

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 JUNE 2020

	Notes	Individual Quarter		Changes	Cumulative Quarter		Changes
		Current Year Quarter 30.06.2020 RM'000	Preceding Year Quarter 30.06.2019 RM'000	(%)	Current Year-To-Date 30.06.2020 RM'000	Preceding Year-To-Date 30.06.2019 RM'000	(%)
Revenue	A9	15,177	35,900	(57.72)	104,640	131,375	(20.35)
Cost of sales		(12,210)	(26,449)	(53.84)	(76,799)	(91,995)	(16.52)
Gross profit		2,967	9,451	(68.61)	27,841	39,380	(29.30)
Other Income		741	774	(4.26)	3,048	2,873	6.09
Selling and distribution expenses		(470)	(2,007)	(76.58)	(6,203)	(6,660)	(6.86)
Administrative expenses		(3,790)	(4,213)	(10.04)	(13,360)	(13,414)	(0.40)
Operating Profit		(552)	4,005	(113.78)	11,326	22,179	(48.93)
Finance costs		-	-	-	-	-	-
Profit before tax	B5	(552)	4,005	(113.78)	11,326	22,179	(48.93)
Income tax expense	B6	(159)	(1,123)	(85.84)	(3,048)	(5,507)	(44.65)
Profit for the period		(711)	2,882	(124.67)	8,278	16,672	(50.35)
Other comprehensive income, net of tax							
Exchange difference on translation of foreign operation		0	(5)	(100.00)	(3)	(10)	(70.00)
Total comprehensive income for the period		(711)	2,877	(124.71)	8,275	16,662	(50.34)
Profit attributable to:							
Owners of the company		(715)	2,866	(124.95)	8,388	16,616	(49.52)
Non-controlling interest		4	16	(75.00)	(110)	56	(296.43)
Profit for the period		(711)	2,882	(124.67)	8,278	16,672	(50.35)
Total comprehensive income attributable to:							
Owners of the company		(711)	2,864	(124.83)	8,387	16,611	(49.51)
Non-controlling interest		0	13	(100.00)	(112)	51	(319.61)
Total comprehensive income for the period		(711)	2,877	(124.71)	8,275	16,662	(50.34)
Earnings per share attributable to Owners of the Company⁽²⁾							
- Basic (sen)	B12	(0.40)	1.56	(125.64)	4.62	9.05	(48.95)
- Diluted (sen)	B12	(0.40)	1.56	(125.64)	4.62	9.05	(48.95)

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 FOURTH QUARTER ENDED 30 JUNE 2020

	Notes	Individual Quarter		
		Current Quarter 30.06.2020 RM'000	Immediate Preceding Quarter 31.03.2020 RM'000	Changes (%)
Revenue	A9	15,177	23,197	(34.57)
Cost of sales		(12,210)	(17,971)	(32.06)
Gross profit		2,967	5,226	(43.23)
Other Income		741	709	4.51
Selling and distribution expenses		(470)	(2,057)	(77.15)
Administrative expenses		(3,790)	(3,115)	21.67
Operating Profit		(552)	763	(172.35)
Finance costs		-	-	-
Profit before tax	B5	(552)	763	(172.35)
Income tax expense	B6	(159)	(429)	(62.94)
Profit for the period		(711)	334	(312.87)
Other comprehensive income, net of tax				
Exchange difference on translation of foreign operation		0	5	(100.00)
Total comprehensive income for the period		(711)	339	(309.73)
Profit attributable to:				
Owners of the company		(715)	341	(309.68)
Non-controlling interest		4	(7)	(157.14)
Profit for the period		(711)	334	(312.87)
Total comprehensive income attributable to:				
Owners of the company		(711)	343	(307.29)
Non-controlling interest		0	(4)	(100.00)
Total comprehensive income for the period		(711)	339	(309.73)
Earnings per share attributable to Owners of the Company⁽²⁾				
- Basic (sen)	B12	(0.40)	0.19	(310.53)
- Diluted (sen)	B12	(0.40)	0.19	(310.53)

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 30 June 2020**

	(Unaudited) 30.06.2020 RM'000	(Audited) 30.06.2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	37,490	50,295
Right-of-use assets	11,474	-
Other investments	418	232
	<u>49,382</u>	<u>50,527</u>
Current Assets		
Inventories	22,945	16,917
Trade and other receivables	17,504	28,994
Prepayments	1,686	1,173
Tax Assets	1,702	-
Cash and bank balances	78,394	92,847
	<u>122,231</u>	<u>139,931</u>
TOTAL ASSETS	<u>171,613</u>	<u>190,458</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	135,702	135,702
Reserves	19,707	29,871
	<u>155,409</u>	<u>165,573</u>
Non-Controlling interest	(59)	(223)
Total Equity	<u>155,350</u>	<u>165,350</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	5,261	5,868
	<u>5,261</u>	<u>5,868</u>
Current Liabilities		
Trade and other payables	11,002	18,534
Tax Liability	-	706
	<u>11,002</u>	<u>19,240</u>
Total Liabilities	<u>16,263</u>	<u>25,108</u>
TOTAL EQUITY AND LIABILITIES	<u>171,613</u>	<u>190,458</u>
Net assets per share attributable to owners of the Company (sen) ⁽²⁾	<u>87.92</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 30 June 2020 of 176,761,800 (30 June 2019: 183,367,900).



