



RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2019

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.03.2019	Quarter ended 31.03.2018	Year to date ended 31.03.2019	Year to date ended 31.03.2018
		RM'000	RM'000	RM'000	RM'000
Revenue		62,115	60,099	62,115	60,099
Cost of sales		(50,098)	(46,183)	(50,098)	(46,183)
Gross profit		12,017	13,916	12,017	13,916
Other operating income		3,733	3,257	3,733	3,257
Operating expenses		(12,673)	(13,961)	(12,673)	(13,961)
Finance costs		(548)	(455)	(548)	(455)
Profit before tax		2,529	2,757	2,529	2,757
Tax expense	19	(524)	(931)	(524)	(931)
Net profit for the period		2,005	1,826	2,005	1,826
Other comprehensive loss:					
Foreign currency translations, net of tax		(43)	(411)	(43)	(411)
Total comprehensive income for the period		1,962	1,415	1,962	1,415
Profit attributable to owners of the parent		2,005	1,826	2,005	1,826
Total comprehensive income attributable to owners of the parent		1,962	1,415	1,962	1,415
Earnings per share attributable to owners of the parent	25				
Basic (sen)		2.43	2.21*	2.43	2.21*
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 2018)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31.03.2019 RM'000	As at 31.12.2018 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		416,280	416,952
Right-of-use assets		600	-
Investment properties		22,000	22,000
Available-for-sale financial assets		130	130
		439,010	439,082
Current Assets			
Inventories		54,437	57,449
Trade receivables		44,794	41,578
Other receivables, deposits & prepayments		8,093	9,803
Current tax assets		1,145	1,160
Cash and bank balances		24,309	21,527
		132,778	131,517
Total Assets		571,788	570,599
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		82,672	82,672
Reserves			
<u>Non-Distributable:</u>			
Revaluation reserve		128,433	128,433
Exchange translation reserve		(205)	(162)
Available-for-sale reserve		47	47
<u>Distributable:</u>			
Retained earnings		247,462	245,457
		375,737	373,775
Total Equity		458,409	456,447
Non-Current Liabilities			
Borrowings (interest bearing)	21	10,199	10,361
Employment benefit obligation		245	210
Lease liabilities		162	-
Deferred tax liabilities		40,496	40,631
		51,102	51,202
Current Liabilities			
Trade payables		8,615	11,851
Other payables & accruals		8,083	9,778
Borrowings (interest bearing)	21	44,684	40,428
Lease liabilities		444	-
Current tax liabilities		451	893
		62,277	62,950
Total Liabilities		113,379	114,152
Total Equity and Liabilities		571,788	570,599
Net assets per share attributable to owners of the parent (RM)		5.54	5.52

(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2018)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year to date ended 31.03.2019 RM'000	Year to date ended 31.03.2018 RM'000
Cash Flows From Operating Activities		
Profit before tax	2,529	2,757
Adjustments for:-		
Depreciation of property, plant and equipment	8,675	7,749
Depreciation of right-of-use assets	127	-
Bad debts written off	49	71
Interest income	(54)	(53)
Interest expense	543	455
Interest on lease liabilities	5	-
Inventories written down / (back)	86	(218)
Net gain on disposal of property, plant and equipment	(438)	(31)
Property, plant and equipment written off	-	6
Provision for employment benefit obligation	23	29
Provision of impairment losses on trade receivables	148	-
Unrealised (gain)/loss on foreign exchange differences	(610)	1,423
Operating profit before changes in working capital	11,083	12,188
Net change in current assets	698	(712)
Net change in current liabilities	(4,132)	(477)
Tax paid	(1,087)	(696)
Net cash from operating activities	6,562	10,303
Cash Flows From Investing Activities		
Interest received	54	53
Proceeds from disposal of property, plant and equipment	482	39
Purchase of property, plant and equipment	(8,086)	(8,716)
Net cash used in investing activities	(7,550)	(8,624)
Cash Flows From Financing Activities		
Interest paid	(543)	(455)
Net drawdown from/(repayment of) bank borrowings	5,199	(554)
Repayment of lease liabilities	(126)	-
Repayment of hire purchase	-	(14)
Net cash from/(used in) financing activities	4,530	(1,023)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Year to date Ended 31.03.2019 RM'000	Year to date ended 31.03.2018 RM'000
Net increase in cash and cash equivalents	3,542	656
Effects of exchange rate fluctuations on cash & cash equivalents	(760)	(809)
Cash and cash equivalents at beginning of the financial period	21,527	24,504
Cash and cash equivalents at end of the financial period	24,309	24,351
Cash and cash equivalents comprise of:		
Cash and bank balances	24,309	23,644
Short term placements	-	707
	24,309	24,351

