

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

	Notes	Individual Quarter		Changes	Cumulative Quarter		Changes
		Current Year Quarter 30.09.2018 RM'000	Preceding Year Quarter 30.09.2017 RM'000	(%)	Current Year-To-Date 30.09.2018 RM'000	Preceding Year-To-Date 30.09.2017 RM'000	(%)
Revenue	A9	27,137	26,664	1.77	27,137	26,664	1.77
Cost of sales		(19,255)	(20,126)	(4.33)	(19,255)	(20,126)	(4.33)
<b>Gross profit</b>		<b>7,882</b>	<b>6,538</b>	<b>20.56</b>	<b>7,882</b>	<b>6,538</b>	<b>20.56</b>
Other Income		899	821	9.50	899	821	9.50
Selling and distribution expenses		(1,625)	(1,520)	6.91	(1,625)	(1,520)	6.91
Administrative expenses		(2,731)	(2,307)	18.38	(2,731)	(2,307)	18.38
<b>Operating Profit</b>		<b>4,425</b>	<b>3,532</b>	<b>25.28</b>	<b>4,425</b>	<b>3,532</b>	<b>25.28</b>
Finance costs		-	-	-	-	-	-
Profit before tax	B5	4,425	3,532	25.28	4,425	3,532	25.28
Income tax expense	B6	(968)	(745)	29.93	(968)	(745)	29.93
<b>Profit for the period</b>		<b>3,457</b>	<b>2,787</b>	<b>24.04</b>	<b>3,457</b>	<b>2,787</b>	<b>24.04</b>
<b>Other comprehensive income, net of tax</b>							
Exchange difference on translation of foreign operation		(4)	2	-300.00	(4)	2	-300.00
<b>Total comprehensive income for the period</b>		<b>3,453</b>	<b>2,789</b>	<b>23.81</b>	<b>3,453</b>	<b>2,789</b>	<b>23.81</b>
<b>Profit attributable to:</b>							
Owners of the company		3,471	2,792	24.32	3,471	2,792	24.32
Non-controlling interest		(14)	(5)	180.00	(14)	(5)	180.00
<b>Profit for the period</b>		<b>3,457</b>	<b>2,787</b>	<b>24.04</b>	<b>3,457</b>	<b>2,787</b>	<b>24.04</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the company		3,469	2,794	24.16	3,469	2,794	24.16
Non-controlling interest		(16)	(5)	220.00	(16)	(5)	220.00
<b>Total comprehensive income for the period</b>		<b>3,453</b>	<b>2,789</b>	<b>23.81</b>	<b>3,453</b>	<b>2,789</b>	<b>23.81</b>
<b>Earnings per share attributable to Owners of the Company<sup>(2)</sup></b>							
- Basic (sen)	B12	1.89	1.48	27.70	1.89	1.48	27.70
- Diluted (sen)	B12	1.89	1.48	27.70	1.89	1.48	27.70

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 2018 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 FIRST QUARTER ENDED 30 SEPTEMBER 2018**

	Notes	Individual Quarter		
		Current Quarter 30.09.2018 RM'000	Immediate Preceding Quarter 30.06.2018 RM'000	Changes (%)
Revenue	A9	27,137	29,185	(7.02)
Cost of sales		(19,255)	(22,116)	(12.94)
Gross profit		7,882	7,069	11.50
Other Income		899	915	(1.75)
Selling and distribution expenses		(1,625)	(1,820)	(10.71)
Administrative expenses		(2,731)	(2,941)	(7.14)
<b>Operating Profit</b>		4,425	3,223	37.29
Finance costs		-	-	-
Profit before tax	B5	4,425	3,223	37.29
Income tax expense	B6	(968)	(760)	27.37
<b>Profit for the period</b>		3,457	2,463	40.36
<b>Other comprehensive income, net of tax</b>				
Exchange difference on translation of foreign operation		(4)	2	(300)
<b>Total comprehensive income for the period</b>		3,453	2,465	40.08
<b>Profit attributable to:</b>				
Owners of the company		3,471	2,514	38.07
Non-controlling interest		(14)	(51)	(72.55)
<b>Profit for the period</b>		3,457	2,463	40.36
<b>Total comprehensive income attributable to:</b>				
Owners of the company		3,469	2,514	37.99
Non-controlling interest		(16)	(49)	(67.35)
<b>Total comprehensive income for the period</b>		3,453	2,465	40.08
<b>Earnings per share attributable to Owners of the Company<sup>(2)</sup></b>				
- Basic (sen)	B12	1.89	1.37	37.96
- Diluted (sen)	B12	1.89	1.37	37.96

