



**RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2020**

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31.03.2020	Quarter ended 31.03.2019	Year to date ended 31.03.2020	Year to date ended 31.03.2019
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		<b>57,365</b>	<b>62,115</b>	<b>57,365</b>	<b>62,115</b>
Cost of sales		(45,754)	(50,098)	(45,754)	(50,098)
Gross profit		11,611	12,017	11,611	12,017
Other operating income		2,837	3,733	2,837	3,733
Operating expenses		(17,240)	(12,673)	(17,240)	(12,673)
Finance costs		(295)	(548)	(295)	(548)
<b>(Loss)/Profit before tax</b>		<b>(3,087)</b>	<b>2,529</b>	<b>(3,087)</b>	<b>2,529</b>
Tax expense	19	(436)	(524)	(436)	(524)
<b>Net (loss)/profit for the period</b>		<b>(3,523)</b>	<b>2,005</b>	<b>(3,523)</b>	<b>2,005</b>
Other comprehensive loss:					
Foreign currency translations, net of tax		(851)	(43)	(851)	(43)
<b>Total comprehensive (loss)/income for the period</b>		<b>(4,374)</b>	<b>1,962</b>	<b>(4,374)</b>	<b>1,962</b>
(Loss)/Profit attributable to owners of the parent		(3,523)	2,005	(3,523)	2,005
<b>Total comprehensive (loss)/income attributable to owners of the parent</b>		<b>(4,374)</b>	<b>1,962</b>	<b>(4,374)</b>	<b>1,962</b>
<b>(Loss)/Earnings per share attributable to owners of the parent</b>	25				
Basic (sen)		(4.26)	2.43	(4.26)	2.43
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 2019)*

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As at 31.03.2020 RM'000	As at 31.12.2019 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		348,925	350,229
Right-of-use assets		55,235	58,948
Investment properties		22,000	22,000
Other investments		130	130
Intangible asset		15	5
		426,305	431,312
<b>Current Assets</b>			
Inventories		51,943	54,660
Trade receivables		45,844	48,835
Other receivables, deposits & prepayments		9,145	9,001
Current tax assets		504	269
Cash and bank balances		22,485	22,567
		129,921	135,332
<b>Total Assets</b>		556,226	566,644
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		82,672	82,672
Reserves			
<u>Non-Distributable:</u>			
Revaluation reserve		128,433	128,433
Exchange translation reserve		(620)	231
Fair value reserve		47	47
<u>Distributable:</u>			
Retained earnings		248,532	252,055
		376,392	380,766
<b>Total Equity</b>		459,064	463,438
<b>Non-Current Liabilities</b>			
Borrowings (interest bearing)	21	3,244	3,071
Employment benefit obligation		286	296
Lease liabilities		325	272
Deferred tax liabilities		40,843	41,107
		44,698	44,746
<b>Current Liabilities</b>			
Trade payables		4,071	11,404
Other payables & accruals		12,066	10,997
Borrowings (interest bearing)	21	35,468	35,274
Lease liabilities		353	316
Current tax liabilities		506	469
		52,464	58,460
<b>Total Liabilities</b>		97,162	103,206
<b>Total Equity and Liabilities</b>		556,226	566,644
Net assets per share attributable to owners of the parent (RM)		5.55	5.61

*(The Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2019)*

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Year to date ended 31.03.2020 RM'000</b>	<b>Year to date ended 31.03.2019 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before tax	(3,087)	2,529
Adjustments for:-		
Amortisation and depreciation	8,703	8,675
Depreciation of right-of-use assets	437	127
Bad debts written off	-	49
Interest income	(71)	(54)
Interest expense	287	543
Interest on lease liabilities	8	5
Inventories written down	109	86
Net gain on disposal of property, plant and equipment	(230)	(438)
Property, plant and equipment written off	-	-
Provision for employment benefit obligation	22	23
Provision of impairment losses on trade receivables	233	148
Unrealised loss/(gain) on foreign exchange differences	4,349	(610)
Operating profit before changes in working capital	10,760	11,083
Net change in current assets	6,041	698
Net change in current liabilities	(7,475)	(4,132)
Tax paid	(911)	(1,087)
<b>Net cash from operating activities</b>	<b>8,415</b>	<b>6,562</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	71	54
Proceeds from disposal of property, plant and equipment	249	482
Purchase of property, plant and equipment	(7,757)	(8,086)
Purchase of intangible asset	(12)	-
<b>Net cash used in investing activities</b>	<b>(7,449)</b>	<b>(7,550)</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(287)	(543)
Net (repayment of)/drawdown from bank borrowings	(646)	5,199
Repayment of lease liabilities	(126)	(126)
<b>Net cash (used in)/from financing activities</b>	<b>(1,059)</b>	<b>4,530</b>

