

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

	Notes	Individual Quarter		Changes	Cumulative Quarter		Changes
		Current Year Quarter 31.12.2017 RM'000	Preceding Year Quarter 31.12.2016 RM'000	(%)	Current Year-To-Date 31.12.2017 RM'000	Preceding Year-To-Date 31.12.2016 RM'000	(%)
Revenue	A9	27,834	33,846	(17.76)	54,498	65,119	(16.31)
Cost of sales		(20,969)	(23,150)	(9.42)	(41,095)	(45,700)	(10.08)
Gross profit		6,865	10,696	(35.82)	13,403	19,419	(30.98)
Other Income		835	899	(7.12)	1,656	1,684	(1.66)
Selling and distribution expenses		(1,550)	(1,554)	(0.26)	(3,070)	(3,113)	(1.38)
Administrative expenses		(2,543)	(3,281)	(22.49)	(4,850)	(5,628)	(13.82)
Operating Profit		3,607	6,760	(46.64)	7,139	12,362	(42.25)
Finance costs		-	(13)	(100.00)	-	(25)	(100.00)
Profit before tax	B5	3,607	6,747	(46.54)	7,139	12,337	(42.13)
Income tax expense	B6	(781)	(1,567)	(50.16)	(1,526)	(2,754)	(44.59)
Profit for the period		2,826	5,180	(45.44)	5,613	9,583	(41.43)
Other comprehensive income, net of tax							
Exchange difference on translation of foreign operation		(1)	1	-	1	1	-
Total comprehensive income for the period		2,825	5,181	(45.47)	5,614	9,584	(41.42)
Profit attributable to:							
Owners of the company		2,864	5,195	(44.87)	5,656	9,623	(41.22)
Non-controlling interest		(38)	(15)	153.33	(43)	(40)	7.50
Profit for the period		2,826	5,180	(45.44)	5,613	9,583	(41.43)
Total comprehensive income attributable to:							
Owners of the company		2,863	5,196	(44.90)	5,657	9,624	(41.22)
Non-controlling interest		(38)	(15)	153.33	(43)	(40)	7.50
Total comprehensive income for the period		2,825	5,181	(45.47)	5,614	9,584	(41.42)
Earnings per share attributable to Owners of the Company⁽²⁾							
- Basic (sen)	B12	1.54	2.76	(44.20)	3.03	5.12	(40.82)
- Diluted (sen)	B12	1.54	2.76	(44.20)	3.03	5.12	(40.82)

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the explanatory notes attached to this report.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

	Notes	Individual Quarter		
		Current Quarter 31.12.2017 RM'000	Immediate Preceding Quarter 30.09.2017 RM'000	Changes (%)
Revenue	A9	27,834	26,664	4.39
Cost of sales		(20,969)	(20,126)	4.19
Gross profit		6,865	6,538	5.00
Other Income		835	821	1.71
Selling and distribution expenses		(1,550)	(1,520)	1.97
Administrative expenses		(2,543)	(2,307)	10.23
Operating Profit		3,607	3,532	2.12
Finance costs		-	-	-
Profit before tax	B5	3,607	3,532	2.12
Income tax expense	B6	(781)	(745)	4.83
Profit for the period		2,826	2,787	1.40
Other comprehensive income, net of tax				
Exchange difference on translation of foreign operation		(1)	2	(150.00)
Total comprehensive income for the period		2,825	2,789	1.29
Profit attributable to:				
Owners of the company		2,864	2,792	2.58
Non-controlling interest		(38)	(5)	660.00
Profit for the period		2,826	2,787	1.40
Total comprehensive income attributable to:				
Owners of the company		2,863	2,794	2.47
Non-controlling interest		(38)	(5)	660
Total comprehensive income for the period		2,825	2,789	1.29
Earnings per share attributable to Owners of the Company⁽²⁾				
- Basic (sen)	B12	1.54	1.49	3.36
- Diluted (sen)	B12	1.54	1.49	3.36

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the explanatory notes attached to this report.

