



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

	Notes	Individual Quarter		Changes	Cumulative Quarter		Changes
		Current Year Quarter 31.12.2019 RM'000	Preceding Year Quarter 31.12.2018 RM'000	(%)	Current Year-To-Date 31.12.2019 RM'000	Preceding Year-To-Date 31.12.2018 RM'000	(%)
Revenue	A9	31,367	33,675	(6.85)	66,266	60,812	8.97
Cost of sales		(22,050)	(22,234)	(0.83)	(46,618)	(41,489)	12.36
Gross profit		9,317	11,441	(18.56)	19,648	19,323	1.68
Other Income		794	249	218.88	1,598	1,148	39.20
Selling and distribution expenses		(1,862)	(1,524)	22.18	(3,676)	(3,149)	16.74
Administrative expenses		(2,952)	(2,664)	10.81	(6,455)	(5,395)	19.65
Operating Profit		5,297	7,502	(29.39)	11,115	11,927	(6.81)
Finance costs		-	-	-	-	-	-
Profit before tax	B5	5,297	7,502	(29.39)	11,115	11,927	(6.81)
Income tax expense	B6	(1,212)	(1,636)	(25.92)	(2,460)	(2,604)	(5.53)
Profit for the period		4,085	5,866	(30.36)	8,655	9,323	(7.17)
Other comprehensive income, net of tax							
Exchange difference on translation of foreign operation		1	1	0.00	(2)	(3)	(33.33)
Total comprehensive income for the period		4,086	5,867	(30.36)	8,653	9,320	(7.16)
Profit attributable to:							
Owners of the company		4,145	5,741	(27.80)	8,762	9,212	(4.88)
Non-controlling interest		(60)	125	(148.00)	(107)	111	(196.40)
Profit for the period		4,085	5,866	(30.36)	8,655	9,323	(7.17)
Total comprehensive income attributable to:							
Owners of the company		4,146	5,741	(27.78)	8,761	9,210	(4.88)
Non-controlling interest		(60)	126	(147.62)	(108)	110	(198.18)
Total comprehensive income for the period		4,086	5,867	(30.36)	8,653	9,320	(7.16)
Earnings per share attributable to Owners of the Company⁽²⁾							
- Basic (sen)	B12	2.26	3.13	(27.80)	4.78	5.02	(4.78)
- Diluted (sen)	B12	2.26	3.13	(27.80)	4.78	5.02	(4.78)

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 2019 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 2019

	Notes	Individual Quarter		
		Current Quarter 31.12.2019 RM'000	Immediate Preceding Quarter 30.09.2019 RM'000	Changes (%)
Revenue	A9	31,367	34,899	(10.12)
Cost of sales		(22,050)	(24,568)	(10.25)
Gross profit		9,317	10,331	(9.82)
Other Income		794	804	(1.24)
Selling and distribution expenses		(1,862)	(1,814)	2.65
Administrative expenses		(2,952)	(3,503)	(15.73)
Operating Profit		5,297	5,818	(8.95)
Finance costs		-	-	-
Profit before tax	B5	5,297	5,818	(8.95)
Income tax expense	B6	(1,212)	(1,248)	(2.88)
Profit for the period		4,085	4,570	(10.61)
Other comprehensive income, net of tax				
Exchange difference on translation of foreign operation		1	(2)	(150.00)
Total comprehensive income for the period		4,086	4,568	(10.55)
Profit attributable to:				
Owners of the company		4,145	4,617	(10.22)
Non-controlling interest		(60)	(47)	27.66
Profit for the period		4,085	4,570	(10.61)
Total comprehensive income attributable to:				
Owners of the company		4,146	4,616	(10.18)
Non-controlling interest		(60)	(48)	25.00
Total comprehensive income for the period		4,086	4,568	(10.55)
Earnings per share attributable to Owners of the Company⁽²⁾				
- Basic (sen)	B12	2.26	2.52	10.32
- Diluted (sen)	B12	2.26	2.52	10.32

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 2019 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 2019**