(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2018)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Non-distributable				Distributable	
	Share capital 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 2018	79,367	103,842	47	(57)	243,395	426,594
Impacts arising from adoption of:						
- MFRS 9*	-	-	-	-	(203)	(203)
Adjusted balance 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 (loss)/income	-	-	-	(411)	1,826	1,415
As at 31 March 2018	79,367	103,842	47	(468)	245,018	427,806
As at 1 January 2019	82,672	128,433	47	(162)	245,457	456,447
Profit for the financial period	-	-	-	-	2,005	2,005
Foreign currency translations, net of tax	-	-	-	(43)	-	(43)
Total comprehensive (loss)/income	-	-	-	(43)	2,005	1,962
As at 31 March 2019	82,672	128,433	47	(205)	247,462	458,409

*The Group has adopted MFRS 9 on 1 January 2018. Under the transition methods elected, cumulative impacts arising from the adoption of the new standard was adjusted to the retained earnings of the Group as at 1 January 2018.

(The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2018)

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 2018.

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 2018, 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 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

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 16 – Leases

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. This Standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to the previous standard, MFRS 117 *Leases* – i.e. lessors continue to classify leases as finance or operating leases.

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 16 – Leases (continued)

The details of the Group's accounting policies resulted from its adoption of MFRS 16 are as below:

(a) Leases in which the Group is a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets comprise of rental of warehouse and staff hostel. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any re-measurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

Lease liabilities arising from the rental of warehouse and staff hostel are recognised and discounted using the weighted average incremental borrowing rate of the Group. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications.

(b) Leases in which the Group is a lessor

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117 and did not have any significant impact for leases where the Group is the lessor.

(c) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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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 16 – Leases (continued)

The details of the Group's accounting policies resulted from its adoption of MFRS 16 are as below (continued):

(d) Impacts on financial statements

The Group applied MFRS 16 using modified retrospective approach and measured the right-of-use assets equals to the lease liabilities at 1 January 2019 with no restatement of comparative information.

Statement of financial position

1 January 2019

Group	Impact of change in accounting policies		
	As at 31 December 2018 RM'000	MFRS 16 adjustments RM'000	As at 1 January 2019 RM'000
Assets			
Right-of-use assets	-	477	477
Total right-of-use assets	-	477	477
Non-current liabilities			
Lease liabilities	-	133	133
Current liabilities			
Lease liabilities	-	344	344
Total lease liabilities	-	477	477

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2 Adoption of Malaysian Financial Reporting Standards (continued)

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 2 <i>Share-based Payment</i>	1 January 2020
Amendments to MFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
Amendment to MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 134 <i>Interim Financial Reporting</i>	1 January 2020
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
Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020
Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities and Contingent Assets</i>	1 January 2020
Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendment to IC Interpretation 132 <i>Intangible Assets – Web Site Costs</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 2018 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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	30,278	30,379	30,278	30,379
- ASEAN	11,199	10,888	11,199	10,888
- Non-ASEAN	20,638	18,832	20,638	18,832
Total Segment Revenue	62,115	60,099	62,115	60,099

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

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	8,086	8,674	8,086	8,674
- ASEAN	-	17	-	17
- Non-ASEAN	-	25	-	25
Total Segment Capital Expenditure	8,086	8,716	8,086	8,716

9 Segmental information (continued)

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

By Geographical Segment	As at 31.03.2019	As at 31.12.2018
	RM'000	RM'000
<u>Segment Non-Current Assets</u>		
- Malaysia	390,093	390,411
- ASEAN	48,296	48,562
- Non-ASEAN	178	109
Total Segment Non-Current Assets	438,567	439,082

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 31.03.2019	As at 31.12.2018
	RM'000	RM'000
Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries	<u>59,642</u>	<u>56,680</u>

14 Capital commitments

	As at 31.03.2019
	RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>9,078</u>
Approved but not contracted for	<u>26,379</u>

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 RM2.0 million or 3.3% increase in revenue from RM60.1 million in the corresponding quarter of preceding year (“1Q 2018”) to RM62.1 million in the current quarter under review (“1Q 2019”). The increase in revenue was mainly attributed to higher demand in export markets.

