


**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2019**

	Individual Quarter		Cumulative Quarter	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Revenue	27,908	23,757	50,252	45,933
Cost of sales	(24,888)	(23,590)	(45,425)	(42,681)
Gross profit	3,020	167	4,827	3,252
Other income	391	534	839	748
Expenses	(2,103)	(2,201)	(4,005)	(4,117)
Profit/(loss) from operation	1,308	(1,500)	1,661	(117)
Finance costs	(1,065)	(1,102)	(2,275)	(2,041)
Profit/(loss) before taxation	243	(2,602)	(614)	(2,158)
Income tax expense	(138)	787	(28)	813
Profit/(loss) net of tax, representing total comprehensive income for the period	105	(1,815)	(642)	(1,345)
Total comprehensive income attributable to:				
- Equity holders of the Company	105	(1,815)	(642)	(1,345)
- Non-controlling interest	-	-	-	-
	105	(1,815)	(642)	(1,345)
Earnings/(Loss) per share (Sen) attributable to equity holders of the Company:				
- Basic	0.06	(1.01)	(0.36)	(0.75)
- Diluted	N/A	N/A	N/A	N/A

Notes:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statement.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Unaudited As at 30 June 2019 RM'000	Audited As at 31 December 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	84,000	88,308
Prepaid lease payments	3,739	3,854
Deferred tax assets	38	38
	87,777	92,200
Current assets		
Inventories	108,506	107,346
Trade and other receivables	43,434	43,013
Tax recoverable	3,516	3,091
Cash and bank balances	7,909	9,835
	163,365	163,285
Total Assets	251,142	255,485
EQUITY AND LIABILITIES		
Share capital	92,024	92,024
Merger reserve	3,633	3,633
Retained earnings	61,831	62,473
Total equity attributable to equity holders of the Company	157,488	158,130
Non-current liabilities		
Loans and borrowings	9,917	12,398
Deferred tax liabilities	4,940	5,358
	14,857	17,756
Current liabilities		
Trade and other payables	3,695	4,736
Amount due to Directors	295	55
Tax liabilities	166	106
Loans and borrowings	74,641	74,702
	78,797	79,599
Total liabilities	93,654	97,355
Total equity and liabilities	251,142	255,485
Net assets per share attributable to equity holders of the Company (RM)	0.87	0.88

Notes:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statement.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	Share Capital RM'000	Non distributable Merger Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000
At 1 January 2019	92,024	3,633	62,473	158,130
Total comprehensive loss for the period	-	-	(642)	(642)
At 30 June 2019	92,024	3,633	61,831	157,488

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statement.


UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019

	Current Year to Date 30 June 2019 RM'000	Preceding Year Corresponding Period 30 June 2018 RM'000
Cash Flows from Operating Activities		
Loss before tax	(614)	(2,158)
Adjustments for:		
Amortisation of prepaid lease payments	115	115
Depreciation of property, plant and equipment	4,437	4,669
Finance costs	2,275	2,041
Unrealised foreign exchange loss/(gain)	19	(85)
Operating profit before changes in working capital	6,232	4,582
Changes in working capital:		
Inventories	(1,160)	(11,327)
Trade and other receivables, deposits and prepayments	(406)	8,179
Trade and other payables	(1,031)	(6,807)
Amount due to Directors	240	49
Cash generated from/(used in) operations	3,875	(5,324)
Income tax paid, net of refund	(811)	(477)
Interest paid	(1,501)	(1,394)
Net cash generated from/(used in) operating activities	1,563	(7,195)
Acquisition of property, plant and equipment	(129)	(1,507)
Net cash used in investing activity	(129)	(1,507)
Cash Flows from Financing Activities		
Net drawdown of borrowings	(5,842)	13,255
Net repayment of finance leases	(31)	(41)
Interest paid	(774)	(647)
Net cash (used in)/ generated from financing activities	(6,647)	12,567
Net (decrease)/ increase in cash and cash equivalents	(5,213)	3,865
Effect of exchange rate fluctuations on cash held and bankers acceptances	(44)	19
Cash and cash equivalents at beginning of period	(12,737)	(13,505)
Cash and cash equivalents at end of period	(17,994)	(9,621)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019 (CONTINUED)**

	Current Year to Date 30 June 2019 RM'000	Preceding Year Corresponding Period 30 June 2018 RM'000
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	7,909	10,248
Bank overdrafts	(25,903)	(19,869)
	<u>(17,994)</u>	<u>(9,621)</u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial statement.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard 134 (“MFRS 134”): Interim Financial reporting and Appendix 9B part A of paragraph 9.22 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The condensed consolidated interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries since the financial year ended 31 December 2018.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the explanatory notes attached to this interim financial statement.

A2. Adoption of Malaysian Financial Reporting Standards

The significant accounting policies applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2018, except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) applied for the financial period beginning 1 January 2019.

Title	Effective date
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 112, <i>Income Taxes (Annual Improvements To MFRS Standards 2015 - 2017 Cycle)</i>	1 January 2019
Amendments to MFRS 123, <i>Borrowing Costs (Annual Improvement to MFRS Standards 2015 - 2017 Cycle)</i>	1 January 2019

The initial application of the above is not expected to have any material financial impact on the Group’s results.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A3. Auditors’ Report on preceding Annual Financial Statements

The Auditors’ Reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2018 were not qualified.

A4 Changes in estimates

There were no material changes in estimates that have had a material effect in the current interim results.

A5. Item of unusual nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 June 2019.