(2) Based on the weighted average number of ordinary shares in issue as detailed in Note B12.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	(Unaudited) 31.12.2017 RM'000	(Audited) 30.06.2017 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	52,631	50,872
Other assets	269	269
	<u>52,900</u>	<u>51,141</u>
Current Assets		
Inventories	16,823	16,670
Trade and other receivables	20,859	23,126
Prepayments and other assets	1,053	1,902
Tax refundable	0	2
Short term funds	80,703	79,691
Cash and bank balances	16,091	12,968
	<u>135,529</u>	<u>134,359</u>
TOTAL ASSETS	<u>188,429</u>	<u>185,500</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	28,619	28,512
Translation Reserve	1	1
Treasury Stock	(4,372)	(524)
	<u>159,950</u>	<u>163,691</u>
Non-controlling interest	(179)	(137)
Total Equity	<u>159,771</u>	<u>163,554</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	6,033	6,033
	<u>6,033</u>	<u>6,033</u>
Current Liabilities		
Trade and other payables	22,142	15,058
Amount owing to directors	300	300
Provision for taxation	183	555
	<u>22,625</u>	<u>15,913</u>
Total Liabilities	<u>28,658</u>	<u>21,946</u>
TOTAL EQUITY AND LIABILITIES	<u>188,429</u>	<u>185,500</u>
Net assets per share attributable to owners of the Company (sen)	<u>85.97</u>	<u>87.16</u>

Notes:

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the explanatory notes attached to this report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 31 December 2017 of 184,884,200 (31 December 2016 : 187,653,000).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

	Attributable to owners of the Company							Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Merger Deficit RM'000	Share Premium RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Retained Earnings RM'000			
At 01.07.2017	135,702	10,899	(60,822)	-	(524)	1	78,435	163,691	(137)	163,554
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Translation loss	-	-	-	-	-	1	-	1	1	2
Dividend paid	-	-	-	-	-	-	(5,548)	(5,548)	-	(5,548)
Share buy-back	-	-	-	-	(3,848)	-	-	(3,848)	-	(3,848)
Profit for the period	-	-	-	-	-	-	5,654	5,654	(43)	5,611
At 31.12.2017	135,702	10,899	(60,822)	-	(4,372)	2	78,541	159,950	(179)	159,771

Notes:

(1) The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the explanatory notes attached to this report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017**

	6 months ended 31 December	
	2017	2016
	RM'000	RM'000
Cash flows from/(for) operating activities		
Profit before tax	7,139	12,337
Adjustment for:		
Depreciation of property, plant and equipment	2,026	2,006
(Gain)/loss on disposal of property, plant and equipment	-	(133)
(Gain)/loss on unrealised foreign exchange	96	(372)
Interest income	(1,505)	(1,465)
Operating profit before working capital changes	7,756	12,373
Changes in working capital:		
Inventories	(153)	(1,955)
Trade and other receivables	3,009	1,149
Trade and other payables	6,962	(525)
Cash from operations	17,574	11,042
Income tax paid	(1,526)	(1,882)
Net cash from/ (for) operating activities	16,048	9,160
Cash flows from/ (for) investing activities		
Proceeds from disposal of plant and equipment	24	152
Purchase of plant and equipment	(3,808)	(2,509)
Interest received	1,505	1,466
Net withdrawal/(placement) of fixed deposits with licensed banks	-	6,603
Net cash from/ (for) investing activities	(2,279)	5,712
Cash flows from/ (for) financing activities		
Proceeds from issuance of shares	-	63
Advance from a director	-	10
Treasury Stock	(3,848)	-
Dividend paid	(5,548)	(3,760)
Net cash from/ (for) investing activities	(9,396)	(3,687)
Net increase in cash and cash equivalents	4,373	11,185
Effect of foreign exchange translation	(268)	399
Cash and cash equivalents at beginning of the financial period	92,689	61,089
Cash and cash equivalents at the end of financial period	96,794	72,673

Notes:

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 and the explanatory notes attached to this report.



**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")
134: INTERIM FINANCIAL REPORTING**

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017.