Profit Before Tax (“PBT”) however decreased by RM0.3 million or 10.7% from RM2.8 million in 1Q 2018 to RM2.5 million in 1Q 2019. The decrease in PBT was mainly due to higher manufacturing costs.

16 Variation of results against preceding quarter

Compared to the preceding quarter (“4Q 2018”), revenue decreased by RM1.1 million or 1.7% from RM63.2 million in 4Q 2018 to RM62.1 million in 1Q 2019. The decrease in revenue was mainly due to lower demand in the local market.

PBT had decreased by RM3.8 million or 60.3% from RM6.3 million in 4Q 2018 to RM2.5 million in 1Q 2019. 4Q 2018 was positively impacted by a fair value gain on the revaluation of investment properties. Excluding the fair value gain, PBT decreased by RM2.8 million, mainly due to higher manufacturing costs and unfavourable forex impact.

17 Future Prospects

The ongoing trade war between US and China continue to weigh in on the economies of ASEAN region and other markets around the world where the Group exports to. In order to sustain results, the Group will continue to focus on driving business growth through expanding its product range as well as further strengthening its cost competitiveness via various cost efficiency programs and driving higher productivity on available resources.

18 Profit forecast

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

19 Tax expense

	Quarter ended 31.03.2019 RM'000	Year to date ended 31.03.2019 RM'000
Tax expense	660	660
Deferred tax liabilities	(136)	(136)
	<u>524</u>	<u>524</u>

The effective tax rate of the Group for the current quarter under review was lower than the statutory tax rate mainly due to utilisation of tax losses in a foreign subsidiary for which deferred tax asset had not been recognised previously.

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 31.03.2019 RM'000	As at 31.12.2018 RM'000
Current liabilities		
<i>Unsecured:-</i>		
Bankers' acceptance	21,080	19,938
Foreign currency trade loan	14,425	11,165
Revolving credit	9,179	9,325
Sub-total	<u>44,684</u>	<u>40,428</u>
Non-current liabilities		
<i>Unsecured:-</i>		
Revolving Credit	10,199	10,361
Sub-total	<u>10,199</u>	<u>10,361</u>
Total borrowings	<u>54,883</u>	<u>50,789</u>
Total borrowings		
Bankers' acceptances	21,080	19,938
Foreign currency trade loan	14,425	11,165
Revolving credit	19,378	19,686
	<u>54,883</u>	<u>50,789</u>

21 Group borrowings and debt securities (continued)

The currency exposure profile of borrowings is as follows:

	As at 31.03.2019 RM'000	As at 31.12.2018 RM'000
Ringgit Malaysia	21,080	19,938
US Dollar	33,803	30,851
	<u>54,883</u>	<u>50,789</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 2019.

25 Earnings per share

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Quarter ended 31.03.2019	Quarter ended 31.03.2018	Year to date ended 31.03.2019	Year to date ended 31.03.2018
Net profit attributable to owners of the parent (RM'000)	<u>2,005</u>	<u>1,826</u>	<u>2,005</u>	<u>1,826</u>
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)	2.43	2.21	2.43	2.21

*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 31.03.2019 RM'000	Year to date ended 31.03.2019 RM'000
Profit before tax is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	8,675	8,675
Depreciation of right-of-use assets	127	127
Gain on disposal of property, plant and equipment	(438)	(438)
Gain on foreign exchange:		
- Unrealised	(610)	(610)
Interest expense	543	543
Interest on lease liabilities	5	5
Interest income	(54)	(54)
Inventories written down	86	86
Loss on foreign exchange:		
- Realised	242	242
Provision for employment benefit obligation	23	23
Rental income from investment properties	(195)	(195)
Provision of impairment losses on trade receivables	197	197

By Order of the Board

WONG YOUN KIM
Secretary

Kuala Lumpur
29 May 2019