Non-Distributable:</u>			
Revaluation reserve		103,842	103,842
Exchange translation reserve		(468)	(57)
Available-for-sale reserve		47	47
<u>Distributable:</u>			
Retained earnings		245,018	243,395
		348,439	347,227
Total Equity		427,806	426,594
Non-Current Liabilities			
Borrowings (interest bearing)	21	10,621	11,184
Employment benefit obligation		204	189
Deferred tax liabilities		32,525	32,733
		43,350	44,106
Current Liabilities			
Trade payables		11,329	12,024
Other payables & accruals		8,652	9,480
Borrowings (interest bearing)	21	43,114	44,507
Current tax liabilities		948	484
		64,043	66,495
Total Liabilities		107,393	110,601
Total Equity and Liabilities		535,199	537,195
Net assets per share attributable to owners of the parent (RM)		5.69	5.68

(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2017)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year to date ended 31.03.2018 RM'000	Year to date ended 31.03.2017 RM'000
Cash Flows From Operating Activities		
Profit before tax	2,757	8,610
Adjustments for:-		
Amortisation and depreciation	7,749	7,034
Impairment losses on trade receivables	71	27
Interest income	(53)	(32)
Interest expense	455	304
Inventories written back	(218)	(51)
Net gain on disposal of property, plant and equipment	(31)	(124)
Property, plant and equipment written off	6	3
Provision for employment benefit obligation	29	4
Reversal of impairment losses on trade receivables	-	(13)
Unrealised loss on foreign exchange differences	1,423	898
Operating profit before changes in working capital	12,188	16,660
Net change in current assets	(712)	2,099
Net change in current liabilities	(477)	377
Tax paid	(696)	(834)
Net cash generated from operating activities	10,303	18,302
Cash Flows From Investing Activities		
Interest received	53	32
Proceeds from disposal of property, plant and equipment	39	200
Purchase of property, plant and equipment	(8,716)	(11,369)
Net cash used in investing activities	(8,624)	(11,137)
Cash Flows From Financing Activities		
Interest paid	(455)	(304)
Net (repayment of)/drawdown from bank borrowings	(554)	839
Repayment of hire purchase	(14)	-
Net cash (used in)/generated from financing activities	(1,023)	535

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 31.03.2018 RM'000	Year to date ended 31.03.2017 RM'000
Net increase in cash and cash equivalents	656	7,700
Effects of exchange rate fluctuations on cash & cash equivalents	(809)	(196)
Cash and cash equivalents at beginning of the financial period	24,504	24,172
Cash and cash equivalents at end of the financial period	24,351	31,676
Cash and cash equivalents comprise of:		
Cash and bank balances	23,644	31,472
Short term placements	707	204
	24,351	31,676

(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2017)

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 2017	75,157	4,210	60,983	47	(1,665)	233,605	372,337
Profit for the financial period	-	-	-	-	-	7,371	7,371
Foreign currency translations	-	-	-	-	86	-	86
Total comprehensive income	-	-	-	-	86	7,371	7,457
As at 31 March 2017	75,157	4,210	60,983	47	(1,579)	240,976	379,794
As at 31 December 2017	79,367	-	103,842	47	(57)	243,395	426,594
Impacts arising from adoption of: - MFRS 9 (Note 2)	-	-	-	-	-	(203)	(203)
As at 1 January 2018	79,367	-	103,842	47	(57)	243,192	426,391
Profit for the financial period	-	-	-	-	-	1,826	1,826
Foreign currency translations, net of tax	-	-	-	-	(411)	-	(411)
Total comprehensive income	-	-	-	-	(411)	1,826	1,415
As at 31 March 2018	79,367	-	103,842	47	(468)	245,018	427,806

(The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2017)

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 2017.

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 2017, 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 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 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

The adoption of the above Standards did not have any significant effects on the interim financial report upon their initial application, other than as disclosed below:

MFRS 9 – Financial Instruments

MFRS 9 is effective for annual periods beginning on or after 1 January 2018. MFRS 9 introduces new requirements for classification and measurement of financial instruments, impairment assessment based on the Expected Credit Loss (“ECL”) model and hedge accounting.

The Group has applied MFRS 9 retrospectively on the initial application date of 1 January 2018 and has elected not to restate comparatives.

The adoption of MFRS 9 did not have any significant effects on the interim financial report upon their initial application, except for the effect of applying the impairment assessment based on the ECL model on trade receivables.

The Group has applied forward-looking impairment policy to calculate the expected credit losses on all trade receivables. For the purpose of assessing the new ECL impairment model, the Group had categorised the customers into segments of customers portfolio based on past repayment records, credit terms provided as well as assessing the economic factors of each individual market it operates in.

2 Adoption of Malaysian Financial Reporting Standards (continued)

The adoption of the above Standards did not have any significant effects on the interim financial report upon their initial application, other than as disclosed below (continued):

MFRS 9 – Financial Instruments (continued)

In summary, the impacts of adopting MFRS 9 to opening balances were as follows:

Statement of financial position

	Previously stated on 31.12.2017 RM'000	Effects of MFRS 9 RM'000	Restated on 01.01.2018 RM'000
Assets			
Trade receivables	47,691	(265)	47,426
Impact to assets	47,691	(265)	47,426
Liabilities			
Deferred tax liabilities	32,733	(62)	32,671
Impact to liabilities	32,733	(62)	32,671
Equity			
Retained earnings	243,395	(203)	243,192

The Group has not adopted the following Standards 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 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
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 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 – 2017 Cycle</i>	1 January 2019
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 2017 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

There were no dividends paid during the quarter under review.

