



RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 30.09.2018	Quarter ended 30.09.2017	Year to date ended 30.09.2018	Year to date ended 30.09.2017
		RM'000	RM'000	RM'000	RM'000
Revenue		68,189	63,006	193,782	187,140
Cost of sales		(51,018)	(47,506)	(149,201)	(137,616)
Gross profit		17,171	15,500	44,581	49,524
Other operating income		3,812	2,917	11,489	9,135
Operating expenses		(14,285)	(14,022)	(41,677)	(42,000)
Finance costs		(481)	(491)	(1,384)	(1,213)
Profit before tax		6,217	3,904	13,009	15,446
Tax expense	19	(1,737)	(977)	(3,828)	(2,616)
Net profit for the period		4,480	2,927	9,181	12,830
Other comprehensive income/(loss):					
Foreign currency translations, net of tax		60	345	(264)	985
Total comprehensive income for the period		4,540	3,272	8,917	13,815
Profit attributable to owners of the parent		4,480	2,927	9,181	12,830
Total comprehensive income attributable to owners of the parent		4,540	3,272	8,917	13,815
Earnings per share attributable to owners of the parent	25				
Basic (sen)		5.42	3.54*	11.11	15.52*
Diluted (sen)		N.A.	N.A.	N.A.	N.A.

*Comparative figures for the weighted average number of ordinary shares used in the calculation of basic earnings per share have been restated to reflect the increased number of shares arising from the Bonus Issue of one (1) bonus share for every ten (10) existing shares held by the entitled shareholders, which was completed on 28 June 2018.

(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 30.09.2018 RM'000	As at 31.12.2017 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		385,118	381,087
Investment properties		21,000	21,000
Available-for-sale financial assets		130	130
		406,248	402,217
Current Assets			
Inventories		57,050	47,877
Trade receivables		48,258	47,691
Other receivables, deposits & prepayments		9,914	14,154
Current tax assets		1,164	752
Cash and bank balances		17,226	24,504
		133,612	134,978
Total Assets		539,860	537,195
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		82,672	79,367
Reserves			
<u>Non-Distributable:</u>			
Revaluation reserve		103,842	103,842
Exchange translation reserve		(321)	(57)
Available-for-sale reserve		47	47
<u>Distributable:</u>			
Retained earnings		243,055	243,395
		346,623	347,227
Total Equity		429,295	426,594
Non-Current Liabilities			
Borrowings (interest bearing)	21	6,217	11,184
Employment benefit obligation		256	189
Deferred tax liabilities		33,058	32,733
		39,531	44,106
Current Liabilities			
Trade payables		9,198	12,024
Other payables & accruals		10,311	9,480
Borrowings (interest bearing)	21	49,269	44,507
Current tax liabilities		2,256	484
		71,034	66,495
Total Liabilities		110,565	110,601
Total Equity and Liabilities		539,860	537,195
Net assets per share attributable to owners of the parent (RM)		5.19	5.16*

*Comparative figure for the number of ordinary shares used in the calculation of net assets per share has been restated to reflect the increased number of shares arising from the Bonus Issue of one (1) bonus share for every ten (10) existing shares held by the entitled shareholders, which was completed on 28 June 2018.

(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 30.09.2018 RM'000	Year to date ended 30.09.2017 RM'000
Cash Flows From Operating Activities		
Profit before tax	13,009	15,446
Adjustments for:-		
Amortisation and depreciation	23,676	21,431
Bad debts written off	136	-
Impairment losses on trade receivables	211	148
Interest income	(152)	(287)
Interest expense	1,384	1,213
Inventories written down	609	152
Net gain on disposal of property, plant and equipment	(621)	(168)
Property, plant and equipment written off	50	5
Provision for employment benefit obligation	83	13
Reversal of impairment losses on trade receivables	(185)	(31)
Unrealised loss on foreign exchange differences	3,341	5,110
Operating profit before changes in working capital	41,541	43,032
Net change in current assets	(5,875)	(4,803)
Net change in current liabilities	(1,858)	1,244
Tax paid	(2,092)	(2,378)
Net cash generated from operating activities	31,716	37,095
Cash Flows From Investing Activities		
Interest received	152	287
Proceeds from disposal of property, plant and equipment	1,222	243
Purchase of property, plant and equipment	(31,240)	(47,760)
Net cash used in investing activities	(29,866)	(47,230)
Cash Flows From Financing Activities		
Interest paid	(1,384)	(1,213)
Net (repayment of)/drawdown from bank borrowings	(1,544)	17,944
(Repayment of)/drawdown from hire purchase	(32)	49
Dividend paid	(6,013)	(8,267)
Net cash (used in)/generated from financing activities	(8,973)	8,513