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 30 JUNE 2020**

	←————— Attributable to owners of the Company —————→							—————→			
	←————— Non-Distributable —————→				Distributable						
	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 01.07.2019											
- as previously stated	135,702	10,899	(60,822)	-	(5,963)	(3)	85,760	165,573	(223)	165,350	
Issuance of new shares	-	-	-	-	-	-	-	-	-	-	
Translation loss	-	-	-	-	-	(2)	-	(2)	(3)	(5)	
Dividend paid	-	-	-	-	-	-	(11,794)	(11,794)	-	(11,794)	
Share buy-back	-	-	-	-	(6,279)	-	-	(6,279)	-	(6,279)	
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	(477)	(477)	277	(200)	
Profit for the period	-	-	-	-	-	-	8,388	8,388	(110)	8,278	
At 30.06.2020	135,702	10,899	(60,822)	-	(12,242)	(5)	81,877	155,409	(59)	155,350	

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 2019 and the explanatory notes attached to this report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2020**

	12 months ended 30 June 2020 RM'000	2019 RM'000
Cash flows from operating activities		
Profit before tax	11,326	22,179
Adjustment for:		
Depreciation of property, plant and equipment	3,588	3,864
Amortisation right-of-use assets	204	-
Gain/Loss on disposal of property, plant and equipment	(36)	332
Changes in fair value of other investments	(186)	164
Impairment of trade receivables	1,929	840
Gain on unrealised foreign exchange	(262)	(302)
Interest income	(2,538)	(2,271)
Operating profit before working capital changes	14,025	24,806
Changes in working capital:		
Inventories	(6,028)	1,970
Trade and other receivables	9,219	(9,877)
Prepayments	(513)	(307)
Trade and other payables	(7,755)	(819)
Cash from operations	8,948	15,773
Income tax paid	(5,456)	(4,106)
Net cash from operating activities	3,492	11,667
Cash flows from/ (for) investing activities		
Proceeds from disposal of plant and equipment	39	188
Acquisition of club membership	-	(65)
Purchase of plant and equipment	(2,364)	(1,805)
Interest received	2,538	2,271
Placement of other investment	-	43,700
Purchase of shares in subsidiary	(200)	-
Net cash from/ (for) investing activities	13	44,289
Cash flows for financing activities		
Repayment to corporate shareholder	(30)	-
Treasury shares	(6,279)	(326)
Dividend paid	(11,794)	(10,099)
Net cash for financing activities	(18,103)	(10,425)
Net increase in cash and cash equivalents	(14,598)	45,531
Effect of foreign exchange translation	145	88
Cash and cash equivalents at beginning of the financial period	92,847	47,228
Cash and cash equivalents at the end of financial period	78,394	92,847

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 except for the adoption or early adoption of the followings:

Effective for annual periods commencing on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

Effective for annual periods commencing on or after 1 June 2020 (Early adoption)

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

The adoption of the above standards and interpretations did not have any material impact on the interim financial report of the Group except for the following:

(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 RM109,394 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.

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 30 June 2020, the number of treasury shares held were 11,238,200 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.

An Interim single tier dividend of 3.0 sen per ordinary share in respect of the financial year ending 30 June 2020 has been paid on 10 April 2020.

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 Quarter Ended		Cumulative Quarter Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
<u>AUTOMOTIVE</u>				
Car seat covers				
- OEM ⁽¹⁾	10,253	23,670	69,306	78,512
- REM ⁽¹⁾	1,278	4,743	10,771	21,011
- PDI ⁽¹⁾	1,062	2,781	9,144	14,741
Sub-total for car seat covers	12,593	31,194	89,221	114,264
Leather cut pieces supply	1,445	2,791	9,905	9,441
<u>Others</u>				
- Sewing of fabric car seat covers	4	15	38	61
- Manufacturing of leather/PVC car accessories covers and miscellaneous seat covers, provision of wrapping and stitching services and supply of raw materials	1,030	1,496	4,889	6,288
	15,072	35,496	104,053	130,054
<u>Others</u>				
Aviation	105	386	496	1,249
Furniture	-	18	91	72
Grand Total	15,177	35,900	104,640	131,375

b) Geographical segments

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

	Current Quarter Ended		Cumulative Quarter Ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Malaysia	12,607	29,466	86,466	108,719
Rest of Asia	1,385	4,688	12,133	14,895
Europe	391	844	2,456	3,856
North America	491	295	1,726	1,940
Oceania	303	607	1,859	1,965
Grand Total	15,177	35,900	104,640	131,375

