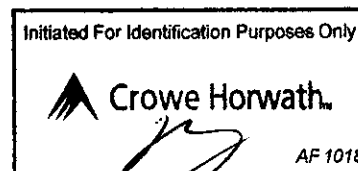


11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



SOLID GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SOLID GROUP (CONT'D)

3.2 Proforma II

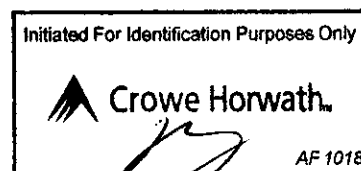
Proforma II incorporates the effects of Proforma I, the Public Issue of 35,384,000 new Solid Shares, at an Indicative Public Issue price of RM0.56 per Solid Share, payable in full on application and the utilisation of proceeds. The proceeds will be utilised as follows:-

	RM'000
Capital expenditure	12,000 ^
Working capital	5,315 *
Estimated listing expenses ^^	2,500 *
	19,815

Notes:-

- * - *If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.*
- ^ - *To finance the following:-*
- (i) *The acquisition of vacant land in Johor Bahru for the construction of a new corporate head office and centralise the Group's warehousing and factory in Johor Bahru. The Group has not yet identified any vacant land for the said acquisition.*
 - (ii) *The construction of Twinco's new sales office and warehouse in Kuala Lumpur in connection with the expansion of Twinco's operations to Kuala Lumpur.*
- ^^ - *The estimated listing expenses for the issue of the new Solid Shares of RM857,000 will be written off against the share premium account under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM1,643,000 will be expensed off against the Statement of Profit Or Loss And Other Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.*

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



SOLID GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SOLID GROUP (CONT'D)

3.3 Property, plant and equipment

	Cost RM'000	Accumulated Depreciation RM'000	Exchange Difference RM'000	Net Book Value RM'000
As at 30 April 2013				
Freehold land	6,595	-	-	6,595
Leasehold land	2,623	(301)	-	2,322
Buildings	6,994	(699)	-	6,295
Fixtures, furniture and equipment	897	(612)	-	285
Motor vehicles	5,397	(3,431)	(4)	1,962
Office equipment	4,272	(2,594)	-	1,678
Plant and machinery	679	(429)	-	250
As per Proforma I	27,457	(8,066)	(4)	19,387
Acquisition of vacant land and construction of new sales office and warehouse	12,000	-	-	12,000
As per Proforma II	39,457	(8,066)	(4)	31,387

3.4 Cash and bank balances

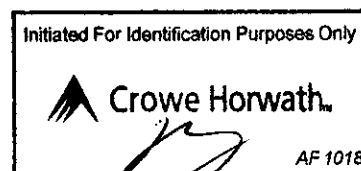
	RM'000
As at 30 April 2013	^
Acquisition of subsidiaries	6,084
As per Proforma I	6,084
Add: Proceeds from Public Issue	19,815
Less: Utilisation of proceeds	
- acquisition of vacant land and construction of new sales office and warehouse	(12,000)
- estimated listing expenditure *	(1,421)
As per Proforma II	12,478

Note:-

^ - RM1

* - Of the total estimated listing expenses of RM2.500 million, the Group has already incurred and paid RM1.079 million as at 30 April 2013 (refer to the Proforma Consolidated Statement of Cash Flow in Section 4 of this Report).

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



SOLID GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SOLID GROUP (CONT'D)

3.5 Share Capital

The movements in the issued and paid-up share capital of Solid are as follows:-

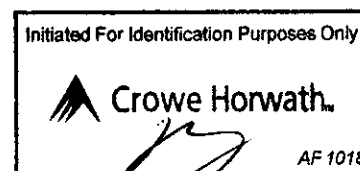
	Number of Ordinary Shares (^{'000})	Amount of Share Capital RM ^{'000}
Ordinary shares of RM0.50 each		
As at 30 April 2013	^	*
Ordinary shares issued pursuant to the acquisition of subsidiaries	114,616	57,308
As per Proforma I	114,616	57,308
Public Issue	35,384	17,692
As per Proforma II	150,000	75,000

Notes:-

* - Represents RM1

^ - Represents 2 shares

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



SOLID GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SOLID GROUP (CONT'D)

3.6 Share Premium

The movements in the share premium account are as follows:-

	RM'000
As at 30 April 2013	-
Acquisition of subsidiaries	2,636
Reclassification to Capital Reserve	(2,624)
Reclassification to Non-Controlling Interests	(12)
	<hr/>
As per Proforma I	-
Public Issue	2,123
Less: Estimated listing expenses *	(857)
	<hr/>
As per Proforma II	1,266
	<hr/>

Note:-

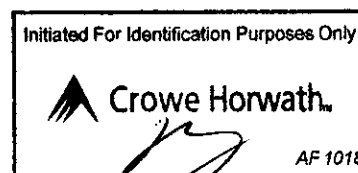
*The estimated listing expenses for the issue of new Solid Shares of RM857,000 will be written off against the share premium amount under Section 60 of the Companies Act, 1965. The balance of the estimated listing expenses of RM1,643,000 will be expensed off against the Statement of Profit Or Loss And Other Comprehensive Income and this represents a one-off expenditure pursuant to the Public Issue.

3.7 Merger Deficit

The merger deficit arose from the acquisition of Solid Corporation, Twinco and Auto Empire using the merger method of accounting.

	RM'000	RM'000
Cost of investment		57,398
Share capital of Solid at the date of acquisition	(4,631)	
Share capital of Twinco at the date of acquisition	(1,878)	
Share capital of Auto Empire at the date of acquisition	(4,654)	(11,163)
		<hr/>
		46,235
Elimination of gain on disposal of Auto Empire by Solid		(250)
		<hr/>
As per Proforma I/II		45,985
		<hr/>

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



SOLID GROUP

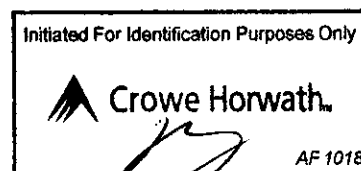
PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF SOLID GROUP (CONT'D)

3.8 (Accumulated Loss)/Retained Profits

	RM'000
As at 30 April 2013	(61)
Acquisition of subsidiaries	50,154
	<hr/>
As per Proforma I	50,093
Estimated listing expenses	(1,643)
	<hr/>
As per Proforma II	48,450
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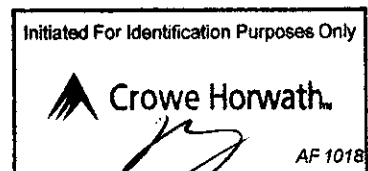
11. **PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)****SOLID GROUP****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****4. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOW OF SOLID GROUP FOR THE FYE 30 APRIL 2013**

RM'000

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	12,662
Adjustments for :-	
Allowance for impairment losses on trade receivables	336
Depreciation of investment properties	24
Depreciation of property, plant and equipment	1,483
Gain on disposal of property, plant and equipment	(14)
Gain on foreign exchange	(89)
Interest expenses	603
Interest income	(3)
Property, plant and equipment written off	18
Rental income on properties	(6)
Reversal of impairment losses on trade receivables	(396)
Operating profit before working capital changes	14,618
Decrease in inventories	3,332
Decrease in trade and other receivables	2,907
Decrease in trade and other payables	(1,737)
CASH FROM OPERATIONS	19,120
Interest paid	(603)
Interest received	3
Tax refund	305
Tax paid	(4,043)
NET CASH FROM OPERATING ACTIVITIES	14,782
CASH FLOWS FOR INVESTING ACTIVITIES	
Payment of deposit for the acquisition of property, plant and equipment	(521)
Proceeds from disposal of property, plant and equipment	17
Purchase of property, plant and equipment	(521)
Rental received	6
NET CASH FOR INVESTING ACTIVITIES	(1,019)
BALANCE CARRIED FORWARD	13,763

11. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



SOLID GROUP

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED STATEMENT OF CASH FLOW OF SOLID GROUP FOR THE FYE 30 APRIL 2013 (CONT'D)

	RM'000
BALANCE BROUGHT FORWARD	13,763
CASH FLOWS FOR FINANCING ACTIVITIES	
Dividend paid	(1,306)
Net repayment to directors	(146)
Net repayment of bankers' acceptance	(11,724)
Net drawdown of foreign currency loan	4,653
Net repayment of bills payable	(299)
Net repayment of hire purchase payables	(363)
Repayment of term loans	(289)
Payment of listing expenses	(1,079)
NET CASH FOR FINANCING ACTIVITIES	(10,553)
NET INCREASE IN CASH AND BANK BALANCES	3,210
FOREIGN CURRENCY TRANSLATION RESERVE	4
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR	2,870
CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR	6,084

Note:-

The Proforma Consolidated Statement of Cash Flow of Solid Group has been adjusted to reflect the payments of special single tier dividends by Solid Corporation and Twinco amounting to approximately RM1,306,000 (refer to note 3.1(v)) and before taking into account the proceeds from the Public Issue and Utilisation of Proceeds.

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 29 JUL 2013

On behalf of the Board,

Ker Min Choo

Ong Kheng Swee

II. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

II.5 CAPITALISATION AND INDEBTEDNESS

The following information should be read in conjunction with the Reporting Accountants' Report on the Compilation of Proforma Consolidated Financial Information and Accountants' Report set out in Section 11.4 and Section 13 of this Prospectus.

We set out below our proforma consolidated cash and bank balances, capitalisation and indebtedness as at 30 April 2013 based on our proforma consolidated statement of financial position as at 30 April 2013 and adjusted to show the effects of our Public Issue and the utilisation of proceeds as set out in Section 3.6 of this Prospectus.

	Audited as at 30 April 2013	After the Acquisitions	After the IPO and Utilisation of Proceeds
	RM'000	RM'000	RM'000
Cash and bank balances	*	6,084	12,478
	*	6,084	12,478
Indebtedness			
<u>Non-current</u>			
Hire purchase payables	-	455	455
Term loans	-	152	152
	-	607	607
<u>Current</u>			
Bankers' acceptances	-	3,126	3,126
Foreign currency loans	-	5,721	5,721
Hire purchase payables	-	409	409
Term loans	-	275	275
	-	9,531	9,531
Total indebtedness	-	10,138	10,138
Capitalisation			
Total shareholders' equity	(61)	64,697	82,012
Total capitalisation and indebtedness	(61)	74,835	92,150

Note:

* Represents RM1.00.