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date ended 30.09.2018 RM'000	Year to date ended 30.09.2017 RM'000
Net decrease in cash and cash equivalents	(7,123)	(1,622)
Effects of exchange rate fluctuations on cash & cash equivalents	(155)	(771)
Cash and cash equivalents at beginning of the financial period	24,504	24,172
Cash and cash equivalents at end of the financial period	17,226	21,779
Cash and cash equivalents comprise of:		
Cash and bank balances	17,225	21,778
Short term placements	1	1
	17,226	21,779

(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						
	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	Total Equity 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	-	-	-	-	-	12,830	12,830
Foreign currency translations	-	-	-	-	985	-	985
Total comprehensive income	-	-	-	-	985	12,830	13,815
Dividend	-	-	-	-	-	(8,267)	(8,267)
As at 30 September 2017	75,157	4,210	60,983	47	(680)	238,168	377,885
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	-	-	-	-	-	9,181	9,181
Foreign currency translations, net of tax	-	-	-	-	(264)	-	(264)
Total comprehensive (loss)/income	-	-	-	-	(264)	9,181	8,917
Bonus issue*	3,305	-	-	-	-	(3,305)	-
Dividend	-	-	-	-	-	(6,013)	(6,013)
As at 30 September 2018	82,672	-	103,842	47	(321)	243,055	429,295

*The bonus issue of 7,515,660 shares was satisfied by way of capitalising the share premium of RM4,210,070 which had been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the new Companies Act 2016 and retained earnings of RM3,305,590 respectively.

(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
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

2 Adoption of Malaysian Financial Reporting Standards (continued)

The Group has not adopted the following Standards that have been issued but not yet effective (continued):

Title	Effective date
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
Amendment to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendment to MFRS 138 <i>Intangible Assets</i>	1 January 2020
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

	Quarter ended 30.09.2018 RM'000	Year to date ended 30.09.2018 RM'000
A final single tier dividend of 8 sen per ordinary share declared for financial year ended 2017, paid on 12 July 2018.	<u>6,013</u>	<u>6,013</u>

9 Segmental information

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

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

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

By Geographical Segment	Quarter ended		Year to date ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	34,297	29,549	95,714	87,883
- Asean	11,744	11,717	32,470	33,573
- Non-Asean	22,148	21,740	65,598	65,684
Total Segment Revenue	68,189	63,006	193,782	187,140

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

By Geographical Segment	Quarter ended		Year to date ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	13,068	10,636	31,177	29,327
- Asean	2	18,405	25	18,432
- Non-Asean	4	-	38	1
Total Segment Capital Expenditure	13,074	29,041	31,240	47,760

By Geographical Segment	As at 30.09.2018	As at 31.12.2017
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	360,815	352,964
- Asean	45,314	49,135
- Non-Asean	119	118
Total Segment Non-Current Assets	406,248	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 30.09.2018 RM'000	As at 31.12.2017 RM'000
Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries	<u>62,579</u>	<u>63,196</u>

14 Capital commitments

	As at 30.09.2018 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>11,632</u>
Approved but not contracted for	<u>8,852</u>

(The remainder of this page is intentionally left blank)

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 RM5.2 million or 8.3% increase in revenue from RM63.0 million in the corresponding quarter of preceding year (“3Q 2017”) to RM68.2 million in the current quarter under review (“3Q 2018”). The increase in revenue was mainly attributed to higher demand and favourable sales mix in both local and overseas markets.

Profit Before Tax (“PBT”) increased by RM2.3 million or 59.0% from RM3.9 million in 3Q 2017 to RM6.2 million in 3Q 2018. The increase in PBT was mainly due to higher revenue achieved as well as lower foreign exchange (“forex”) losses for 3Q 2018 as compared to 3Q 2017. However, the increase was partially offset by higher raw material prices, manufacturing costs and operating expenses in the current quarter.

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

The Group recorded RM6.7 million or 3.6% increase in revenue from RM187.1 million in YTD 3Q 2017 to RM193.8 million in YTD 3Q 2018. The increase in revenue was attributed to higher demand in local market but partially mitigated by unfavourable forex impact from overseas market.