**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 2018 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 30 SEPTEMBER 2018**

	<b>(Unaudited)</b> <b>30.09.2018</b> <b>RM'000</b>	<b>(Audited)</b> <b>30.06.2018</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	52,378	52,874
Other assets	167	167
	<u>52,545</u>	<u>53,041</u>
<b>Current Assets</b>		
Inventories	19,397	18,887
Trade and other receivables	26,814	19,997
Prepayments and other assets	2,235	1,813
Long term funds	44,366	43,864
Short term funds	34,090	33,292
Cash and bank balances	18,674	13,936
	<u>145,576</u>	<u>131,789</u>
<b>TOTAL ASSETS</b>	<u>198,121</u>	<u>184,830</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	135,702	135,702
Reserves	32,791	29,489
Translation Reserve	-	2
Treasury Stock	(5,637)	(5,637)
	<u>162,856</u>	<u>159,556</u>
Non-controlling interest	(290)	(274)
<b>Total Equity</b>	<u>162,566</u>	<u>159,282</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	6,120	6,120
	<u>6,120</u>	<u>6,120</u>
<b>Current Liabilities</b>		
Trade and other payables	29,135	19,128
Amount owing to directors	300	300
Provision for taxation	-	-
	<u>29,435</u>	<u>19,428</u>
<b>Total Liabilities</b>	<u>35,555</u>	<u>25,548</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>198,121</u>	<u>184,830</u>
<b>Net assets per share attributable to owners of the Company (sen) <sup>(2)</sup></b>	<u>88.66</u>	<u>86.87</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 2018 and the explanatory notes attached to this report.

(2) Based on the number of ordinary shares in issue less Treasury Shares as at 30 September 2018 of 183,676,700 (30 June 2018 : 183,676,700).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018**

	← <b>Attributable to owners of the Company</b> →							Total	Non- controlling Interest	Total Equity
	← <b>Non-Distributable</b> →				→ <b>Distributable</b> →					
	Share Capital	Revaluation Reserve	Merger Deficit	Share Premium	Treasury Shares	Translation Reserve	Retained Earnings	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 01.07.2018</b>										
- as previously stated	135,702	10,899	(60,822)	-	(5,637)	2	79,412	159,556	(274)	159,282
- effect of adopting MFRS 9 (Note A2(ii))	-	-	-	-	-	-	(169)	(169)	-	(169)
At 01.07.2018, as restated	135,702	10,899	(60,822)	-	(5,637)	2	79,243	159,387	(274)	159,113
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Translation loss	-	-	-	-	-	(2)	-	(2)	(2)	(4)
Dividend paid	-	-	-	-	-	-	-	-	-	-
Share buy-back	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	3,471	3,471	(14)	3,457
<b>At 30.09.2018</b>	135,702	10,899	(60,822)	-	(5,637)	-	82,714	162,856	(290)	162,566

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 2018 and the explanatory notes attached to this report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018**

	<b>3 months ended 30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from/(for) operating activities</b>		
Profit before tax	4,425	3,532
Adjustment for:		
Depreciation of property, plant and equipment	1,014	1,034
(Gain)/loss on disposal of property, plant and equipment	-	-
Changes in fair value of other investments	(501)	-
Provision for inventories	159	-
(Gain)/loss on unrealised foreign exchange	202	94
Interest income	(402)	(752)
<b>Operating profit before working capital changes</b>	<b>4,897</b>	<b>3,908</b>
Changes in working capital:		
Inventories	(671)	(1,410)
Trade and other receivables	5,916	4,899
Trade and other payables	(3,315)	440
Cash from operations	6,827	7,837
Income tax paid	(1,106)	(745)
<b>Net cash from/ (for) operating activities</b>	<b>5,721</b>	<b>7,092</b>
<b>Cash flows from/ (for) investing activities</b>		
Proceeds from disposal of plant and equipment	-	-
Purchase of plant and equipment	(517)	(1,866)
Proceeds from disposal of other assets	-	-
Interest received	402	752
Placement of other investment	-	-
Net withdrawal/(placement) of fixed deposits with licensed banks	-	-
<b>Net cash from/ (for) investing activities</b>	<b>(115)</b>	<b>(1,114)</b>
<b>Cash flows from/ (for) financing activities</b>		
Proceeds from issuance of shares	-	-
Advance from/(Repayment to) a related director	-	-
Treasury Stock	-	(762)
Dividend paid	-	-
<b>Net cash from/ (for) investing activities</b>	<b>-</b>	<b>(762)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,606</b>	<b>5,216</b>
Effect of foreign exchange translation	(70)	(76)
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>47,228</b>	<b>92,691</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>52,764</b>	<b>97,831</b>