All the above indebtedness are guaranteed, secured and interest bearing in nature. The indirect and contingent liabilities of our Group are set out in Section 12.3.6 of this Prospectus.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The following discussion and analysis of our past financial condition and results of operations should be read in conjunction with the notes and assumptions included in the Reporting Accountants' Report on the Compilation of Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

12.1 OVERVIEW

Our Company is principally an investment holding company, whereby our Group's revenue is derived through our subsidiary companies of which the principal activities are summarised as below:

Company	Principal Activities
Solid	Investment holding and provision of management services
Trading and Distribution	
Twinco	Trading and distribution of automotive engine and mechanical parts and components
Solid Corporation	Trading and distribution of automotive electrical parts and components
Auto Empire	Trading and distribution of automotive engine and mechanical parts and components
Uni Point	Trading and distribution of automotive electrical parts and components
Remanufacturing	
JBS	Remanufacturing of automotive alternators and starters
Others	
HKT	Ceased operations

Please refer to Section 6.1.2 of this Prospectus for further details in relation to Solid Group's principal activities.

Revenue

Our Group's revenue is principally derived from the trading and distribution of automotive electrical, engine and mechanical parts and components for the automotive aftermarket. Our products comprise both in-house branded as well as third party branded products. Our Group also derives a relatively smaller portion of our revenue from the remanufacturing of automotive alternators and starters. In February 2013, our Group commenced sales of automotive electrical parts and components under the Lucas brand which were manufactured by our contract manufacturers. The contribution from Lucas brand for the three (3) months ended 30 April 2013 is approximately RM0.187 million.

In terms of proportion of revenue contribution over the financial years under review, Solid Corporation is the largest contributor to our Group's revenue. Solid Corporation has contributed approximately 64.69%, 70.12%, 64.57% and 70.00% towards our Group's revenue for FYE 30 April 2010 to 2013, respectively as illustrated in Section 12.2(a)(i). Apart from Solid Corporation, our other subsidiaries are Twinco, Auto Empire, Uni Point, JBS and HKT. Our revenue over the financial years under review were contributed by all our subsidiaries. However, HKT has ceased operations after FYE 30 April 2011 and, therefore, no longer contributes to our Group after the above mentioned financial year.

While the majority of our total revenue is presently derived from the domestic market, the overseas market makes up a significant and increasing proportion of our total revenue. Sales from the domestic market (including Singapore) formed 67.13%, 63.77%, 65.03% and 60.26% of our Group's revenue for FYE 30 April 2010 to 2013, respectively with the balance generated from the overseas market.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

The largest contributor to our revenue is from the sales of automotive electrical parts which formed 62.76%, 70.13%, 59.44% and 66.44% of our Group's revenue for FYE 30 April 2010 to 2013 respectively. The second largest contributor to our revenue is from the sales of the engine and mechanical parts which formed 26.60%, 20.33%, 31.40% and 26.08% of our Group's revenue for FYE 30 April 2010 to 2013 respectively. The balance of our revenue is derived from the sales of the remanufactured alternators and starters.

Cost of Sales

Cost of sales comprise of purchases of automotive electrical parts and components, direct material costs, direct labour costs and production overheads and can be explained as follows:

- (i) Trading activities relate to the trading and distribution of in house branded as well as third party branded automotive electrical, engine and mechanical parts and components for the automotive aftermarket. For the financial years under review, the purchases made for trading activities constituted the majority of the total cost of sales of our Group, constituting approximately 90.00% of the total cost of sales.
- (ii) Remanufacturing activities relate to the remanufacturing of automotive alternators and starters for the automotive aftermarket. For the financial years under review, the cost of sales for remanufacturing activities constituted approximately 10.00% of our Group's total cost of sales.

GP and GP Margin

Generally, GP margins for our in-house branded products are higher than those for our third party branded products. As a brand owner, we have better control over the selling price of our products whereas as a distributor of third party branded products, we are subject to the price competition against other distributors of the same brands.

This can be seen from the higher GP margin of 36.71%, 37.58%, 39.32% and 36.11% generated by our in-house branded automotive electrical parts for FYE 30 April 2010 to 2013 respectively as compared to the GP margin of 20.73%, 17.82%, 18.47% and 19.37% for FYE 30 April 2010 to 2013 respectively in respect of third party branded products of the same category.

However, when we introduce a new in-house brand or expand our existing in-house brands into a new market segment (i.e. new product range), our GP margin are lower during the initial years due to lower pricing in order to promote the products and penetrate into the market. The GP margin will increase only in subsequent years when we are able to increase our selling prices after our brand name and products have become more established and acceptable to the market.

This is evidenced by the lower but increasing GP margin of 19.61%, 19.73%, 24.99% and 26.36% generated by our in-house branded engine and mechanical parts, which we introduced to the market in 2010, for FYE 30 April 2010 to 2013 respectively as compared to the higher GP margin of 26.06%, 24.12%, 27.95% and 29.36% for FYE 30 April 2010 to 2013 respectively in respect of third party branded products of the same category.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Other Income

Other income comprises mainly gain on disposal of our investment properties as well as property, plant and equipment and rental income derived from our investment properties. For the financial years under review, the other income includes, among others, the following:

	<----- Proforma Audited FYE 30 April ----->			
	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of investment property	-	137	5,005	-
Gain on disposal of property, plant and equipment	237	-	311	14
Rental income	275	206	95	6
Reversal of impairment loss on trade receivables	-	21	147	396

For FYE 30 April 2012, our Group disposed an investment property which was partially used as our Group's branch office cum warehouse located in Kota Kinabalu, Sabah, for RM8.500 million. This resulted in a gain on disposal amounting to RM5.005 million after accounting for real property gains tax. The investment property was disposed off as the premise was larger than the needs of our Group and in excess of our immediate requirements. Our Group has rented smaller premises to house our Group's operations in Kota Kinabalu, Sabah, in line with the scale of our operations there. For the FYE 30 April 2013, there was a reversal of impairment loss on trade receivables amounting to RM0.396 million arising from the collections received during the financial year.

Selling and Distribution Expenses

Expenses that fall into this category are those which relate to our sales and distribution function, namely remuneration and expenses incurred by our marketing and sales related personnel as well as carriage, transportation, handling and packaging expenses. The quantum of this category of expenses has a correlation with our Group's sales. Selling and distribution expenses constituted approximately 7.51%, 7.39%, 8.79% and 9.73% of our Group's revenue for FYE 30 April 2010 to 2013, respectively. The higher selling and distribution expenses as a proportion to our Group's revenue for FYE 30 April 2012 was mainly due to a number of factors such as an increase in payroll cost and higher commission paid mainly to our distributors and commission agents. For FYE 30 April 2013, the increase was mainly due to an increase in payroll cost and higher ocean freight rates incurred in respect of our export sales.

Administrative Expenses

Expenses that fall into this category are relatively fixed in nature such as remuneration and expenses of directors and support/administration personnel, depreciation, office rental, utilities as well as upkeep and maintenance costs. While the quantum of this category of expenses shows an increase as the scale of our Group's operations increase, the increase was proportionately less than the increase in revenue. Administrative expenses constituted approximately 10.31%, 8.45%, 9.15% and 8.69% of our Group's revenue for FYE 30 April 2010 to 2013, respectively.

Finance Expenses

Finance expenses are mainly interest incurred for borrowings such as those incurred from our trade lines drawn down to finance the purchase of our trading stocks and to a lesser extent term loans taken to finance our purchases of property, plant and equipment. This category of expenses constituted less than 1% of our Group's revenue during each of the financial years under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Tax Expenses

Tax expenses comprise current year provision for taxation and deferred taxation including any under or overprovision of taxation in the previous years.

12.I.I Significant factors affecting our profits

The main factors that have affected and are expected to continue to affect our profits include but are not limited to the following:

(i) Growth

Our growth is, inter-alia, affected by:

(a) Demand for aftermarket parts and components in Malaysia

Our revenue is affected by several factors, one of which is the demand for automotive parts and components. This is in view of the fact that approximately 60.26% of our Group's revenue for the FYE 30 April 2013 was generated from the domestic market (including Singapore). As disclosed in the IMR Report, the size of the automotive aftermarket for parts and components in Malaysia in 2012 is RM3.61 billion and is expected to reach RM4.39 billion in 2017 representing a CAGR of 4.00%.

(b) Identification of aftermarket products

Another factor which may affect our growth is our ability to keep abreast with the latest models of automotive parts and components introduced to the market. This is important to our efforts in staying competitive by enabling us to expand our products range, increase our market share and penetrate into new markets.

(ii) Tax consideration

The following table sets out the comparison between our effective and statutory tax rate for the four (4) FYE 30 April 2010 to 2013:

	<----- Proforma Audited FYE 30 April ----->			
	2010	2011	2012	2013
	%	%	%	%
Statutory tax rate	25.00	25.00	25.00	25.00
Effective tax rate	26.76	26.09	15.83	25.73

In general, our effective tax rate for the period under review is slightly higher than the statutory tax rate mainly due to the incurrence of certain expenses, such as entertainment expenses, depreciation of investment properties and certain property, plant and equipment which are not deductible for tax purposes. However, during FYE 30 April 2012, our Group effective tax rate is lower than the statutory tax rate mainly due to the disposal of an investment property which was partially used as our Group's branch office cum warehouse located in Kota Kinabalu, Sabah, for RM8.500 million that was subject to real property gains tax.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(iii) **Competitive Strengths**

Our Group's key competitive strengths which include experienced human capital, wide distribution network, a wide range of automotive parts and components and brand selection and established business relationship with our customers.

Please refer to Section 6.6 of this Prospectus for further information on our competitive strengths.

(iv) **Business Risks**

Our Group's business risks include, amongst others, lack of long-term contracts with our customers, lack of formal contracts for distributorships of third party branded products, operating in a competitive environment, dependency on the continued employment and performance of our Directors and key management, exposure to fluctuations in the foreign exchange rates, political, economic and regulatory risk, exposure to product warranty claims and the risk of shipping disruptions.