PBT however, had decreased by RM2.4 million or 15.6% from RM15.4 million in YTD 3Q 2017 to RM13.0 million in YTD 3Q 2018. This was mainly due to unfavourable forex impact as well as higher raw material prices and other manufacturing costs in the current YTD period under review.

16 Variation of results against preceding quarter

Compared to the preceding quarter (“2Q 2018”), revenue increased by RM2.7 million or 4.1% from RM65.5 million in 2Q 2018 to RM68.2 million in 3Q 2018. The increase in revenue was mainly attributed to higher demand in the local market.

PBT increased by RM2.2 million or 55.0% from RM4.0 million in 2Q 2018 to RM6.2 million in 3Q 2018. This was mainly due to higher revenue achieved but partially offset by higher operating expenses.

17 Future Prospects

On the local front, the growth for the automotive industry in the near term is expected to remain relatively sluggish despite the high vehicle sales during the tax-free period. In order to sustain results, the Group will continue to focus on driving business growth by expanding its product range as well as further strengthening its cost competitiveness through various cost efficiency programs and higher productivity.

18 Profit forecast

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

19 Tax expense

	Quarter ended 30.09.2018 RM'000	Year to date ended 30.09.2018 RM'000
Tax expense	1,341	3,454
Deferred tax liabilities	396	374
	<u>1,737</u>	<u>3,828</u>

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

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 30.09.2018 RM'000	As at 31.12.2017 RM'000
Current liabilities		
<i>Unsecured:-</i>		
Bankers' acceptance	18,852	22,430
Foreign currency trade loan	23,164	14,927
Hire purchase creditor	-	33
Revolving credit	7,253	7,117
Sub-total	<u>49,269</u>	<u>44,507</u>
Non-current liabilities		
<i>Unsecured:-</i>		
Revolving Credit	6,217	11,184
Sub-total	<u>6,217</u>	<u>11,184</u>
Total borrowings	<u>55,486</u>	<u>55,691</u>
Total borrowings		
Bankers' acceptances	18,852	22,430
Foreign currency trade loan	23,164	14,927
Hire purchase creditor	-	33
Revolving credit	13,470	18,301
	<u>55,486</u>	<u>55,691</u>

21 Group borrowings and debt securities (continued)

The currency exposure profile of borrowings is as follows:

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Indonesian Rupiah	-	33
Ringgit Malaysia	18,852	22,430
US Dollar	36,634	33,228
	<u>55,486</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 is pleased to declare an interim single tier dividend of 3 sen per ordinary share in respect of the financial year ending 31 December 2018 amounting to RM2,480,167.80 (2017: interim single tier 3 sen per ordinary share, RM2,254,698.00).

The dividend will be paid on 14 December 2018 to shareholders registered in the Record of Depositors on 30 November 2018.

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

(The remainder of this page is intentionally left blank)

25 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Quarter ended</u> 30.09.2018	<u>Quarter ended</u> 30.09.2017	<u>Year to date ended</u> 30.09.2018	<u>Year to date ended</u> 30.09.2017
Net profit attributable to owners of the parent (RM'000)	4,480	2,927	9,181	12,830
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	82,672	82,672*	82,672	82,672*
Basic earnings per share (sen)	5.42	3.54	11.11	15.52

*Comparative figures for the weighted average number of ordinary shares presented in the individual and cumulative quarter have been restated to reflect the increased number of shares arising from the Bonus Issue of one (1) bonus share for every ten (10) existing shares held by the entitled shareholders, which was completed on 28 June 2018.

26 Profit before tax

	Quarter ended 30.09.2018 RM'000	Year to date ended 30.09.2018 RM'000
Profit before tax is arrived at after charging/(crediting):		
Bad debts written off	136	136
Depreciation of property, plant and equipment	8,107	23,676
Gain on disposal of property, plant and equipment	(394)	(621)
Gain on foreign exchange:		
- Realised	-	(748)
Impairment losses on trade receivables	213	211
Interest expense	481	1,384
Interest income	(51)	(152)
Inventories written down	207	609
Loss on foreign exchange:		
- Realised	502	827
- Unrealised	607	3,341
Property, plant and equipment written off	44	50
Provision for employment benefit obligation	26	83
Rental income from investment properties	(195)	(530)
Reversal of impairment losses on trade receivables	(142)	(185)

By Order of the Board

WONG YOUN KIM
Secretary

Kuala Lumpur
08 November 2018