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

	<b>Year to date ended 31.03.2020 RM'000</b>	<b>Year to date ended 31.03.2019 RM'000</b>
Net (decrease)/ increase in cash and cash equivalents	(93)	3,542
Effects of exchange rate fluctuations on cash & cash equivalents	11	(760)
Cash and cash equivalents at beginning of the financial period	22,567	21,527
<b>Cash and cash equivalents at end of the financial period</b>	<b>22,485</b>	<b>24,309</b>
 <b>Cash and cash equivalents comprise of:</b>		
Cash and bank balances	22,485	24,309
	<b>22,485</b>	<b>24,309</b>

*(The Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2019)*

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the parent					Total Equity RM'000
	Non-distributable			Distributable		
	Share capital RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	
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 income	-	-	-	(43)	2,005	1,962
<b>As at 31 March 2019</b>	<b>82,672</b>	<b>128,433</b>	<b>47</b>	<b>(205)</b>	<b>247,462</b>	<b>458,409</b>
As at 1 January 2020	82,672	128,433	47	231	252,055	463,438
Loss for the financial period	-	-	-	-	(3,523)	(3,523)
Foreign currency translations, net of tax	-	-	-	(851)	-	(851)
Total comprehensive income	-	-	-	(851)	(3,523)	(4,374)
<b>As at 31 March 2020</b>	<b>82,672</b>	<b>128,433</b>	<b>47</b>	<b>(620)</b>	<b>248,532</b>	<b>459,064</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 2019)*

## 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 2019.

### 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 2019, 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>
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020

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

<b>Title</b>	<b>Effective date</b>
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2022

### 3 Qualified audit report

The financial statements for the financial year ended 31 December 2019 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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
- Malaysia	27,691	30,278	27,691	30,278
- ASEAN	10,005	11,199	10,005	11,199
- Non-ASEAN	19,669	20,638	19,669	20,638
Total Segment Revenue	57,365	62,115	57,365	62,115

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

By Geographical Segment	Quarter ended		Year to date ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<u>Segment Capital Expenditure</u>				
- Malaysia	7,701	8,086	7,701	8,086
- ASEAN	56	-	56	-
- Non-ASEAN	12	-	12	-
Total Segment Capital Expenditure	7,769	8,086	7,769	8,086

## 9 Segmental information (continued)

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

<b>By Geographical Segment</b>	<b>As at 31.03.2020</b>	<b>As at 31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Segment Non-Current Assets</u>		
- Malaysia	381,854	382,610
- ASEAN	44,393	48,482
- Non-ASEAN	58	220
<b>Total Segment Non-Current Assets</b>	<b>426,305</b>	<b>431,312</b>

## 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:

	<b>As at 31.03.2020</b>	<b>As at 31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given to banks and vendors for credit facilities granted to subsidiaries	45,155	45,607

## 14 Capital commitments

	<b>As at 31.03.2020</b>
	<b>RM'000</b>
<u>Property, plant and equipment</u>	
Contracted but not provided for	8,973
Approved but not contracted for	27,248



## **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*

Compared to the corresponding quarter of preceding year (“1Q 2019”), revenue decreased by RM4.7 million or 7.6% from RM62.1 million in 1Q 2019 to RM57.4 million in the current quarter under review (“1Q 2020”). The decrease in revenue was mainly due to the enforced lockdown from 18 March 2020 onwards as a result of the Government of Malaysia imposing a Movement Control Order (‘MCO’) due to the 2019 Novel Coronavirus (“COVID-19”).

Profit Before Tax (“PBT”) decreased by RM5.6 million or 224.0% from PBT of RM2.5 million in 1Q 2019 to Loss Before Tax (“LBT”) of RM3.1 million in 1Q 2020. The decrease was mainly due to the aforementioned reduction in revenue and unrealised unfavourable forex impact in 1Q 2020 of RM4.3 million.

### **16 Variation of results against preceding quarter**

Compared to the preceding quarter (“4Q 2019”), revenue decreased by RM12.3 million or 17.6% from RM69.7 million in 4Q 2019 to RM57.4 million in 1Q 2020. The decrease in revenue was mainly due to lower demand in both local and overseas markets and the aforementioned enforced lockdown in March 2020.