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 30 June 2020 are as follows:

	Current Quarter Ended 30.06.2020 RM'000	Cumulative Quarter Ended 30.06.2020 RM'000
Rental charges to related party		
- Tint Auto (M) Sdn Bhd	54	216
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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 RM15.18 million and loss before taxation of RM0.55 million. In comparison to the preceding year quarter of revenue recorded of RM35.90 million, the Group achieved 57.72% lower revenue for the current quarter due to the negative implication of Covid-19.

Revenue from leather car seat covers remained the largest contributor accounting for approximately 82.97% of total revenue followed by leather cut pieces supply which is approximately 9.52% 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 81.42% of the total revenue for leather car seat covers whilst REM and PDI contributed approximately 10.15% and 8.43% respectively.

Financial Year-To-Date

Cumulative Year-To-Date (YTD) performance for the Group garnered a revenue of RM104.64 million with a profit before taxation of RM11.33 million.

Leather car seat cover provides the largest revenue contribution to the Group at 85.26%, with its OEM revenue being the main contributor at 66.23%.

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 drop of 34.57% in revenue and a decrease of 172.35% in profit before taxation, largely due to temporary closure of operations following the movement control order ("MCO") imposed by the government from 18 March 2020 and our operations commenced from 11 May 2020.

B3. Prospect

In a move to revitalize demand in the domestic automotive sector, the government has introduced the sales tax exemption for passenger cars between 15 June 2020 to 31 December 2020 in order to boost new car sales in Malaysia. With this, the Malaysian Automotive Association (MAA) has revised the total industry volume (TIV) forecast in 2020 to 470,000 units following the government economic stimulus measures. However, the new TIV forecast is still 22.2% or 134,287 vehicles lower than 2019's TIV of 604,287 units.

The Board continue to be cautious of the less optimistic market sentiments and will continue to work closely with the automotive industry players.

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 30.06.2020 RM'000	Cumulative Quarter Ended 30.06.2020 RM'000
Interest income	(480)	(2,538)
Depreciation and amortisation	823	3,588
Disposal of property, plant & equipment loss	36	-
Fair value gain on other investments	(186)	(186)
Impairment of inventories	783	991
Impairment of trade receivables	1,813	1,929
Realised foreign exchange loss	56	13
Unrealised foreign exchange gain	<u>(105)</u>	<u>(262)</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 30.06.2020 RM'000	Cumulative Quarter Ended 30.06.2020 RM'000
Current tax expense	<u>(159)</u>	<u>(3,048)</u>

The effective tax rate for the current quarter deficit of 28.80% is higher than the statutory tax rate of 24% mainly due to loss on current quarter and 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. After due deliberation, the Board intends to undertake the variations to vary the utilization of proceed for working capital and extend the frame to another 24 months from 19 April 2020 to 19 April 2022. The status of utilisation of the proceeds from the Public Issue of 47,796,000 new ordinary shares at RM1.42 as at 30 June 2020 is as follows:

	Purposes	Revised Expected Timeframe for Utilization (from 19 April 2020)	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	(4,392)	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	0
f)	Establishment of market presence in Thailand	-	0	0	0
g)	Expansion of aviation business	-	834	(834)	100
h)	Estimated listing expenses	-	4,111	(4,111)	100
g)	Purchase of raw material	Within 24 months	5,350	(5,350)	100
i)	Selling and distribution expenses of:				
	- Retail	Within 24 months	2,000	(40)	2
	- Thailand	-	0	0	0
	- Aviation	Within 24 months	745	(63)	8
	Total Public Issue Proceeds		67,870	(64,749)	95

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 and 17 April 2020.

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

The Board of Directors has declared a second interim single tier dividend of 1.64 sen per ordinary shares (excluding treasury shares) amounting to a dividend payable of approximately RM2,901,677 in respect of the financial year ending 30 June 2020 which will be paid on 25 September 2020.

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 30.06.2020 RM'000	Cumulative Quarter Ended 30.06.2020 RM'000
Profit attributable to equity holders	<u>(715)</u>	<u>8,388</u>
Weighted average number of ordinary shares in issue excluding Treasury Shares	<u>177,524</u>	<u>181,436</u>
Basic earnings per shares (sen)	<u>(0.40)</u>	<u>4.62</u>
Diluted earnings per shares (sen)	<u>(0.40)</u>	<u>4.62</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 June 2020.

BY ORDER OF THE BOARD
28 AUGUST 2020