Please refer to Section 4 of this Prospectus for further information on risks factors relating to our Group.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.2 RESULTS OF OPERATIONS

(a) FYE 30 April 2010, 30 April 2011, 30 April 2012 and 30 April 2013

The following table presents the financial information from our proforma consolidated statements of profit or loss and other comprehensive income, the percentage such amounts represent of our total revenue and their percentage change for the years indicated of which the details are discussed in the ensuing paragraphs:

	Proforma Audited FYE 30 April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	% of revenue	RM'000	% of revenue	RM'000	% of revenue	RM'000	% of revenue	%	%	%	%	%	%
Revenue	80,767	100.00	88,201	100.00	104,155	100.00	108,794	100.00	9.20	18.09	4.45			
Cost of sales	(58,153)	(72.00)	(63,606)	(72.11)	(72,993)	(70.08)	(76,490)	(70.31)	9.38	14.76	4.79			
GP	22,614	28.00	24,595	27.89	31,162	29.92	32,304	29.69	8.76	26.70	3.66			
Other income	1,247	1.54	756	0.86	6,196	5.95	1,074	0.99	(39.37)	719.58	(82.67)			
	23,861	29.54	25,351	28.74	37,358	35.87	33,378	30.68	6.24	47.36	(10.65)			
Selling and distribution expenses	(6,069)	(7.51)	(6,519)	(7.39)	(9,154)	(8.79)	(10,582)	(9.73)	7.41	40.42	15.60			
Administrative expenses	(8,325)	(10.31)	(7,457)	(8.45)	(9,534)	(9.15)	(9,455)	(8.69)	(10.43)	27.85	(0.83)			
Finance costs	(468)	(0.58)	(480)	(0.54)	(756)	(0.73)	(679)	(0.62)	2.56	57.50	(10.19)			
PBT	8,999	11.14	10,895	12.35	17,914	17.20	12,662	11.64	21.07	64.42	(29.32)			
Taxation	(2,408)	(2.98)	(2,843)	(3.22)	(2,836)	(2.72)	(3,258)	(2.99)	18.06	(0.25)	14.88			
PAT	6,591	8.16	8,052	9.13	15,078	14.48	9,404	8.64	22.17	87.26	(37.63)			

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(i) Revenue

The following table presents our revenue, the percentage such amounts represent of our total revenue and their percentage change for the years indicated of which the details are discussed in the ensuing paragraphs:

By company

	Proforma Audited FYE 30 April														
	2010		2011		2012		2013		% Change from 2010 to 2011		% Change from 2011 to 2012		% Change from 2012 to 2013		
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	%	%	%	%	%	%	
Revenue															
Solid Corporation	61,728	64.69	70,882	70.12	77,745	64.57	85,665	70.00	14.83	9.68	10.19				
JBS	6,656	6.97	7,434	7.35	8,703	7.23	7,741	6.32	11.69	17.07	(11.05)				
Uni Point	3,825	4.01	4,200	4.16	3,980	3.31	3,866	3.16	9.80	(5.24)	(2.86)				
HKT	801	0.84	2,128	2.11	-	-	-	-	165.67	(100)	-				
Twinco [^]	16,204	16.98	5,556	5.50	19,840	16.48	16,612	13.57	(65.71)	257.09	(16.27)				
Auto Empire	6,213	6.51	10,881	10.76	10,126	8.41	8,511	6.95	75.13	(6.94)	(15.95)				
Inter-company adjustments *	95,427	100.00	101,081	100.00	120,394	100.00	122,395	100.00	5.92	19.11	1.66				
	(14,660)		(12,880)		(16,239)		(13,601)		-	-	-				
Total revenue	80,767		88,201		104,155		108,794		9.20	18.09	4.45				

Notes:

* The intercompany adjustments are in relation to intra-group sales and purchases.

[^] For FYE 30 April 2011, only four (4) months financial information was included as Twinco changed its financial year end to be coterminous with the Group's financial year end.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

By activities / product groups and brands

	Proforma Audited FYE 30-April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	%	%	%	%	%	%
Revenue														
By activities / product group:														
a. Trading:														
Automotive electrical parts:														
- In-house brands	31,824	39.40	39,719	45.03	40,399	38.79	48,847	44.90	24.81	1.71	20.91			
- Third party brands	18,870	23.36	22,140	25.10	21,505	20.65	23,439	21.54	17.33	(2.87)	8.99			
	50,694	62.76	61,859	70.13	61,904	59.44	72,286	66.44	22.02	0.07	16.77			
Engine and mechanicals parts:														
- In-house brands	964	1.20	2,113	2.40	4,790	4.60	5,413	4.98	119.19	126.69	13.01			
- Third party brands	20,515	25.40	15,812	17.93	27,916	26.80	22,960	21.10	(22.92)	76.55	(17.75)			
	21,479	26.60	17,925	20.33	32,706	31.40	28,373	26.08	(16.55)	82.46	(13.25)			
Total trading revenue	72,173	89.36	79,784	90.46	94,610	90.84	100,659	92.52	10.55	18.58	6.39			
b. Manufacturing:														
Remanufactured alternators and starters:														
- In-house brands	8,594	10.64	8,417	9.54	9,545	9.16	8,135	7.48	(2.06)	13.40	(14.77)			
Total revenue	80,767	100.00	88,201	100.00	104,155	100.00	108,794	100.00	9.20	18.09	4.45			
By brands:														
- In-house brands	41,382	51.24	50,249	56.97	54,734	52.55	62,395	57.35	21.43	8.93	14.00			
- Third party brands	39,385	48.76	37,952	43.03	49,421	47.45	46,399	42.65	(3.64)	30.22	(6.11)			
Total revenue	80,767	100.00	88,201	100.00	104,155	100.00	108,794	100.00	9.20	18.09	4.45			

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

By geographical markets

	Proforma Audited FYE 30 April														
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013		
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
Revenue															
Domestic market:															
- Malaysia and Singapore [#]	54,221	67.13	56,245	63.77	67,728	65.03	65,558	60.26	3.73	20.42	(3.20)				
Overseas market:															
- Middle East and Africa*	20,296	25.13	25,766	29.21	30,370	29.16	37,489	34.46	26.95	17.87	23.44				
- Others [^]	6,250	7.74	6,190	7.02	6,057	5.81	5,747	5.28	(0.96)	(2.15)	(5.12)				
	26,546	32.87	31,956	36.23	36,427	34.97	43,236	39.74	20.38	13.99	18.69				
Total revenue	80,767	100.00	88,201	100.00	104,155	100.00	108,794	100.00	9.20	18.09	4.45				

Notes:

The sales generated for the Singapore market formed less than 1.00% of the total revenue for each of the past four (4) financial years under review.

* Middle East and Africa overseas market includes amongst others, Saudi Arabia, UAE, Libya, Egypt, Syria, Iran, Yemen, Oman, Turkey, Jordan and Cyprus.

^ Other overseas market includes amongst others, Ecuador, Indonesia, Thailand, Sri Lanka, Philippines, Peru, Guatemala, Taiwan, Colombia, China, USA, Hong Kong, El Salvador, Fiji, India, Australia, Nepal, New Zealand, UK, Iran, Bolivia, Costa Rica, Pakistan, Russia, Ireland and Lithuania.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

For the FYE 30 April 2011, our Group's revenue grew by 9.20% or approximately RM7.434 million from RM80.767 million in FYE 30 April 2010 to RM88.201 million in FYE 30 April 2011. The increase in revenue was mainly attributable to the following:

- (a) An increase in sales in the domestic market amounting to RM2.024 million or 3.73%; and
- (b) An increase in sales in the Middle East and African market amounting to RM5.470 million or 26.95%.

Our strategic decision to focus our overseas marketing and sales efforts in the Middle East and African market started to show visible results with revenue from this market having increased by approximately 26.95% on a year on year basis.

Furthermore, as illustrated above, automotive electrical parts remained our largest revenue contributor and the revenue contribution from this product group has increased from 62.76% for FYE 30 April 2010 to 70.13% for FYE 30 April 2011. The increase is due to:

- (a) Higher revenue growth of in-house branded automotive electrical parts; and
- (b) Revenue contribution from third party branded engine and mechanical parts as compared to our in-house branded automotive electrical parts, was lower due to the inclusion of only four (4) months of Twincó's results for the FYE 30 April 2011, our wholly-owned subsidiary company which deals in the above products.

In line with our efforts in promoting our in-house brands and also due to lower contribution from Twincó for reasons explained above, revenue contribution from our in-house branded products increased by RM8.867 million from RM41.382 million for FYE 30 April 2010 to RM50.249 million for the FYE 30 April 2011, representing 56.97% of our Group's revenue.

For the FYE 30 April 2012, our Group's revenue grew by 18.09% or approximately RM15.954 million from RM88.201 million for FYE 30 April 2011 to RM104.155 million for FYE 30 April 2012. The increase in revenue was mainly attributable to the following:

- (a) An increase in sales for the domestic market amounting to RM11.483 million or 20.42%; and
- (b) An increase in sales for the Middle East and African market amounting to RM4.604 million or 17.87%.

As illustrated above, revenue contribution from third party branded engine and mechanical parts towards our Group's revenue increased from 17.93% for FYE 30 April 2011 to 26.80% for FYE 30 April 2012 due to inclusion of the full 12 months of Twincó's results, our wholly-owned subsidiary company which deals in the above products. Nevertheless, revenue from our in-house branded products (comprising automotive electrical parts, engine and mechanical parts and remanufactured alternators and starters) continued to increase by 8.93% or RM4.485 million from RM50.249 million for FYE 30 April 2011 to RM54.734 million for FYE 30 April 2012.

For the FYE 30 April 2013, our Group's revenue grew by 4.45% or approximately RM4.639 million from RM104.155 million for FYE 30 April 2012 to RM108.794 million for FYE 30 April 2013. The increase in revenue was mainly attributable to an increase in sales for the Middle East and African market amounting to RM7.119 million or 23.44% which was partially offset by the marginal decrease in sales for the domestic market of RM2.170 million or 3.20%.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Further, the revenue contribution from our in-house branded products (comprising automotive electrical parts, engine and mechanical parts and remanufactured alternators and starters) continued to increase by 14.00% or RM7.661 million from RM54.734 million for FYE 30 April 2012 to RM62.395 million for FYE 30 April 2013, as a result of increased marketing and sale efforts as discussed above. Revenue from our in-house branded products for FYE 30 April 2013 made up approximately 57.35% of our total revenue compared to 52.55% for FYE 30 April 2012. On the other hand, while our revenue from third party branded automotive electrical parts increased by RM1.934 million for FYE 30 April 2013 compared to FYE 30 April 2012, revenue from third party branded engine and mechanical parts decreased by RM4.956 million over the same period. The lower revenue from third party branded engine and mechanical parts was mainly due to lower orders from our local customers servicing the oil palm and timber sectors. These sectors experienced lower crude palm oil and timber prices during FYE 30 April 2013. As a result of a lower crude palm oil and timber prices, the plantation and timber concession owners tend to minimise their repairs and maintenance expenses which resulted in lower usage of spare parts.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

(ii) Cost of Sales, GP and GP MarginCost of Sales

The following table presents our cost of sales, the percentage such amounts represent of our total cost of sales and their percentage change for the years indicated of which the details are discussed in the ensuing paragraphs:

By company

	Proforma Audited FYE 30 April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Cost of Sales	45,621	62.45	51,479	67.09	55,893	62.61	61,527	67.83	12.84	8.57	10.08			
Solid Corporation	6,502	8.90	7,175	9.35	8,084	9.05	7,515	8.29	10.35	12.67	(7.04)			
JBS	3,063	4.19	3,339	4.35	3,203	3.59	3,176	3.50	9.01	(4.07)	(0.84)			
Uni Point	709	0.97	2,046	2.67	-	0.00	-	0.00	188.58	-	-			
HKT	12,128	16.60	4,109	5.36	14,222	15.93	11,863	13.08	(66.12)	246.12	(16.59)			
Twinco [^]	5,033	6.89	8,582	11.18	7,874	8.82	6,624	7.30	70.51	(8.25)	(15.88)			
Auto Empire	73,056	100.00	76,730	100.00	89,276	100.00	90,705	100.00	5.03	16.35	1.60			
Inter-company adjustments *	(14,903)		(13,124)		(16,283)		(14,215)		-	-	-			
Total cost of sales	58,153		63,606		72,993		76,490		9.38	14.76	4.79			

Notes:

* The inter-company adjustments are in relation to intra group sales and purchases.