PBT decreased by RM7.4 million or 172.1% from PBT of RM4.3 million in 4Q 2019 to LBT of RM3.1 million in 1Q 2020. The decrease in PBT was mainly due to unrealised unfavourable forex impact and lower revenue compared to 4Q 2019.

### **17 Future Prospects**

On 11 March 2020, the World Health Organisation had declared the outbreak of COVID-19 as a pandemic. This had caused restricted movement control imposed by various countries around the world and had shocked the world economy structure which is now in a state of uncertainty. The International Monetary Fund in April 2020 had projected that the world economy would contract by 3.0% as a result of this.

The Government of Malaysia had implemented MCO on 18 March 2020 and had extended the Conditional MCO until 9 June 2020. The Government had implemented fiscal and monetary policies to help revive the economy by increasing aggregate demand such as public consumption and investment.

The Group had temporarily ceased operations since MCO. During the period of lockdown, the Group had monitored the health of its employees and set up the Standard Operating Procedures to ensure that safety and health protocols are in place. The Group had resumed its full operations on 29 April 2020. Business, however, has been slow as people are encouraged to stay home and stay safe. The Group has yet to face the full effect of this pandemic. Nevertheless, the Group will focus on achieving the best outcome in these uncertain times.

### **18 Profit forecast**

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

**19 Tax expense**

	<b>Quarter ended 31.03.2020 RM'000</b>	<b>Year to date ended 31.03.2020 RM'000</b>
Current tax expense	713	713
Deferred tax	(277)	(277)
	<u>436</u>	<u>436</u>

The effective tax rate of the Group for the current quarter under review was -14.1%, which attributed to negative pre-tax income as a result of unfavourable forex impact.

**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**

	<b>As at 31.03.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
<b>Current liabilities</b>		
<i>Unsecured:-</i>		
Bankers' acceptance	17,472	13,800
Foreign currency trade loan	13,671	17,379
Revolving credit	4,325	4,095
Sub-total	<u>35,468</u>	<u>35,274</u>
<b>Non-current liabilities</b>		
<i>Unsecured:-</i>		
Revolving Credit	3,244	3,071
Sub-total	<u>3,244</u>	<u>3,071</u>
<b>Total borrowings</b>	<u>38,712</u>	<u>38,345</u>
<b>Total borrowings</b>		
Bankers' acceptances	17,472	13,800
Foreign currency trade loan	13,671	17,379
Revolving credit	7,569	7,166
	<u>38,712</u>	<u>38,345</u>

**21 Group borrowings and debt securities** (continued)

The currency exposure profile of borrowings is as follows:

	<b>As at 31.03.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
Ringgit Malaysia	17,472	13,800
US Dollar	21,240	24,545
	<u>38,712</u>	<u>38,345</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 2020.

**25 (Loss)/Earnings per share**

	<b><u>INDIVIDUAL QUARTER</u></b>		<b><u>CUMULATIVE QUARTER</u></b>	
	<b>Quarter ended 31.03.2020</b>	<b>Quarter ended 31.03.2019</b>	<b>Year to date ended 31.03.2020</b>	<b>Year to date ended 31.03.2019</b>
Net (loss)/ profit attributable to owners of the parent (RM'000)	<u>(3,523)</u>	<u>2,005</u>	<u>(3,523)</u>	<u>2,005</u>
Weighted average number of ordinary shares applicable to basic earnings per share ('000)	82,672	82,672	82,672	82,672
Basic (loss)/earnings per share (sen)	(4.26)	2.43	(4.26)	2.43

**26 Profit before tax**

	<b>Quarter ended 31.03.2020 RM'000</b>	<b>Year to date ended 31.03.2020 RM'000</b>
Profit before tax is arrived at after charging/(crediting):		
Amortisation of intangible asset	1	1
Bad debts written off	-	-
Depreciation of property, plant and equipment	8,702	8,702
Depreciation of right-of-use assets	437	437
Gain on disposal of property, plant and equipment	(230)	(230)
Gain on foreign exchange:		
- Realised	(496)	(496)
- Unrealised	-	-
Interest expense	287	287
Interest on lease liabilities	8	8
Interest income	(71)	(71)
Inventories written down	109	109
Loss on foreign exchange:		
- Realised	-	-
- Unrealised	4,349	4,349
Property, plant and equipment written off	-	-
Provision for employment benefit obligation	22	22
Rental income from investment properties	(195)	(195)
Provision of impairment losses on trade receivables	233	233

By Order of the Board

WONG YOUN KIM

Secretary

Kuala Lumpur

28 May 2020