	(Unaudited) 31.12.2019 RM'000	(Audited) 30.06.2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	38,059	50,295
Right-of-use assets	11,571	-
Other investments	232	232
	<u>49,862</u>	<u>50,527</u>
Current Assets		
Inventories	15,874	16,917
Trade and other receivables	26,425	28,994
Prepayments	1,216	1,173
Cash and bank balances	99,916	92,847
	<u>143,431</u>	<u>139,931</u>
TOTAL ASSETS	<u>193,293</u>	<u>190,458</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	31,653	29,871
	<u>167,355</u>	<u>165,573</u>
Non-Controlling interest	(54)	(223)
Total Equity	<u>167,301</u>	<u>165,350</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	5,729	5,868
	<u>5,729</u>	<u>5,868</u>
Current Liabilities		
Trade and other payables	19,049	18,534
Tax Liability	1,214	706
	<u>20,263</u>	<u>19,240</u>
Total Liabilities	<u>25,992</u>	<u>25,108</u>
TOTAL EQUITY AND LIABILITIES	<u>193,293</u>	<u>190,458</u>
Net assets per share attributable to owners of the Company (sen) ⁽²⁾	<u>91.30</u>	<u>90.30</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 2019 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 2019 of 183,292,900 (30 June 2019: 183,367,900).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019**

	6 months ended 31 December	
	2020	2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	11,115	11,927
Adjustment for:		
Depreciation of property, plant and equipment	1,825	1,977
Amortisation right-of-use assets	108	-
Gain/Loss on disposal of property, plant and equipment	(35)	467
Changes in fair value of other investments	-	164
Impairment of inventories	70	159
Impairment of trade receivables	110	-
Loss/(Gain) on unrealised foreign exchange	117	(289)
Interest income	(1,427)	(1,490)
Operating profit before working capital changes	<u>11,883</u>	<u>12,915</u>
Changes in working capital:		
Inventories	974	(1,450)
Trade and other receivables	1,931	(3,544)
Prepayments	(44)	(403)
Trade and other payables	776	(2,243)
Cash from operations	<u>15,520</u>	<u>5,275</u>
Income tax paid	(1,952)	(2,123)
Net cash from operating activities	<u>13,568</u>	<u>3,152</u>
Cash flows from/ (for) investing activities		
Proceeds from disposal of plant and equipment	38	-
Purchase of plant and equipment	(1,170)	(827)
Interest received	1,427	1,490
Placement of other investment	-	43,700
Purchase of shares in subsidiary	(200)	-
Net cash from/ (for) investing activities	<u>95</u>	<u>44,363</u>
Cash flows for financing activities		
Treasury shares	(84)	-
Dividend paid	(6,418)	(5,510)
Net cash for financing activities	<u>(6,502)</u>	<u>(5,510)</u>
Net increase in cash and cash equivalents	7,161	42,005
Effect of foreign exchange translation	(92)	107
Cash and cash equivalents at beginning of the financial period	<u>92,847</u>	<u>47,228</u>
Cash and cash equivalents at the end of financial period	<u>99,916</u>	<u>89,340</u>

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 2019 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 2019.

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 2019. 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
MFRS 17, Insurance Contracts	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 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 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 obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has completed the assessment of the impact on its financial statements and will recognise an additional RM100,667 of right-of-use asset and lease liability and reclassify long-term leasehold land of RM11,577,793 from property, plant and equipment to right-of-use asset on transition to MFRS 16 on 1 July 2019. No significant impact is expected on the Company's financial statements.



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 2019.

A4. Seasonal or cyclical factors

The business operations of the Group are 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. As at 31 December 2019, the number of treasury shares held were 4,707,100 ordinary shares.

A8. Dividend paid

The single tier second interim dividend of 3.5 sen per ordinary share amounting to RM6.418 million in respect of the financial year ended 30 June 2019 was approved by the directors during the Board Meeting on 23 October 2019 and paid on 29 November 2019.

A9. Segmental information

a) Operating segments

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

	Current		Cumulative	
	Quarter Ended		Quarter Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	19,874	20,559	43,403	32,747
- REM ⁽¹⁾	3,169	4,964	6,738	10,931
- PDI ⁽¹⁾	3,160	3,684	5,829	8,575
Sub-total for car seat covers	26,203	29,207	55,970	52,253
Leather cut pieces supply	3,546	2,049	7,162	4,579
<u>Others</u>				
- Sewing of fabric car seat covers	15	20	28	39
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,428	1,765	2,631	3,145
	31,192	33,041	65,791	60,016
<u>Others</u>				
Aviation	165	599	386	745
Furniture	10	35	89	51
Grand Total	31,367	33,675	66,266	60,812

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Malaysia	25,406	28,739	54,095	50,396
Rest of Asia	4,321	3,347	8,988	6,642
Europe	708	790	1,288	1,579
North America	383	362	768	1,253
Oceania	549	437	1,127	942
Grand Total	31,367	33,675	66,266	60,812

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

There were no authorised capital commitment.