[^] For FYE 30 April 2011, only four (4) months financial information was included as Twinco changed its financial year end to be coterminous with the Group's financial year end.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

By activities

	Proforma Audited FYE 30 April														
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013		
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	%	%	%	%	%	%	
Cost of Sales															
Trading:															
- Purchases	51,044	87.77	56,679	89.11	65,754	90.08	69,122	90.37	11.04	16.01	5.12				
Remanufacturing:															
- Raw materials	5,466	9.40	4,806	7.56	5,239	7.18	5,331	6.97	(12.07)	9.01	1.76				
- Direct labour	975	1.68	1,088	1.71	1,145	1.57	1,172	1.53	11.59	5.24	2.36				
- Production overheads	668	1.15	1,033	1.62	855	1.17	865	1.13	54.64	(17.23)	1.17				
	7,109	12.23	6,927	10.89	7,239	9.92	7,367	9.63	(2.56)	4.50	1.77				
Total cost of sales	58,153	100.00	63,606	100.00	72,993	100.00	76,490	100.00	9.38	14.76	4.79				

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

By geographical markets

	Proforma Audited FYE 30 April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	%	%	%	%	%	%
Cost of Sales														
Domestic market:														
- Malaysia and Singapore [#]	37,914	65.20	39,413	61.96	46,503	63.71	45,312	59.24	3.95	17.99	(2.56)			
Overseas market:														
- Middle East and Africa	15,240	26.20	19,123	30.07	21,517	29.48	26,552	34.71	25.48	12.52	23.40			
- Others	4,999	8.60	5,070	7.97	4,973	6.81	4,626	6.05	1.42	(1.91)	(6.98)			
	20,239	34.80	24,193	38.04	26,490	36.29	31,178	40.76	19.54	9.49	17.70			
Total cost of sales	58,153	100.00	63,606	100.00	72,993	100.00	76,490	100.00	9.38	14.76	4.79			

Note:

The sales generated for the Singapore market formed less than 1.00% of the total revenue for each of the past four (4) financial years under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

GP and GP margin

The following table presents our GP and GP margin, the percentage such amounts represent of our total GP and GP margin and their percentage change for the years indicated of which the details are discussed in the ensuing paragraphs:

By company

GP	Proforma Audited FYE 30 April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Solid Corporation	16,107	72.00	19,403	79.68	21,852	70.22	24,138	76.17	20.46	12.62	10.46			
JBS	154	0.69	259	1.06	619	1.99	226	0.71	68.18	139.00	(63.49)			
Uni Point	762	3.41	861	3.54	777	2.50	690	2.18	12.99	(9.76)	(11.20)			
HKT	92	0.41	82	0.34	-	-	-	-	(10.87)	-	-			
Twinco [^]	4,076	18.22	1,447	5.94	5,618	18.05	4,749	14.99	(64.50)	288.25	(15.47)			
Auto Empire	1,180	5.27	2,299	9.44	2,252	7.24	1,887	5.95	94.83	(2.04)	(16.21)			
	22,371	100.00	24,351	100.00	31,118	100.00	31,690	100.00	8.85	27.79	1.84			
Inter-company adjustments *	243		244		44		614		-	-				
Total GP	22,614		24,595		31,162		32,304		8.76	26.70	3.66			

Notes:

* The intercompany adjustments are in relation to intra-group sales and purchases

[^] For FYE 30 April 2011, only four (4) months financial information was included as Twinco changed its financial year end to be coterminous with the Group's financial year end.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

<i>GP Margin</i>	<i><----- Proforma Audited FYE 30 April -----></i>			
	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
<i>Solid Corporation</i>	<i>26.09</i>	<i>27.37</i>	<i>28.11</i>	<i>28.18</i>
<i>JBS</i>	<i>2.31</i>	<i>3.48</i>	<i>7.11</i>	<i>2.92</i>
<i>Uni Point</i>	<i>19.92</i>	<i>20.50</i>	<i>19.52</i>	<i>17.85</i>
<i>HKT</i>	<i>11.49</i>	<i>3.85</i>	<i>-</i>	<i>-</i>
<i>Twinco</i>	<i>25.15</i>	<i>26.04</i>	<i>28.32</i>	<i>28.59</i>
<i>Auto Empire</i>	<i>18.99</i>	<i>21.13</i>	<i>22.24</i>	<i>22.17</i>
<i>Group GP margin</i>	<i>28.00</i>	<i>27.89</i>	<i>29.92</i>	<i>29.69</i>

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

By activities / product groups and brands

	Proforma Audited FYE 30 April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
GP														
By activities / product group:														
Trading:														
Automotive electrical parts:														
- In-house brands	11,681	51.65	14,928	60.70	15,886	50.98	17,639	54.60	27.80	6.42	11.03			
- Third party brands	3,912	17.30	3,946	16.04	3,971	12.74	4,539	14.05	0.87	0.63	14.30			
Engine and mechanicals parts:														
- In-house brands	189	0.84	417	1.70	1,197	3.84	1,427	4.42	120.63	187.05	19.21			
- Third party brands	5,347	23.64	3,814	15.51	7,802	25.04	6,740	20.86	(28.67)	104.56	(13.61)			
	5,536	24.48	4,231	17.21	8,999	28.88	8,167	25.28	(23.57)	112.69	(9.25)			
Total trading GP	21,129	93.43	23,105	93.95	28,856	92.60	30,345	93.94	9.35	24.89	5.16			
Manufacturing:														
Remanufactured alternators and starters:														
- In-house brands	1,485	6.57	1,490	6.05	2,306	7.40	1,959	6.06	0.34	54.77	(15.05)			
Total GP	22,614	100.00	24,595	100.00	31,162	100.00	32,304	100.00	8.76	26.70	3.66			
By brands:														
- In-house brands	13,355	59.06	16,835	68.45	19,389	62.22	21,025	65.08	26.06	15.17	8.44			
- Third party brands	9,259	40.94	7,760	31.55	11,773	37.78	11,279	34.92	(16.19)	51.71	(4.20)			
Total GP	22,614	100.00	24,595	100.00	31,162	100.00	32,304	100.00	8.76	26.70	3.66			

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

	Proforma Audited FYE 30 April			
	2010	2011	2012	2013
GP Margin	%	%	%	%
By activities / product group:				
Trading:				
Automotive electrical parts:				
- In-house brands	36.71	37.58	39.32	36.11
- Third party brands	20.73	17.82	18.47	19.37
Engine and mechanicals parts:				
- In-house brands	19.61	19.73	24.99	26.36
- Third party brands	26.06	24.12	27.95	29.36
Manufacturing:				
Remanufactured alternators and starters:				
- In-house brands	17.28	17.70	24.16	24.08
By brands:				
- In-house brands	32.27	33.50	35.42	33.70
- Third party brands	23.51	20.45	23.82	24.31
Group GP margin	28.00	27.89	29.92	29.69

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

By geographical markets

	Proforma Audited FYE 30 April													
	2010		2011		2012		2013		Change from 2010 to 2011		Change from 2011 to 2012		Change from 2012 to 2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
GP														
Domestic market:														
- Malaysia and Singapore [#]	16,307	72.11	16,832	68.44	21,225	68.11	20,246	62.67	3.22	26.10	(4.61)			
Overseas market:														
- Middle East and Africa	5,056	22.36	6,643	27.01	8,853	28.41	10,937	33.86	31.39	33.27	23.54			
- Others	1,251	5.53	1,120	4.55	1,084	3.48	1,121	3.47	(10.47)	(3.21)	3.41			
	6,307	27.89	7,763	31.56	9,937	31.89	12,058	37.33	23.09	28.00	21.34			
Total GP	22,614	100.00	24,595	100.00	31,162	100.00	32,304	100.00	8.76	26.70	3.66			

	Proforma Audited FYE 30 April							
	2010		2011		2012		2013	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
GP Margin								
Domestic market:								
- Malaysia and Singapore [#]		30.07		29.93		31.34		30.88
Overseas market:								
- Middle East and Africa		24.91		25.78		29.15		29.17
- Others		20.02		18.09		17.90		19.51
Group GP margin		28.00		27.89		29.92		29.69

Note:
#

The sales generated for the Singapore market formed less than 1.00% of the total revenue for each of the past four (4) financial years under review.


12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

GP increased by approximately RM1.981 million or 8.76% from RM22.614 million for FYE 30 April 2010 to RM24.595 million in FYE 30 April 2011, which is consistent with our revenue growth.

Our Group's GP margin for FYE 30 April 2011, at 27.89%, was consistent with the GP margin of 28.00% achieved for FYE 30 April 2010. While the GP margin from our in-house branded automotive electrical products continued to increase marginally from 36.71% for FYE 30 April 2010 to 37.58% for FYE 30 April 2011, this was set off by a decline in the GP margin from our third party branded automotive electrical parts from 20.73% for FYE 30 April 2010 to 17.82% for FYE 30 April 2011 due to price competition among the distributors.

In respect of geographical market, the GP margin for our domestic market and Middle East and African market was relatively stable. However, the GP margin for other overseas markets has declined from 20.02% in FYE 30 April 2010 to 18.09% for FYE 30 April 2011 due to discounts given to our distributors for our in-house branded products as a result of competition in these markets. This is by virtue of the fact that our in-house brands have yet to establish a strong presence in the said markets.

GP improved by approximately RM6.567 million or 26.70% from RM24.595 million for FYE 30 April 2011 to RM31.162 million in FYE 30 April 2012 and our Group's GP margin increased from 27.89% for FYE 30 April 2011 to 29.92% for FYE 30 April 2012. This was mainly as a result of higher GP margins registered for all our in-house branded products due to the following:

- (a) Our success in establishing our in-house brands, namely Hansa, as an alternative to OEM's automotive electrical and engine and mechanical parts in the Middle East and Africa market, where we were able to increase the selling prices of our in-house products by up to 19.00% during FYE 30 April 2012; and
- (b) Over the years, we also managed to establish our remanufactured alternators and starters, marketed under the brand name  (i.e. KIS) as an alternative to OEM's product. This has enabled us to increase the selling prices of our remanufactured products by up to 17.00% for all our major geographic markets.

In respect of geographical market, the Middle East and African market registered an increase in GP margin of 3.37% on a year on year basis due to the above stated reasons while our GP margin for the domestic market and other export markets remained relatively stable.