A2. Significant accounting policies

The significant accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2017. The Group has not applied in advance the following accounting standards (including the consequential amendments, if any that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRSs (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 12, <i>Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2017
Amendments to MFRS 107, <i>Statement of Cash Flows – Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 112, <i>Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
IC Interpretation 22, <i>Foreign Currency Transaction and Advance Consideration</i>	1 January 2018
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 2, <i>Share-based Payment – Classification and Measurements of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4, <i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 128, <i>Investments in Associates and Joint Ventures (Annual improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 140, <i>Investment Property – Transfers of Investment Property</i>	1 January 2018
MFRS 16, <i>Leases</i>	1 January 2019
MFRS 17, <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between and Investor and its Associate or Joint Venture</i>	Deferred until further notice



A3. Auditors' Report

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2017.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6. Changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter under review except for the following:

During the current quarter, the company repurchased a total of 2,225,900 ordinary shares at an average price of RM1.37 including transaction cost. The repurchase transactions were funded by internally generated funds. The shares repurchased are held as treasury shares. As at 31 December 2017, the number of treasury shares held were 3,115,800 ordinary shares.

A8. Dividend paid

The final single tier dividend of 3.0 sen per ordinary share amounting to RM5.55 million in respect of the financial year ended 30 June 2017 was approved by the shareholders during the Annual General Meeting on 28 November 2017 and paid on 27 December 2017.

A9. Segmental information

a) Operating segments

The Group's current business activities comprised of two segments namely automotive and aviation segments. Automotive segment focus on the styling, manufacturing, distribution and installation of automotive leather upholstery for car seat covers and accessories covers; whereas aviation segment is involved in the manufacturing, repair, refurbishment, distribution and installation of aircraft seat covers, parts refurbishment and other leather related products. Breakdown of the Group's total revenue by business activities and products as follows:-

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	10,549	17,141	21,532	32,333
- REM	5,721	6,538	10,971	12,386
- PDI	2,676	4,573	5,874	8,921
Sub-total for car seat covers	18,946	28,252	38,377	53,640
Leather cut pieces supply	6,896	4,193	12,358	8,803
<u>Others</u>				
- Supply of door trim covers		13		64
- Sewing of fabric car seat covers	23	72	37	152
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,843	1,175	3,380	2,288
Sub-total for others	1,866	1,260	3,417	2,504
	27,708	33,705	54,152	64,947
<u>AVIATION</u>				
Interior refurbishment	126	141	346	172
Grand Total	27,834	33,846	54,498	65,119

b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Malaysia	22,535	27,607	44,473	53,399
Rest of Asia	3,152	3,503	5,543	6,274
Europe	929	930	1,725	1,738
North America	294	446	708	1,053
Oceania	924	1,355	2,049	2,643
Africa	-	5	-	12
Grand Total	27,834	33,846	54,498	65,119

Note (1): OEM – Original Equipment Manufacturer
REM – Replacement Equipment Manufacturer
PDI – Pre-delivery Inspection



A10. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter.

A11. Capital commitments

Authorised capital commitment not provided for as at 31 December 2017 were as follows: -

	RM'000
Construction of an additional storey of production floor area on the existing factory building	<u>382</u>

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current quarter under review.

A13. Contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets as at the date of this report.

A14. Materials events subsequent to the end of the quarter

There were no other materials events subsequent to the end of current quarter that have not been reflected in this interim financial report.

A15. Related Party Transactions

The Group's related party transactions for the current quarter and the cumulative quarter ended 31 December 2017 are as follows:

	Current Quarter Ended 31.12.2017 RM'000	Cumulative Quarter Ended 31.12.2017 RM'000
Rental charges to related party		
- Tint Auto (M) SdnBhd	<u>54</u>	<u>108</u>

Note:

The related party is a company in which certain Directors and substantial shareholders of the Company have interests.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD

B1. Review of performance

For the current quarter under review, the Group recorded a revenue of RM27.83 million and profit before taxation of RM3.61 million. This is 17.76% lower in revenue and 46.54% lower in profit before taxation compared to the preceding year quarter.

Revenue from leather car seat covers remained the largest contributor accounting for approximately 68.06% of total revenue followed by leather cut pieces supply which is approximately 24.78% of total revenue during the quarter under review.

OEM leather car seat is the largest contributor segment accounted for approximately 55.68% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 30.20% and 14.12% respectively.

In comparison to the preceding year quarter of revenue recorded of RM33.85 million, we achieved a lower revenue for the current quarter of RM27.83 million mainly due to lower contribution from local OEM segment. This was mainly due to a lower Total Industry Volume (“TIV”) and even lower Production Volume for passenger vehicle compared to preceding year. The situation was further compounded by the end-of-life of a customer’s high volume model before introduction of the replacement model in mid-November. The preceding year quarter’s revenue was also higher due to the sales from a newly launch sedan model from a customer then.