9 Segmental information

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

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

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

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	30,379	29,220	30,379	29,220
- Asean	10,888	11,717	10,888	11,717
- Non-Asean	18,832	21,536	18,832	21,536
Total Segment Revenue	60,099	62,473	60,099	62,473

9 Segmental information (continued)

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

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	8,674	11,359	8,674	11,359
- Asean	17	9	17	9
- Non-Asean	25	1	25	1
Total Segment Capital Expenditure	8,716	11,369	8,716	11,369

By Geographical Segment	As at 31.03.2018	As at 31.12.2017
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	354,331	352,964
- Asean	46,246	49,135
- Non-Asean	132	118
Total Segment Non-Current Assets	400,709	402,217

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

The contingent liabilities of the Group were as follows:

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries	<u>62,801</u>	<u>63,196</u>

14 Capital commitments

	As at 31.03.2018 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>9,807</u>
Approved but not contracted for	<u>23,075</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

The Group recorded RM2.4 million or 3.8% decrease in revenue from RM62.5 million in the corresponding quarter of preceding year (“1Q 2017”) to RM60.1 million in the current quarter under review (“1Q 2018”). The decrease in revenue was mainly due to unfavourable foreign exchange rate (“forex”) impact.

Profit Before Tax (“PBT”) decreased by RM5.8 million or 67.4% from RM8.6 million in 1Q 2017 to RM2.8 million in 1Q 2018 mainly due to unfavourable forex impact, lower revenue from export markets as well as higher raw material and other manufacturing costs.

16 Variation of results against preceding quarter

Compared to the preceding quarter (“4Q 2017”), revenue decreased by RM3.4 million or 5.4% from RM63.5 million in 4Q 2017 to RM60.1 million in 1Q 2018. The decrease in revenue was mainly due to unfavourable forex impact and lower revenue from export markets.

PBT had decreased by RM6.2 million or 68.9% from RM9.0 million in 4Q 2017 to RM2.8 million in 1Q 2018. There was a fair value gain on the revaluation of investment properties amounted to RM4.5 million which was recognised in 4Q 2017. Excluding the fair value gain, PBT decreased by RM1.7 million mainly due to unfavourable forex impact and lower revenue from export markets as well as higher manufacturing costs.

17 Future Prospects

The global economy is expected to be stronger in 2018. The Group remains cautiously optimistic on the overall outlook of the automotive aftermarket industry despite the forecast of sluggish sales of new vehicles in the local market. The Group will continue to drive business growth through expanding its product range as well as further strengthening its cost competitiveness via various cost efficiency programs.

18 Profit forecast

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

19 Tax expense

	Quarter ended 31.03.2018 RM'000	Year to date ended 31.03.2018 RM'000
Tax expense	1,088	1,088
Deferred tax liabilities	(157)	(157)
	931	931

The effective tax rate of the Group in the current quarter under review was higher than the statutory tax rate mainly attributed to the timing differences arising from unabsorbed losses and unrealised foreign exchange differences in the subsidiary companies of the Group, partly offset by utilisation of Reinvestment Allowance in the current quarter under review.

20 Status of corporate proposal

There were no corporate proposals announced but not completed as at the date of this announcement saved as disclosed below:

On 23 March 2018, the Company had announced a proposal to implement a bonus issue of up to 7,515,660 new ordinary shares on the basis of one (1) bonus share for every ten (10) existing shares held by the Company's shareholders. The proposal has not been completed as at the date of this announcement as it is subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on 1 June 2018.

21 Group borrowings and debt securities

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
Current liabilities		
<i>Unsecured:-</i>		
Bankers' acceptance	19,630	22,430
Foreign currency trade loan	16,707	14,927
Hire purchase creditor	18	33
Revolving credit	6,759	7,117
	43,114	44,507
Sub-total		
Non-current liabilities		
<i>Unsecured:-</i>		
Revolving Credit	10,621	11,184
	10,621	11,184
Sub-total		
Total borrowings	53,735	55,691
Total borrowings		
Bankers' acceptances	19,630	22,430
Foreign currency trade loan	16,707	14,927
Hire purchase creditor	18	33
Revolving credit	17,380	18,301
	53,735	55,691

21 Group borrowings and debt securities (continued)

The currency exposure profile of borrowings is as follows:

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
Indonesian Rupiah	18	33
Ringgit Malaysia	19,630	22,430
US Dollar	34,087	33,228
	<u>53,735</u>	<u>55,691</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 has not recommended any interim dividend for the financial quarter ended 31 March 2018.

25 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Quarter ended 31.03.2018	Quarter ended 31.03.2017	Year to date ended 31.03.2018	Year to date ended 31.03.2017
Net profit attributable to owners of the parent (RM'000)	<u>1,826</u>	<u>7,371</u>	<u>1,826</u>	<u>7,371</u>
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)	2.43	9.81	2.43	9.81

26 Profit before tax

	Quarter ended 31.03.2018 RM'000	Year to date ended 31.03.2018 RM'000
Profit before tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	7,749	7,749
Gain on disposal of property, plant and equipment	(31)	(31)
Impairment losses on trade receivables	71	71
Interest expense	455	455
Interest income	(53)	(53)
Inventories written back	(218)	(218)
Loss on foreign exchange:		
- Realised	325	325
- Unrealised	1,423	1,423
Property, plant and equipment written off	6	6
Provision for employment benefit obligation	29	29
Rental income from investment properties	(158)	(158)

By Order of the Board

WONG YOUN KIM
SecretaryKuala Lumpur
14 May 2018