For FYE 30 April 2013, our GP improved by approximately RM1.142 million or 3.66% from RM31.162 million for FYE 30 April 2012 to RM32.304 million in FYE 30 April 2013 which is consistent with our increase in revenue. Our overall GP Margin remained relatively stable between FYE 30 April 2012 (29.92%) and FYE 30 April 2013 (29.69%). We managed to achieve better GP margin for our in-house branded engine and mechanical parts due to better pricing. We also achieved marginally higher GP margins from sales of third party branded products due to the strengthening of the RM and USD against the Euro and Japanese Yen since a sizeable proportion of our third party branded products are purchased in Euro and Japanese Yen and are resold in RM (for local market) and USD (for export market). The GP margin of our in-house branded automotive electrical parts decreased from 39.32% for FYE 30 April 2012 to 36.11% for FYE 30 April 2013 mainly due to a combination of the strengthening of the USD against the RM as well as a higher proportion of sales being derived from the Middle East and African region which command relatively lower margins than those derived from the domestic market.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (*Cont'd*)

(iii) Selling and Distribution Expenses

Our Group's selling and distribution expenses increased from RM6.069 million for FYE 30 April 2010 to RM6.519 million for FYE 30 April 2011. This increase of approximately 7.41% is consistent with our revenue growth.

Our Group's selling and distribution expenses increased from RM6.519 million for FYE 30 April 2011 to RM9.154 million for FYE 30 April 2012. This increase of 40.42%, which was proportionately more than the 18.09% increase in sales registered by our Group, was mainly due to the following:

- (a) An increase in payroll cost of RM2.122 million arising from additional sales and store personnel due to the setting up of two (2) new branches in Selangor and Penang as well as higher overall salary and commission adjustments to sales personnel; and
- (b) An increase in commission of RM0.227 million paid to our distributors and commission agents.

Our Group's selling and distribution expenses for FYE 30 April 2013 was RM10.582 million, representing an increase of 15.60% or RM1.428 million from RM9.154 million recorded in FYE 30 April 2012. This increase is proportionately higher than the increase of 4.45% in revenue over the same period, was mainly due to the following:

- (a) An increase in payroll cost of RM1.049 million arising from the increase in the payroll cost for the abovementioned two (2) new branches of Solid Corp which were in operation for their first full 12 months for FYE 30 April 2013;
- (b) An increase in transportation cost for export sales by 38.44% from RM1.051 million for FYE 30 April 2012 to RM1.455 million for FYE 30 April 2013 due to an increase in ocean freight rates; and
- (c) Higher payroll cost of RM0.110 million arising from the recruitment of a business development manager and staff to develop the export market for engine and mechanical products (third party brands).

(iv) Administrative Expenses

Despite an increase in revenue of 9.20% for FYE 30 April 2011 compared to FYE 30 April 2010, our Group's administrative expenses decreased by RM0.868 million or 10.43% from RM8.325 million for FYE 30 April 2010 to RM7.457 million for FYE 30 April 2011. This is mainly due to a reduction of RM0.965 million in administrative expenses from the inclusion of only four (4) months results for Twinco.

Our Group's administrative expenses increased from RM7.457 million for FYE 30 April 2011 to RM9.534 million for FYE 30 April 2012. This increase of 27.85% was mainly due to the following:

- (a) An increase in Directors' remuneration due to an upward revision to the remuneration of existing Directors and appointment of an additional Executive Director totalling RM0.659 million;
- (b) Higher loss on foreign exchange arising from purchases denominated in the Japanese Yen and USD of RM0.350 million mainly due to unfavourable movements in the exchange rates of these currencies relative to the RM between the dates of transaction and dates of settlement;

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

- (c) Additional depreciation charges of RM0.100 million arising from the additional property, plant and equipment purchased during the year; and
- (d) Higher expenses such as electricity and water, insurance, repair and upkeep charges amounting to RM0.391 million arising from the two (2) additional branches set up in Selangor and Penang.

For FYE 30 April 2013, our Group's administrative expenses was relatively well controlled at RM9.455 million which represents a decrease of 0.83% or RM0.079 million compared to RM9.534 million recorded for FYE 30 April 2012.

(v) **Finance Costs**

Finance costs constituted less than 1% of our revenue and remained relatively consistent at RM0.480 million for FYE 30 April 2011 compared to RM0.468 million for FYE 30 April 2010.

Our finance costs increased from RM0.480 million for FYE 30 April 2011 to RM0.756 million for FYE 30 April 2012 mainly due to higher utilisation of trade lines. Nevertheless, this category of expenses constituted less than 1% of our Group's revenue for the financial year under review.

Despite achieving higher sales, our finance cost for FYE 30 April 2013 was marginally lower at RM0.679 million compared to RM0.756 million for FYE 30 April 2012 due to lower utilisation of trade lines as a result of higher availability of internally generated funds.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (*Cont'd*)

(vi) PBT

As a result of higher revenue achieved with relatively stable GP margin and lower administrative expenses, our Group recorded an improvement of 21.07% or RM1.896 million in PBT for FYE 30 April 2011 of RM10.895 million as compared to PBT of RM8.999 million for FYE 30 April 2010. For FYE 30 April 2011, our PBT margin also improved to 12.35% as compared to 11.14% for FYE 30 April 2010.

Excluding the gain of RM5.005 million arising from the disposal of our investment properties, we were able to achieve a PBT of RM12.909 million which represents an increase of RM2.014 million or 18.49% compared to PBT of RM10.895 million achieved for FYE 30 April 2011. The investment property was partially used as our Group's branch office cum warehouse located in Kota Kinabalu, Sabah, but was disposed off as the premise was larger than the needs of our Group and in excess of our immediate requirements. Our Group has rented smaller premises to house our Group's operations in Kota Kinabalu, Sabah, in line with the scale of our operations there.

Our higher PBT was achieved due to our higher revenue and higher GP margin which was partially set off by our higher selling, distribution and administrative expenses. Our PBT margin for FYE 30 April 2012 (excluding the gain on disposal of investment property) was 12.39% which is relatively consistent with our PBT margin of 12.35% for FYE 30 April 2011.

Despite our Group's revenue achieving a 4.45% growth in FYE 30 April 2013, our PBT decreased by 1.91% or RM0.247 million from RM12.909 million (excluding the gain on disposal of investment property) for FYE 30 April 2012 to RM12.662 million for FYE 30 April 2013. This was mainly due to our higher selling and distribution expenses for FYE 30 April 2013 compared FYE 30 April 2012 for reasons explained above.

(vii) PAT

Our effective tax rate for FYE 30 April 2011 at 26.09% was relatively consistent with that for FYE 30 April 2010 of 26.76%. We achieved a higher PAT of RM8.052 million for FYE 30 April 2011 compared to PAT of RM6.591 million for FYE 30 April 2010. Similarly, PAT margin increased from 8.16% for FYE 30 April 2010 to 9.13% for FYE 30 April 2011.

The effective tax rate decreased significantly from 26.09% for FYE 30 April 2011 to 15.83% for FYE 30 April 2012 due to the gain on disposal of investment property not being subject to income tax. Excluding the gain on disposal of investment property, our effective tax rate was 21.97% mainly due to overprovision of income tax expense of RM0.336 million in the previous financial year.

Excluding the gain of RM5.005 million arising from the disposal, we were able to achieve a PAT of RM10.073 million for FYE 30 April 2012 which represents an increase of RM2.021 million or 25.10% compared to PAT of RM8.052 million achieved for FYE 30 April 2011. Including the gain arising from our disposal of investment property, we registered a PAT of RM15.078 million.

Our effective tax rate for FYE 30 April 2013 was 25.73% which is in line with the previous years' effective tax rate of 26.76% and 26.09% for FYE 30 April 2010 and FYE 30 April 2011 respectively. However, for FYE 30 April 2012, our Group effective tax rate is lower than the statutory tax rate mainly due to the disposal of an investment property as disclosed in Section 12.1.1(ii) of the Prospectus. Our PAT for FYE 30 April 2013 of RM9.404 million is 6.64% lower than the PAT of RM10.073 million (excluding the gain on disposal of investment property) for FYE 30 April 2012 mainly due to the lower PBT and the higher effective tax rate as explained above.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

For the financial years under review, the difference in PAT and PAT attributable to owners of our Company was due to the existence of non-controlling interests of 20.00% in JBS, a subsidiary company of Solid Corporation, and a non-controlling interest of 0.44% in Solid Corporation.

(b) General Information for the FYE 30 April 2010 to 30 April 2013

Impact from foreign currency exchange rates

For FYE 30 April 2013, our Group's export sales contributed approximately 39.74% of our Group's revenue whilst we purchased approximately 75.42% of our trading products from overseas suppliers which are transacted in foreign currencies mainly denominated in the USD, Euro and JPY. However, our exposure to foreign exchange risks is to a certain extent mitigated by the fact that a majority of our export sales are also denominated in USD which acts as a natural hedge against fluctuations in the value of the USD relative to the RM and other currencies. As an illustration on how effective this risk is mitigated, the net exposure of our purchases in foreign currencies for FYE 30 April 2013, after setting off against sales made in the same currencies, are as follows:

Transaction Currency	Exposure of Sales in RM Value Equivalent RM'000	Exposure of Purchases in RM Value Equivalent RM'000	Net Exposure in RM Value Equivalent RM'000
EUR	-	8,872	8,872
GPB	-	211	211
JPY	1,270	5,090	3,820
SGD	108	254	146
USD	42,137	37,378	4,759

Our foreign currency risk is mitigated by maintaining foreign currency accounts for the purpose of holding foreign currencies for future payments on purchases to be transacted in foreign currencies. We constantly monitor our foreign currency exchange exposure and will convert part of our cash into foreign currency as and when necessary, or when we are of the opinion the foreign exchange rates are favourable to our Group after taking into account the expected foreign currency receipts and payments to be made in the near future.

As at the LPD, our Group does not have any forward foreign currency exchange contract. Our Group will regularly monitor foreign currency exposure and review the need to enter into any forward foreign exchange contract.

Our net gains or losses on foreign exchange rates in the past four (4) FYE 30 April 2010 to 2013 are as follow:

	<----- Proforma Audited FYE 30 April ----->			
	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000
Net gain/(loss)	(9)	205	(308)	192

The above gain or losses on foreign exchange transactions are mainly due to the fluctuations in foreign currencies relative to the RM in respect of our purchases denominated in Japanese Yen and USD.

Impact from interest rates

Our Group's gearing (computed based on total interest bearing borrowings over our proforma shareholders' funds after the Acquisitions but before the Public Issue and utilisation of proceeds) stands at 0.157 times as at 30 April 2013. Given that all our borrowings are interest bearing, any interest rate hike will affect our businesses and hence we will monitor and plan for any alternative financing options should the need arise. During the past four (4) FYE 30 April 2010 to 2013, our results have not been adversely affected by interest rate fluctuations.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

Impact from commodity prices

During the past four (4) FYE 30 April 2010 to 2013, our results were not significantly affected by commodity price fluctuations. Nevertheless, although we believe that we will be able to pass on any future increase in price of raw material and cost operations to our customers, we cannot provide any assurance that any future increase in commodity prices will not have any impact on our business.