B2. Material changes in the quarterly results compared to the immediate preceding quarter

The Group’s revenue of RM27.83 million in the current quarter was marginally higher by 4.39% than RM26.66 million recorded in the immediate preceding quarter. This was mainly due to launch of the replacement model of a major customer in mid-November 2017.

The profit before tax for the Group was also marginally higher at RM3.61 million compared to preceding quarter of RM3.53 million in tandem with the marginally higher revenue.

B3. Prospect

In the local market. MAA has forecasted TIV to increase year on year by 2.3% for 2018 from 576,635 to 590,000 units. However, the Board remains cautious as these TIV volumes are still below the annual TIV peak in 2015. Despite the relatively weak sentiment surrounding the automotive market, the Board remains optimistic of the Group’s performance going forward in view of encouraging sales number from the current replacement model of a popular car make.

B4. Variance of actual profit from profit forecast and profit guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation or announcement.

B5. Profit before taxation

The profit before taxation is stated after charging/(crediting):-

	Current Quarter Ended 31.12.2017 RM'000	Cumulative Quarter Ended 31.12.2017 RM'000
Interest income	(753)	(1,505)
Depreciation and amortisation	991	2,026
Gain on disposal of property, plant & equipment	(5)	(5)
Realised foreign exchange loss/(gain)	(196)	(305)
Unrealised foreign exchange loss/(gain)	<u>2</u>	<u>96</u>

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

B6. Taxation

	Current Quarter Ended 31.12.2017 RM'000	Cumulative Quarter Ended 31.12.2017 RM'000
Current tax expense	<u>(781)</u>	<u>(1,526)</u>

The effective tax rate for the current quarter of 21.38% is lower than the statutory tax rate of 24% due mainly to tax exempt income from unit trust investments.

B7. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at the date of this report.

B8. Utilization of Proceeds

The status of utilization of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as at 31 December 2017 is as follows:

	Purposes	Estimated Timeframe for utilisation	Amount (RM'000)	Actual Utilization (RM'000)	Deviation (RM'000)
a)	Working capital	Within 12 months	26,970	(26,970)	-
b)	Repayment of bank borrowings	Within 6 months	17,100	(16,967)	133
c)	Purchase of new machineries for the production of car leather seat covers	Within 24 months	7,550	(3,078)	-
d)	Construction of an additional storey of production floor area on the existing factory building	Within 24 months	5,000	(4,618)	-
e)	Opening of retail outlets	Within 24 months	3,750	-	-
f)	Establishment of market presence in Thailand	Within 24 months	1,500	(151)	-
g)	Expansion of aviation business	Within 24 months	1,000	(505)	-
h)	Estimated listing expenses	Immediate	5,000	(4,111)	889
	Total Public Issue Proceeds		67,870	(56,400)	1,022

Note:

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 March 2016.

B9. Group borrowings (secured)

The Group had fully settled all the bank borrowings with the proceeds from IPO as disclosed in Note B8 above.

B10. Material litigation

The Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group, as at the date of this report.



B11. Dividend

The Board of Directors proposed an interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 30 June 2018. The date of entitlement and payment for the aforesaid dividend shall be determined and announced at a later date.

B12. Earnings Per Share ("EPS")

a) Basic earnings per share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	Current Quarter Ended 31.12.2017 RM'000	Cumulative Quarter Ended 31.12.2017 RM'000
Profit attributable to equity holders	<u>2,825</u>	<u>5,612</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>185,834</u>	<u>186,646</u>
Basic earnings per shares (sen)	<u>1.54</u>	<u>3.03</u>
Diluted earnings per shares (sen)	<u>1.54</u>	<u>3.03</u>

(b) Diluted earnings per share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 31 December 2017.

B13. Realised and unrealised profits/(losses)

	As at 31.12.2017 RM'000	As at 30.06.2017 RM'000
Total retained profits / (accumulated losses) of the Group and of the Company:		
- realised	80,686	80,372
- unrealised	<u>(2,497)</u>	<u>(2,246)</u>
	78,189	78,126
Add/Less: Consolidated adjustments	<u>352</u>	<u>309</u>
	<u>78,541</u>	<u>78,435</u>

BY ORDER OF THE BOARD
27 FEBRUARY 2018