A6. Seasonality of operations

The operations of the Group are not seasonal in nature.

A7. Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter.

A8. Dividends

There were no dividends proposed or declared for the current quarter under review.

A9. Segment information

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer similar products and services, but are managed separately because they require different marketing strategies.

- Manufacturing - Includes manufacturing and distributions of batteries.
- Marketing - Includes marketing and retailing of batteries and lubricants.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A9. Segment information (Continued)

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

	Manufacturing RM'000	Marketing RM'000	Total RM'000
<i>As At 30 June 2019</i>			
Segment (loss)/profit	(2,476)	1,602	(874)
Included in the measure of segment (loss)/ profit are:			
Revenue from external customers	30,111	20,141	50,252
Inter-segment revenue	16,155	-	16,155
Amortisation	(115)	-	(115)
Depreciation	(4,337)	(50)	(4,387)
Finance costs	(2,499)	(40)	(2,539)
	Manufacturing RM'000	Marketing RM'000	Total RM'000
<i>As At 30 June 2018</i>			
Segment (loss)/profit	(3,942)	1,156	(2,786)
Included in the measure of segment (loss)/profit are:			
Revenue from external customers	29,642	16,291	45,933
Inter-segment revenue	12,935	-	12,935
Amortisation	(115)	-	(115)
Depreciation	(4,559)	(60)	(4,619)
Finance costs	(2,264)	(17)	(2,281)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A10. Property, plant and equipment

During the current financial quarter, the Group acquired assets at cost of RM0.13 million (30 June 2018: RM1.5 million).

A11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter under review.

A12. Changes in the Composition of the Group

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

A13. Commitments

The capital commitments of the Group as at 30 June 2019 are as follows:

	As at 30 June 2019 RM'000
Commitments in respect of capital expenditure:	
- Approved and contracted for	1,738

A14. Contingencies

There were no contingencies as at the end of the current financial quarter.

A15. Significant Related Party Transaction

There were no significant related party transactions during the current financial quarter.

A16. Disclosure of derivatives

There were no outstanding derivatives as at the end of the current financial quarter.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Performance Review

Current quarter against corresponding quarter in prior year

The Group achieved revenue of RM27.91 million and recorded a profit before tax of RM0.24 million for the current quarter as compared to revenue of RM23.76 million and loss before tax of RM2.60 million for the corresponding quarter in prior year.

B2. Comment on Material Change in Profit before Taxation Against Immediate Preceding Quarter

The Group achieved revenue of RM27.91 million and recorded a profit before tax of RM0.24 million for the current quarter as compared to revenue of RM22.34 million and loss before tax of RM0.86 million for immediate preceding quarter.

The profit before tax for the current reporting quarter is mainly due to increase in revenue and improved of gross profit margin.

B3. Commentary on Prospects

The Group expects to continue to face the challenging economic and business environment in the coming quarters. The global economy remains to be influenced by the uncertainty surrounding the UK's Brexit deal, the effect of the US-China trade war and the slowdown of the economic momentum in China. Furthermore, the sluggish demand and weak world commodity price, continue to be source of concern and will affect the Group's overall performance. Nonetheless, the Group is confident that through continuous improvement in the products and services, efficiency in production and expanding customer base, the Group will be able to weather the challenges ahead.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B5. Profit/(Loss) before Tax

Included in the profit/(loss) before tax are the following items:

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Profit/(Loss) for the period derived at after charging and crediting:				
Amortisation of prepaid lease payments	58	58	115	115
Depreciation of property, plant and equipment	2,221	2,336	4,437	4,669
Rental of premises - expenses	28	28	57	57
Interest expense	1,065	1,102	2,275	2,041
Foreign exchange (gain)/loss:				
- realized	(403)	(634)	(508)	(610)
- unrealised	59	144	19	(85)
Rental of premises - income	(9)	(9)	(17)	(18)

B6. Income Tax Expense

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Malaysian taxation				
- current year	247	184	446	353
- prior year	-	-	-	-
	<u>247</u>	<u>184</u>	<u>446</u>	<u>353</u>
Deferred tax	(109)	(971)	(418)	(1,166)
Tax expense	<u>138</u>	<u>(787)</u>	<u>28</u>	<u>(813)</u>



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B7. Loans and Borrowings

Total Group borrowings as at 30 June 2019 were as follows:

	As at 30 June 2019 RM'000
Current	
- Secured	74,641
- Unsecured	-
	74,641
Non-current	
- Secured	9,917
	84,558

Note:

The Group's short term borrowings comprised mainly banks overdrafts and trade lines for working capital purpose.

B8. Material Litigation

There was no material litigation against the Group.

B9. Dividend

There were no dividends proposed or declared for the current quarter under review.

B10. Earnings/(Loss) per Share

Basic earnings/(loss) per share are calculated by dividing profit/(loss) for the period, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The Company has no potential ordinary shares in issue as at 30 June 2019. As such, the fully diluted earnings per share of the Company are equivalent to the basic earnings per share.

	Current Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Profit/(loss) attributable to equity holders of the Company (RM'000)	105	(1,815)	(642)	(1,345)
Weighted average number of ordinary share in issuance ('000)	180,000	180,000	180,000	180,000
Basic earnings/(loss) per share (Sen)	0.06	(1.01)	(0.36)	(0.75)
Diluted	N/A	N/A	N/A	N/A



UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B11. Disclosures of Gains/Losses Arising from Fair Value Changes of Financial Liabilities

The Group did not have any financial liabilities measures at fair value through profit or loss as at 30 June 2019.

B12. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 August 2019.