Impact of inflation

Our Group's financial performance during the past four (4) FYE 30 April 2010 to 2013 were not significantly affected by the impact of inflation. Nevertheless, although we believe that we will be able to pass on any future increase in the price of raw materials and cost of our operations to our customers, we cannot assure you that any future increases in the inflation rates will not have an adverse impact on our business in the future.

Government, economic, fiscal or monetary policies

Risks relating to political, economic, fiscal and monetary policies which may materially affect our business and financial performance are set out in Section 4.1 of this Prospectus.

Although our Group has put in place internal controls to ensure compliance with the relevant laws, there can be no assurance that any changes to the political, economic, fiscal and monetary policies will not have a material impact to our Group.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working Capital

Our business operations have been financed by a combination of internal and external sources of funds. Internal funds are mainly shareholders' equity and cash generated from our operations while the external sources are the various banking facilities extended to us by financial institutions. Our principal utilisation of funds have been for working capital, purchase of property, plant and equipment, payment of dividends, payment of taxation and repayment of banking facilities.

As at 30 April 2013, we have cash and bank balances (before the Public Issue) of RM6.084 million and total current assets (before the Public Issue) of RM68.683 million. In addition, we have utilised banking facilities amounting to RM10.138 million. Based on our Group's financial position as at 30 April 2013 (before the Public Issue), our current ratio is 3.005 times while our gearing ratio is 0.157 times.

With our Group's profitability, the Board is confident that we will be able to generate sufficient working capital and/or secure necessary financing facilities to meet any of our future operations and plans.

Our Directors are of the opinion that, after taking into account the cash and bank balances, the expected funds to be generated from operating activities, the banking facilities made available to the Group as well as the net proceeds to be raised from the Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for a period of 12 months from the date of this Prospectus.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.3.2 Cash Flow Summary

The following table sets out the summary of our proforma consolidated statement of cash flows for the FYE 30 April 2013, which have been prepared for illustrative purposes only based on the assumption that our current Group structure has been in existence throughout the financial years under review and should be read in conjunction with the notes and assumptions included in the Reporting Accountants' Report for the Compilation of Proforma Consolidated Financial Information as set out in Section 11.4 of this Prospectus.

FYE 30 April 2013	RM'000
Net cash from operating activities	14,782
Net cash for investing activities	(1,019)
Net cash for financing activities	(10,553)
Net increase in cash and bank balances	3,210
Foreign Currency Translation Reserve	4
Cash and bank balances at the beginning of financial year	2,870
Cash and bank balances at the end of financial year	6,084

Brief commentaries on our Group's proforma consolidated statement of cash flows for the FYE 30 April 2013 are set out below:

Net cash from operating activities

During the FYE 30 April 2013, our Group generated a net cash inflow of RM14.782 million from our operating activities on the back of a PBT of RM12.662 million after adjusting for, amongst others, the following:

- (i) Working capital changes of RM4.502 million;
- (ii) Depreciation charges of RM1.507 million;
- (iii) Interest paid of RM0.603 million; and
- (iv) Tax paid of RM4.043 million.

Net cash for investing activities

During the FYE 30 April 2013, we incurred a net cash outflow of RM1.019 million for investing activities mainly due to purchase of property and property, plant and equipment amounting to RM0.521 million and deposit paid for acquisition of property, plant and equipment amounting to RM0.521 million.

Net cash for financing activities

During the FYE 30 April 2013, we incurred a net cash outflow of RM10.553 million for financing activities which comprise mainly the following:

- (i) Dividends paid amounting to RM1.306 million;
- (ii) Repayment of bank term loan and hire purchase of RM0.652 million;
- (iii) Net repayment of trade lines amounting to RM7.370 million; and
- (iv) Partial payment of listing expenses amounting to RM1.079 million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Save as disclosed in Section 12.7 of this Prospectus, there is no legal, financial or economic restriction on the ability of our subsidiary companies to transfer funds to our Company in the form of cash dividends.

12.3.3 Borrowings

As at 30 April 2013, all our borrowings are secured local borrowings and interest bearing, details of which are as follows:

	Note	Proforma Group		Total RM'000
		Payable Within 12 Months RM'000	Payable After 12 Months RM'000	
Bankers' acceptances	(i)	3,126	-	3,126
Foreign currency loan	(i)	5,721	-	5,721
Hire purchase creditors	(ii)	409	455	864
Term loan	(iii)	275	152	427
Total		9,531	607	10,138
Gearing*				0.157

Notes:

- (i) Bankers' acceptance and foreign currency loan obtained for working capital purposes.
(ii) Hire purchase was utilised to finance motor vehicles.
(iii) Approximately RM0.403 million of term loan outstanding was obtained for working capital purposes while the balance was used to finance the purchase of property, plant and equipment.
* Computed based on total interest bearing borrowings over our proforma shareholders' funds after the Acquisitions but before the Public Issue and utilisation of proceeds.

The details of the types of financial instruments that we use and its balances as at the LPD are as follows:

Type of Financial Instruments	Borrower	Tenure	Interest Rates	Balance as at the LPD RM'000
Bank overdraft	(i) Solid Corporation	Revolving	1) 0.50% above bank's base lending rate	-
	(ii) Twinco	Revolving	2) 1.00% - 1.75% above bank's base lending rate	-
Bankers' acceptances ("BA")	(i) Solid Corporation	Up to 150 days	1) 0.75% - 1.50% above effective cost of funds	-
	(ii) Twinco	Between 150 and 180 days	2) 1.25% above effective cost of funds	2,215
	(iii) JBS	120 days	3) 1.00% above effective cost of funds	879
Letters of credit ("LC")	(i) Solid Corporation	90 days	Commission rate of 0.10% per month	-
	(ii) Twinco	-	-	-
	(iii) JBS	-	-	-

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Type of Financial Instruments	Borrower	Tenure	Interest Rates	Balance as at the LPD RM'000
Onshore Foreign Currency Loan ("OFCL")	(i) Solid Corporation	up to 150 days	1) 0.75% - 1.50% above effective cost of funds	5,520
	(ii) Twinco	up to 150 days	2) 1.00% - 1.25% above effective cost of funds	-
Hire purchase	(i) Solid Corporation	3 years	1.98% - 3.00%	695
	(ii) Twinco	3 years	3.10% - 3.25%	104
	(iii) JBS	5 years	2.46%	171
	(iv) Auto Empire	3 years	2.28%	148
Term loan 1 (For purchase of property)	Solid Corporation	60 months installment commencing from date of first drawdown	1.75% below bank's base lending rate	8
Term loan 2 (For purchase of property)	Solid Corporation	60 months installment commencing from date of first drawdown	1.50% below bank's base lending rate	9
Term loan 3 (For working capital purpose)	JBS	60 months installment commencing from date of first drawdown	4.00% fixed rate	36
Term loan 4 (For working capital purpose)	JBS	60 months installment commencing from date of first drawdown	1.00% above bank's base lending rate	324
Total				10,109

As at the LPD, our Group has cash and bank balances of RM3.440 million.

As at the LPD, our Group does not have any non-interest bearing borrowings or foreign borrowings. We have not defaulted on any payment of either principal sum and/or interest in relation to our borrowings during FYE 30 April 2010 to 2013 and up to the LPD.

As at the LPD, neither our Company nor any of our subsidiary companies is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loans which can materially affect our financial position and results or business operations or the investments by holders of securities in us.

Currently, our Group does not have any interest rate hedging policy. We will monitor the interest rate movement and will take the necessary steps to minimise interest rates risk whenever deemed appropriate such as implementing a hedge policy. We will endeavour to manage our interest rate risk by maintaining a mix of fixed and floating rate borrowings where necessary. However, no assurance can be given that any future significant movement in interest rates will not have a material impact on our Group's business, operating results and financial position.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.3.4 Material Capital Commitments

As at the LPD, there is no material capital commitment incurred or known to be incurred by us or our subsidiary companies, which upon become enforceable, may have a material impact on our financial position.

12.3.5 Material Litigation

As at the LPD, neither we nor our subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which may have a material and/or adverse effect on our financial position or business.

12.3.6 Contingent Liabilities

As at the LPD, our Board is not aware of any other indirect and/or material contingent liability which has become enforceable or is likely to become enforceable, which in the opinion of our Directors, will or may substantially affect the ability of our Group to meet our obligations as and when they fall due.

12.3.7 Material Capital Expenditure and Divestments

Save as disclosed below, our Group do not have any material capital expenditure and divestment for the past four (4) FYE 30 April 2010 to 2013 and up to the LPD.

Material Capital Expenditures

	Proforma Audited FYE 30 April				Up to the LPD
	2010	2011	2012	2013	
	RM'000	RM'000	RM'000	RM'000	
Land and buildings	2,024	2,256	5,577	1	3,807
Motor vehicles	-	830	1,077	741	-
Office equipment	-	473	702	192	-
Plant equipment, furniture and fixtures	521	-	-	104	-
Total expenditures	2,545	3,559	7,356	1,038	3,807

Divestment

	Proforma Audited FYE 30 April				Up to the LPD
	2010	2011	2012	2013	
	RM'000	RM'000	RM'000	RM'000	
Land and buildings	-	2,251	3,067	-	-
Total divestment	-	2,251	3,067	-	-

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.4 FINANCIAL INSTRUMENTS FOR HEDGING

We are exposed to the foreign currency risk as a significant portion of our sales and purchases are transacted in foreign currencies namely the USD, Euro, Japanese Yen, Sterling Pound and SGD. For FYE 30 April 2013, approximately 75.42% of our total purchases and 39.74% of our total sales involved foreign currencies.

To mitigate this risk, we maintain foreign currency accounts for the purpose of holding foreign currencies for future payments on purchases to be transacted in foreign currencies and/or for future receipts from export sales. We shall use the foreign currency denominated proceeds from our export sales to pay for our imports when possible. For example, the proceeds in USD will be used to pay for any of our USD-denominated purchases. We constantly monitor our foreign exchange exposure and will convert part of our cash into foreign currency as and when it is necessary, mainly based on expected payments to be made and our expectation on the future receipts from export sales as well as movement of the exchange rate.

However, there can be no assurance that any future fluctuations in the foreign exchange will not adversely impact our Group's operating and financial performance.

12.5 KEY FINANCIAL RATIOS

12.5.1 Trade Receivables

A summary of our trade receivables for the past four (4) FYE 30 April 2010 to 2013 is set out below:

	← Proforma Audited FYE 30 April →			
	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000
Trade receivables	27,535	28,796	27,332	25,179
Turnover	80,767	88,201	104,155	108,794
% of trade receivables to turnover	34.09	32.65	26.25	23.14
Trade receivables turnover period (days)	124	119	96	84

The normal credit period generally granted by our Group to our customers is between 30 days and 90 days. Our credit terms to customers are assessed and approved on a case-by-case basis. Our trade receivables turnover period for FYE 30 April 2010 to 2012 has been higher than our Group's credit period granted to our customers.