*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 2018 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:

<b>MFRSs (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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
IC Interpretation 23, <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3, <i>Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 9, <i>Financial Instruments – Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11, <i>Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 112, <i>Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019

<b>MFRSs (Including The Consequential Amendments) (Continued)</b>	<b>Effective Date</b>
Amendments to MFRS 119, <i>Employee Benefits (Plan Amendment, Curtailment or Settlement)</i>	1 January 2019
Amendments to MFRS 123, <i>Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)</i>	1 January 2019
Amendments to MFRS 128, <i>Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures</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>	
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>	
Amendments to MFRS 137, <i>Provision, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendments to MFRS 138, <i>Intangible Assets</i>	1 January 2020
Amendments to IC Interpretation 12, <i>Service Concession Arrangements</i>	1 January 2020
Amendments to IC Interpretation 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendments to IC Interpretation 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendments to IC Interpretation 132, <i>Intangible Assets – Web Site Costs</i>	1 January 2020
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 an Investor and its Associate or Joint Venture</i>	To be confirmed

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

**(i) MFRS 15, Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company reviewed the contracts with the customers to account for the financial impact of the adoption of the new standard.

The Group and the Company have assessed the initial application of MFRS 15 on its financial statements for the year ended 30 June 2018 will have no material impact on the net profit.

**(ii) MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. The new standard contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or lifetime ECLs. The Group applied the simplified approach in providing for ECL.

The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group:

	<b>As reported at 30 June 2018 RM'000</b>	<b>Increase in loss allowance for Trade Receivables due to adoption of MFRS 9 RM'000</b>	<b>Estimated adjusted opening balance at 1 July 2018 RM'000</b>
<b>Group</b>			
Trade and other receivables	19,997	(169)	19,828
Retained Earnings	79,412	(169)	79,243





### **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 2018.

### **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 was not purchased any ordinary shares. As at 30 September 2018, the number of treasury shares held were 4,323,300 ordinary shares.

### **A8. Dividend paid**

There was no dividend paid during the financial year to date.

### **A9. Segmental information**

#### a) Operating segments

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

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
<b><u>AUTOMOTIVE</u></b>				
Car seat covers				
- OEM <sup>(1)</sup>	12,188	10,983	12,188	10,983
- REM	5,967	5,250	5,967	5,250
- PDI	4,891	3,198	4,891	3,198
Sub-total for car seat covers	23,046	19,431	23,046	19,431
Leather cut pieces supply	2,530	5,462	2,530	5,462
<b><u>Others</u></b>				
- Sewing of fabric car seat covers	19	14	19	14
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,380	1,109	1,380	1,109
	26,975	26,016	26,975	26,016
<b><u>Others</u></b>				
Aviation	146	220	146	220
Furniture	16	428	16	428
Others	-	-	-	-
<b>Grand Total</b>	<b>27,137</b>	<b>26,664</b>	<b>27,137</b>	<b>26,664</b>

**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	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	RM'000	RM'000	RM'000	RM'000
Malaysia	21,657	21,938	21,657	21,938
Rest of Asia	3,295	2,391	3,295	2,391
Europe	789	796	789	796
North America	891	414	891	414
Oceania	505	1,125	505	1,125
<b>Grand Total</b>	<b>27,137</b>	<b>26,664</b>	<b>27,137</b>	<b>26,664</b>

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 30 September 2018 were as follows: -

	<b>RM'000</b>
Construction of an additional storey of production floor area on the existing factory building	<u>263</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 30 June 2018 are as follows:

	<b>Current Quarter Ended 30.09.2018 RM'000</b>	<b>Cumulative Quarter Ended 30.09.2018 RM'000</b>
Rental charges to related party		
- Tint Auto (M) Sdn Bhd	<u>54</u>	<u>54</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 MALAYSIA SECURITIES BERHAD**

**B1. Review of performance**

For the current quarter under review, the Group recorded a revenue of RM27.14 million and profit before taxation of RM4.42 million. In comparison to the preceding year quarter of revenue recorded of RM26.66 million, the Group achieved a marginally (1.77%) higher revenue for the current quarter.

Revenue from leather car seat covers remained the largest contributor accounting for approximately 84.92% of total revenue followed by leather cut pieces supply which is approximately 9.32% of total revenue during the quarter under review.

OEM leather car seat is the largest contributor segment accounted for approximately 52.89% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 25.89% and 21.22% respectively.