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 2019 are as follows:

	Current Quarter Ended 31.12.2019 RM'000	Cumulative Quarter Ended 31.12.2019 RM'000
Rental charges to related party		
- Tint Auto (M) Sdn Bhd	<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 MALAYSIA SECURITIES BERHAD

B1. Review of performance

Current Quarter

For the current quarter under review, the Group recorded a revenue of RM31.37 million and profit before taxation of RM5.30 million. In comparison to the preceding year quarter of revenue recorded of RM33.68 million, the Group achieved 6.85% lower revenue for the current quarter.

Revenue from leather car seat covers remained the largest contributor accounting for approximately 83.53% of total revenue followed by leather cut pieces supply which is approximately 11.30% of total revenue during the quarter under review.

In terms of business segment, OEM leather car seat continues to be the largest contributor segment accounting for approximately 75.85% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 12.09% and 12.06% respectively.

Financial Year-To-Date

Cumulative Year-To-Date (YTD) performance for the Group garnered a revenue of RM66.27 million with a profit before taxation of RM11.12 million.

Leather car seat cover provides the largest revenue contribution to the Group at 84.47%, with its OEM revenue being the main contributor at 65.50%.

The Group's profit before taxation stands at RM11.12 million.

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

In comparison to the preceding quarter's revenue performance, the Group recorded a lower revenue performance with 10.12% decrease, while profit before taxation recorded an decrease of 8.95%.

OEM revenue decrease marginally by 3.33% with the slowdown in sales of certain models. REM revenue were lower compared to preceding year quarter by 36.16% due to decrease in revenue orders from Asia particularly Singapore due to the Certificate of Entitlement restriction. PDI revenue decrease by 14.22% due to slight slow down in production. Leather cut pieces revenue increase significantly by 73.06% due to new project obtained from China.



B3. Prospect

The Malaysian Automotive Association (MAA) published the overall market review for FY2019 whereby the Total Industry Volume (TIV) of new motor vehicles registered in 2019 was 604,287 units against 598,598 unit registered in FY2018 which is equivalent to an increase of 5,689 units or only 1% compared to FY2018. Future prospects remain a challenging year for FY2020 as MAA forecasted sales to hover at 607,000 units representing a growth of 0.5% compared to FY2019.

The Board continues to be cautious of the less optimistic market sentiments but believes the Group's performance going forward is encouraging with the continued improvement in revenue numbers from car models and partners we are working closely with.

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 31.12.2019 RM'000	Cumulative Quarter Ended 31.12.2019 RM'000
Interest income	(701)	(1,427)
Depreciation and amortisation	935	1,825
Disposal of property, plant & equipment gain	(23)	(35)
Impairment of inventories	56	70
Impairment of trade receivables	(3)	110
Realised foreign exchange gain	(33)	(18)
Unrealised foreign exchange loss	59	117

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 31.12.2019 RM'000	Cumulative Quarter Ended 31.12.2019 RM'000
Current tax expense	<u>(1,212)</u>	<u>(2,460)</u>

The effective tax rate for the current quarter of 22.88% is less than the statutory tax rate of 24% mainly due to over recognition of deferred tax expenses during the year.

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 31 December 2019 is as follows:

	Purposes	Revised Expected Timeframe for Utilization (from 19 April 2018)	Revised Amount (RM'000)	Actual Utilization (RM'000)	Utilized %
a)	Working capital	-	27,859	(27,859)	100
b)	Repayment of bank borrowings	-	17,100	(17,100)	100
c)	Purchase of new machineries for the production of car leather seat covers	Within 24 months	4,871	(4,375)	90
d)	Construction of an additional storey of production floor area on the existing factory building	-	5,000	(5,000)	100
e)	Opening of retail outlets	-	0	0	100
f)	Establishment of market presence in Thailand	Within 24 months	1,500	(270)	18
g)	Expansion of aviation business	Within 24 months	834	(834)	100
h)	Estimated listing expenses	-	4,111	(4,111)	100
g)	Purchase of raw material	-	3,000	(3,000)	100
i)	Selling and distribution expenses of:				
	- Retail	Within 24 months	2,000	(40)	2
	- Thailand	Within 24 months	850	(27)	3
	- Aviation	Within 24 months	745	(45)	6
	Total Public Issue Proceeds		67,870	(62,661)	92

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 has 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

No dividend was declared or recommended for payment by the company during the quarter under review.

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 31.12.2019 RM'000	Cumulative Quarter Ended 31.12.2019 RM'000
Profit attributable to equity holders	<u>4,145</u>	<u>8,762</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>183,363</u>	<u>183,365</u>
Basic earnings per shares (sen)	<u>2.26</u>	<u>4.78</u>
Diluted earnings per shares (sen)	<u>2.26</u>	<u>4.78</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 2019.

BY ORDER OF THE BOARD
21 FEBRUARY 2020