We have implemented several measures to improve the collection of these trade debts. Among the measures taken include the formation of a credit control committee in November 2010 which oversees the operation of credit control including credit checks on all our new customers. Additionally, the committee sets/reviews credit limits for each of our customers and subsequently monitor collection performance from these customers which will be reported in periodic meetings held together with our Directors. As a result of the measures taken, our Group managed to reduce the trade receivable turnover period to 84 days for FYE 30 April 2013.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

We have not experienced any instances of significant bad debts for the financial years under review. Our Group will assess the collectability of trade receivable on individual customer basis which have been outstanding for more than six (6) months.

As at 30 April 2013, the net trade receivables of our Group amounted to approximately RM25.179 million which can be analysed as follows:

	Within Credit	Exceeding Credit Period (days)			Total
	Period (days)				
	0 – 90	91 – 180	181 – 270	Over 270	
Trade receivables (RM'000)	17,415	6,327	758	1,827	26,327
Less: Impairment losses (RM'000)	-	-	-	(1,148)	(1,148)
Net trade receivables	17,415	6,327	758	679	25,179
% of total trade receivables	69.16	25.13	3.01	2.70	100.00
Subsequent collections as at the LPD (RM'000)	(7,112)	(5,131)	(151)	(563)	(12,957)
Trade receivables net of subsequent collections (RM'000)	10,303	1,196	607	116	12,222
% of trade receivables net of subsequent collections	59.16	18.90	80.08	17.08	48.54

As at the LPD, we have collected approximately RM12.957 million of the total trade receivables outstanding as at 30 April 2013. We have collected RM5.845 million or 75.28% of the amount exceeding the normal credit period. Our Directors are of the opinion that the remaining RM1.919 million or 24.72% of the amount exceeding the credit period (net of allowance for impairment losses) are recoverable after taking into consideration the long term relationship with most of these customers and the various credit control measures implemented by us to minimise the incidence of customers default.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.5.2 Trade Payables

A summary of our trade payables for the past four (4) FYE 30 April 2010 to 30 April 2013 is set out below:

	← Proforma Audited FYE 30 April →			
	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000
Trade payables	9,643	7,333	9,883	8,204
Cost of sales	58,153	63,606	72,993	76,490
% of trade payables to cost of sales	16.58	11.53	13.54	10.73
Trade payables turnover period (days)	61	42	49	39

The normal credit terms granted to our Group by our suppliers ranges from 30 days to 90 days. Our Group believes that the timely settlement of our trade payables will benefit our Group for more favourable pricings from our suppliers. The timely settlement will also enhance our Group's relationship and reputation with these suppliers.

The trade payables turnover period ranged from approximately 39 days to 61 days during the financial years under review. Save for FYE 30 April 2012 of which there was a slight increase on trade payables turnover period mainly due to increase in purchases in line with higher level of orders received from our customers. Our Group's trade payables turnover period has been generally on a declining trend for the past four (4) FYE 30 April 2010 to 30 April 2013 due to prompt payment made to our suppliers.

As at 30 April 2013, the trade payables of our Group amounted to approximately RM8.204 million which can be analysed as follows:

	Within Credit Period (days)	← Exceeding Credit Period (days) →			Total
	0 – 90	91 – 180	181 – 270	Over 270	
Trade payables (RM'000)	5,823	2,381	-	-	8,204
% of total trade payables	70.98	29.02	-	-	100.00

As at the LPD, all trade payables outstanding are within the credit period extended by our suppliers save for RM0.030 million which is over the credit term granted by our suppliers.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

12.5.3 Inventories

A summary of our inventories for the past four (4) FYE 30 April 2010 to 2013 is set out below:

	←←←←Proforma Audited FYE 30 April →→→→			
	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000
Raw materials	3,195	4,085	3,807	3,001
Work-in-progress	195	178	557	593
Finished goods	-	-	3,519	2,803
Trading goods (including goods-in-transit)	20,709	22,511	29,952	28,092
	24,099	26,774	37,835	34,489
Cost of sales	58,153	63,606	72,993	76,490
% of inventories to cost of sales	41.44	42.09	51.83	45.09
Inventories turnover period (days)	151	154	189	165

Our average inventory holding period has historically been approximately 150 days. However, for FYE 30 April 2012, our inventory holding period increased to 189 days mainly due to higher orders received from our Group's export customers. Our Group has increased the inventory level to meet the said orders from our customers. By 30 April 2013, we managed to reduce our inventory holding period to 165 days. As at 30 April 2013, we have finished goods and trading goods of RM30.895 million while the outstanding orders from our customers was RM24.755 million as at that date.

Our closing inventory for FYE 30 April 2013 is lower at RM34.489 million as compared to FYE 30 April 2012 of RM37.835 million as a result of improvement to our Group's delivery turnaround time. The increase in cost of sales for FYE 30 April 2013 is generally due to the higher sales generated for FYE 30 April 2013, wherein the increase in cost of sales of 4.79% from FYE 30 April 2012 to FYE 30 April 2013 is generally in line with the increase in revenue of 4.45% from FYE 30 April 2012 to FYE 30 April 2013. As a proportion to revenue, cost of sales has remained relatively constant for FYE 30 April 2012 and FYE 30 April 2013 at 70.08% and 70.31% respectively as disclosed in Section 12.2(a) of this Prospectus.

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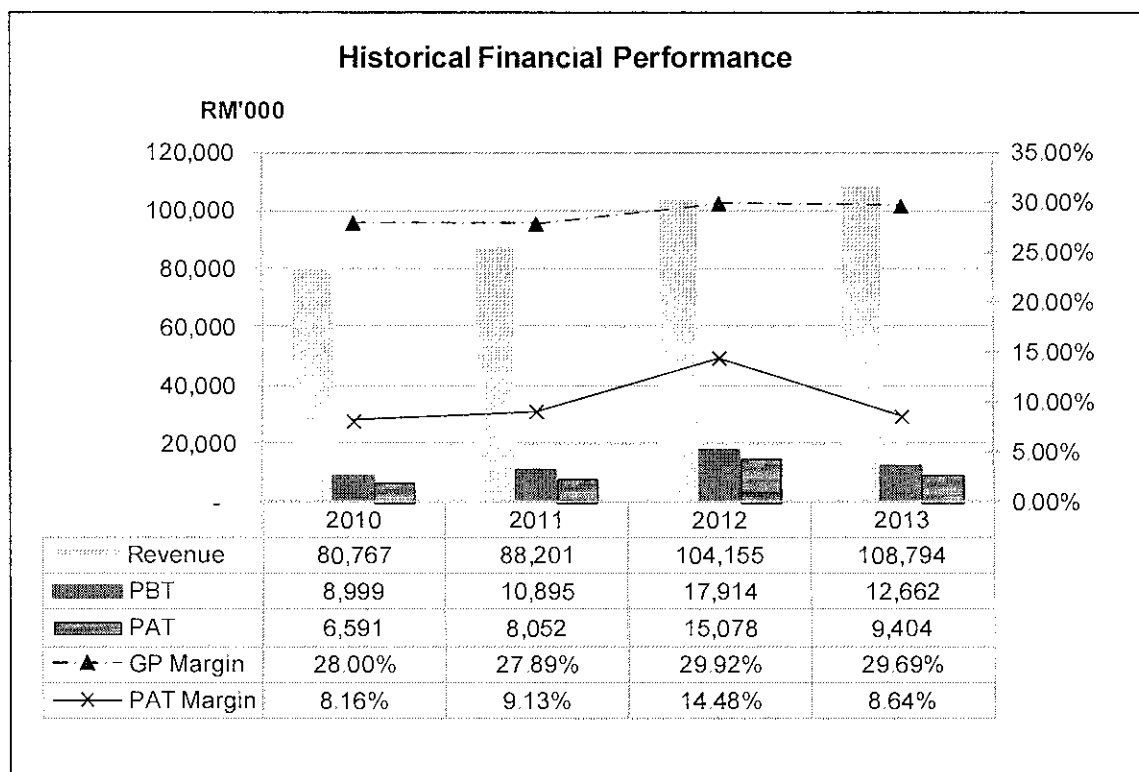
I2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

I2.6 SIGNIFICANT TRENDS

I2.6.I Revenue and Business and Financial Prospects

The following discussion regarding industry trends includes forward looking statements that involve risks and uncertainties. Actual results may differ materially from those projected in these forward looking statements.

Based on the financial performance and business operations of the Group over the past four (4) FYE 30 April 2010 to 2013, the following trends were observed:



The Group recorded a growth in revenue from RM80.767 million for FYE 30 April 2010 to RM108.794 million for FYE 30 April 2013.

The revenue growth of 34.70% over this period was mainly due to our continued efforts to widen and increase our distribution network in the domestic market and our success in penetrating the export markets especially the Middle East.

The Board believes that the growth momentum is sustainable in the next few years based on the following factors:

- (i) According to the IMR Report, the size of the automotive aftermarket for parts and components in Malaysia in 2012 is RM3.61 billion and is expected to reach RM4.39 billion in 2017 representing a CAGR of 4.0%; and
- (ii) The Middle East and Africa market remains promising as shown by our Group's sales to this market which has grown by 84.71% from the FYE 30 April 2010 to 2013.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS (Cont'd)

Our GP margin has been increasing gradually over the years from 28.00% for FYE 30 April 2010 to 29.69% for FYE 30 April 2013. This is mainly due to the increasing revenue contribution from our in-house branded products which command higher margin than our third party branded products. Our Group's GP margin for in-house brand automotive electrical parts for FYE 30 April 2010 to FYE 30 April 2013 has consistently been higher than the third party brands for automotive electrical parts. Our Group expects this trend to be maintained as we continue to promote our in-house brands. Further, our Group plans to expand into the manufacturing/assembly of new alternators and starters that will be packed under our in-house brand name, Hansa Parts. As such, we expect further gradual growth in our GP margin as the proportion of sales of our in-house branded products continue to increase in relation to our total revenue. Please refer to Section 6.16.1(i) for further details on our Group's future plan to expand our principal activities.

Our Group had in the recent years expanded our geographical reach in the domestic market through the establishment of Pahang and Melaka branch in 2009 and as well as in Penang and Selangor in 2011. As a result of such expansion, contribution from domestic market had increased by 3.73% for FYE 30 April 2011 and 20.42% for FYE 30 April 2012. For FYE 2013, contribution from domestic market decreased marginally by 3.20% mainly due to lower orders from our local customers servicing the oil palm and timber sectors. These sectors experienced lower crude palm oil and timber prices during FYE 30 April 2013. As a result of a lower crude palm oil and timber prices, the plantation and timber concession owners tend to minimise their repairs and maintenance expenses which resulted in lower usage of spare parts. For export market, our Group also registered an increase of 20.38% for FYE 30 April 2011, 13.99% for FYE 30 April 2012 and 18.69% for FYE 30 April 2013 as a result of continuous marketing efforts undertaken by our Group such as continuous participation in tradeshows and exhibition.