OEM sales increase by 10.97% as the preceding year quarter was negatively affected by the end-of-life a major car model. PDI sales increase by 52.94% due to higher sales from the zero GST period. Export revenue were also higher compared to preceding year quarter by 15.95% due to recovery of supply in Singapore from the new emission scheme interruption. Leather cut pieces revenue were significantly lower by 53.68% compared to the preceding year quarter due to discontinuance of 3 car models.

As leather cut piece supply has lower margins, the Group achieved a higher gross profit margin of 29.05% compared to 24.52% in the preceding year quarter.

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

The Group's revenue of RM27.14 million in the current quarter was 7.02% lower than RM29.19 million recorded in the immediate preceding quarter.

OEM sales were 20.71% lower than the immediate preceding quarter due to an interruption of supply of a major car model. PDI sales were 52.27% higher than the immediate preceding quarter due to higher sales from the zero GST period. Export sales increased by 14.26% from the immediate preceding quarter due to recovery of supply in Singapore from the new emission scheme interruption. Leather cut piece supply was lower by 40.09%.

Despite the lower revenue, the Group achieve a higher gross profit margin of 29.05% compared to 24.22% in the immediate preceding quarter due to higher contribution from PDI sales and Export sales which command better margins.



**B3. Prospect**

In the local market, Malaysian Automotive Association has revised downward the forecasted TIV for 2018 from 590,000 to 585,000 units. Nevertheless this represents an increase year on year by 1.45% from 576,635 in 2017. 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):-

	<b>Current Quarter Ended 30.09.2018 RM'000</b>	<b>Cumulative Quarter Ended 30.09.2018 RM'000</b>
Interest income	(402)	(402)
Depreciation and amortisation	1,014	1,014
Provision for inventories	159	-
Realised foreign exchange loss/(gain)	(161)	(161)
Unrealised foreign exchange loss/(gain)	202	202

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**

	<b>Current Quarter Ended 30.09.2018 RM'000</b>	<b>Cumulative Quarter Ended 30.09.2018 RM'000</b>
Current tax expense	(968)	(968)

The effective tax rate for the current quarter of 21.88% 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**

As announced on 23 April 2018, the Board of Directors has approved the variation of the utilisation of IPO proceeds amounting to RM6.60 million and the extension of time for utilisation of IPO proceeds amounting to RM2.62 million for another 24 months from 19 April 2018. The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as at 30 September 2018 is as follows:

	Purposes	Revised Expected Timeframe for Utilization (from 19 April 2018)	Revised Amount (RM'000)	Actual Utilization (RM'000)	Deviation (RM'000)
a)	Working capital	-	27,859	(27,859)	0
b)	Repayment of bank borrowings	-	17,100	(17,100)	0
c)	Purchase of new machineries for the production of car leather seat covers	Within 24 months	4,871	(3,863)	1,008
d)	Construction of an additional storey of production floor area on the existing factory building	-	5,000	(5,000)	0
e)	Opening of retail outlets	-	0	0	0
f)	Establishment of market presence in Thailand	Within 24 months	1,500	(270)	1,230
g)	Expansion of aviation business	Within 24 months	834	(657)	177
h)	Estimated listing expenses	-	4,111	(4,111)	0
g)	Purchase of raw material	-	3,000	(3,000)	0
i)	Selling and distribution expenses of:				
	- Retail	Within 24 months	2,000	(37)	1,963
	- Thailand	Within 24 months	850	(14)	836
	- Aviation	Within 24 months	745	(9)	736
	<b>Total Public Issue Proceeds</b>		<b>67,870</b>	<b>(61,920)</b>	<b>5,950</b>

Note:

(a) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 29 March 2016 and the announcement dated 23 April 2018.

**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**

A final single tier dividend in respect of the financial year ended 30 June 2018 of 3.0 sen on approximately 183,676,700 ordinary shares (excluding treasury shares) amounting to a dividend payable of approximately RM5,510,301 was approved by the shareholders at the Annual General Meeting on 26 November 2018 and will be paid on 27 December 2018.

**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:

	<b>Current Quarter Ended 30.09.2018 RM'000</b>	<b>Cumulative Quarter Ended 30.09.2018 RM'000</b>
Profit attributable to equity holders	<u>3,471</u>	<u>3,471</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>183,677</u>	<u>183,677</u>
Basic earnings per shares (sen)	<u>1.89</u>	<u>1.89</u>
Diluted earnings per shares (sen)	<u>1.89</u>	<u>1.89</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 30 September 2018.

**BY ORDER OF THE BOARD  
26 NOVEMBER 2018**