Our Group intends to further penetrate the domestic market, amongst others, through the increase of Twinco's market coverage to central and northern region of West Malaysia through the establishment of Twinco's sales office and warehouse in Kuala Lumpur as highlighted in Section 6.16.1 of this Prospectus.

As disclosed in Section 6.16 of this Prospectus, the Group also intends to expand our principal activities by venturing into the manufacturing/assembly of new alternators and starters. Further, under the proposed centralisation of our Group's operations, the Group intends to construct an integrated operations complex for the purpose of streamlining our entire operations and to improve efficiency and as well as accommodate future expansion plan.

12.6.2 Order Book

As highlighted in Section 4.1.1, we do not have any long term contracts with our customers. Nevertheless, as at the LPD, our outstanding orders amount to RM27.815 million all of which are derived from the overseas market. These orders are expected to be fulfilled before end of FYE 30 April 2014.

12.6.3 Directors' Declaration on our Group's Financial Performance

As at the LPD, having made all reasonable enquiries and to the best of our Directors' knowledge and belief, save as disclosed in Sections 12.2 and 12.6.1 of this Prospectus, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, or that our Group reasonably expects to have a material impact on our financial performance, position and operations other than those discussed in this section and Sections 4, 6 and 7 of this Prospectus;

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS *(Cont'd)*

- (ii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations save as disclosed in this section and Section 4 of this Prospectus;
- (iii) known trends, demands, commitments, events or uncertainties that have had, or that we reasonably expect to have, a material impact on our liquidity and capital resources other than those discussed in this section and Sections 4, 6 and 7 of this Prospectus; and
- (iv) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of our future financial performance and position other than those discussed in this section and Section 4 of this Prospectus.

Based on the outlook of the automotive aftermarket industries in Malaysia as set out in Section 7 of this Prospectus, our Group's competitive strengths as set out in Section 6.6 of this Prospectus and our future plans as set out in Section 6.16 of this Prospectus, our Board is optimistic about the future prospects of our Group.

12.7 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy. The declaration of interim dividends and the recommendation of any final dividends are subject to the discretion of our Board and any final dividend proposed is subject to our shareholders' approval.

Upon Listing, our Board intends to adopt a stable and sustainable dividend policy to allow our shareholders to participate in the profits of our Group while maintaining an optimal capital structure and ensuring sufficient funds for our future growth. In this regard and barring unforeseen circumstances, we envisage a dividend payout ratio of approximately 40.00% of our future net profits to our shareholders in each financial year.

Investors should take note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which are subject to our Board's absolute discretion.

Our ability to pay future dividends to our shareholders is subject to various factors including but not limited to our financial performance, cash flow requirements, availability of distributable reserves and capital expenditure plans.

As our Company is an investment holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends and other distributions that we receive from our subsidiary companies. The payment of dividends or other distributions by our subsidiary companies will depend on their operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective board of directors deem relevant.

12.8 FUTURE FINANCIAL INFORMATION

There will be no future financial information for the FYE 30 April 2014 which has been prepared for the inclusion in to this Prospectus.

Our Board is not aware of material adverse information or known facts about our liquidity, capital resources and future results of operations which would reasonably have any material adverse effect on the financial condition and results of our Group which would make the historical information herein irrelevant to investors' evaluation.

13. ACCOUNTANTS' REPORT



29 JUL 2013

The Board of Directors
Solid Automotive Berhad
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Johor

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Dear Sirs,

**SOLID AUTOMOTIVE BERHAD ("Solid" OR "the Company")
ACCOUNTANTS' REPORT**

1. INTRODUCTION

This report has been prepared by Messrs. Crowe Horwath, an approved company auditor and a firm of chartered accountants registered in Malaysia, for inclusion in the Prospectus of Solid in connection with the listing of Solid on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The details of the listing scheme are disclosed in paragraph 2.2 of this report.

1.1 ABBREVIATIONS

Unless the context otherwise requires, the following abbreviations shall apply throughout this report:

Abbreviations

Solid or Company	Solid Automotive Berhad (1016725-P)
Auto Empire	Auto Empire Impex Pte Ltd (1987-03437-E)
HKT	HKT Auto Electrical Parts Sdn Bhd (446168-W)
JBS	JBS Auto-Tech Sdn Bhd (609175-K)
Solid Group or Group	Solid Automotive and its subsidiary companies, collectively
Solid Corporation	Solid Corporation Sdn Bhd (88187-A)
Solid Corporation Group	Solid Corporation and its subsidiary companies, collectively
Twinco	Twinco Far East Sdn Bhd (324516-P)
Uni Point	Uni Point Marketing (M) Sdn Bhd (72146-U)
MASB	Malaysian Accounting Standards Board
FRS	Financial Reporting Standards

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13. ACCOUNTANTS' REPORT (Cont'd)



1. INTRODUCTION (CONT'D)

1.1 ABBREVIATIONS (CONT'D)

Abbreviations

FPE	Financial Period Ended/Ending
FYE	Financial Year Ended/Ending
IPO	Public Issue and Offer for Sale, collectively
MFRS	Malaysian Financial Reporting Standards
PERS	Private Entity Reporting Standard
SFRS	Singapore Financial Reporting Standard
Shares	Enlarged Solid's ordinary shares of RM0.50 each
Euro	The official currency of the European Union's member states
JPY	Japanese Yen
RM and sen	Ringgit Malaysia and sen, respectively
SGD	Singapore Dollar
USD	United States of America Dollar

2. GENERAL INFORMATION

2.1 INCORPORATION AND PRINCIPAL ACTIVITY OF SOLID

Solid was incorporated in Malaysia under the Companies Act, 1965 on 12 September 2012 as a public limited company.

Solid's principal activities are those of investment holding and provision of management services. The principal activities of the subsidiary companies are set out in Section 2.4 of this report.

13. ACCOUNTANTS' REPORT (Cont'd)



2. GENERAL INFORMATION (CONT'D)

2.2 LISTING EXERCISE

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of Solid on the Main Market of Bursa Securities ("the Listing Scheme"), Solid has implemented or will implement the following:-

(i) Acquisition of Subsidiaries

Solid has entered into conditional share sale agreements dated 8 October to acquire the equity interests in the following companies:

- (a) Acquisition of a 10% interest in JBS not already owned by Solid Corporation for a purchase consideration of RM159,939 to be satisfied by the issuance of 319,878 new ordinary shares of RM0.50 each in Solid at par value.
- (b) Acquisition of a 99.56% interest in Solid Corporation for a purchase consideration of RM40,289,363 to be satisfied by the issuance of 80,578,726 new ordinary shares of RM0.50 each in Solid at par value.
- (c) Acquisition of the entire issued and paid-up share capital of Twinco for a purchase consideration of RM7,597,500 to be satisfied by the issuance of 15,195,000 new ordinary shares of RM0.50 each in Solid at par value.
- (d) Acquisition of the entire issued and paid-up share capital of Auto Empire for a purchase consideration of RM9,511,500 to be satisfied by the issuance of 18,522,394 new ordinary shares of RM0.50 each in Solid at par value and cash consideration of RM250,303.

The acquisition exercise was completed on 13 June 2013.

(ii) Public Issue

Solid will undertake a Public Issue of 35,384,000 new ordinary shares at an issue price of RM0.56 per share to be allocated in the following manner:

- 7,500,000 new shares available for application by the public;
- 9,847,500 new share available for application by eligible directors, employees and persons who have contributed to the success of Solid Group;
- 15,000,000 new shares available for application by bumiputera investors approved by the Ministry of International Trade And Industry; and
- 3,036,500 new shares by way of placement to selected investors.

13. ACCOUNTANTS' REPORT (Cont'd)



2. GENERAL INFORMATION (CONT'D)

2.2 LISTING EXERCISE (CONT'D)

(iii) Offer for Sales

The Offerors will offer up to 8,361,000 existing ordinary shares at an offer price of RM0.56 per share, representing approximately up to 5.57% of the enlarged issued and paid-up share capital to selected investors, identified by Solid or its Placement Agent.

(iv) Proposed Listing

The admission and the listing of and quotation for the entire enlarged issued and paid-up share capital of RM75,000,000 comprising 150,000,000 Solid shares on the Main Market of Bursa Securities will be sought.

2.3 SHARE CAPITAL

Solid was incorporated on 12 September 2012 with an authorised share capital of RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each.

The details of changes in the issued and fully paid-up share capital of Solid since its incorporation are as follows:

<i>Date of allotment</i>	<i>Type of issue</i>	<i>No. of ordinary shares issued or to be issued</i>	<i>Par value RM</i>	<i>Cumulative Issued and Paid-up Share Capital RM</i>
12 September 2012	Subscribers shares	2	0.50	1
13 June 2013	Other than cash	114,615,998	0.50	57,308,000
Upon listing	Public issue	35,384,000	0.50	75,000,000

Upon completion of the Listing Scheme, the issued and paid-up share capital of Solid will be enlarged to RM75,000,000 comprising 150,000,000 ordinary shares of RM0.50 each.

13. ACCOUNTANTS' REPORT (Cont'd)



2. GENERAL INFORMATION (CONT'D)

2.4 SUBSIDIARY COMPANIES

Details of the subsidiary companies under the Solid Group as at the date of this report are as follows:-

Name of companies	Relationship with Solid	Date of incorporation	Country of incorporation	Issued and paid-up capital	Effective equity interest	Principal activities
Direct						
Solid Corporation	Subsidiary	5 August 1982	Malaysia	4,650,903	100%	Trading and distribution of automotive electrical parts and components.
Twinco	Subsidiary	24 November 1994	Malaysia	1,878,417	100%	Trading and distribution of automotive engine and mechanical parts and components.
Auto Empire	Subsidiary	3 November 1987	Singapore	4,654,050	100%	Trading and distribution of automotive engine and mechanical parts and components.
Indirect - held through Solid Corporation						
JBS	Subsidiary	17 March 2003	Malaysia	1,000,000	80%	Remanufacture and assembly of automotive alternators and starters.
Uni Point	Subsidiary	24 June 1981	Malaysia	410,000	100%	Trading and distribution of automotive electrical parts and components.
HKT	Subsidiary	9 September 1997	Malaysia	200,000	100%	Dormant.

13. ACCOUNTANTS' REPORT (Cont'd)



3. DIVIDENDS

No dividend has been paid by Solid since the date of its incorporation.

Details of dividend paid or proposed by the subsidiary companies of Solid for the financial years/periods under review are as follows:

Company	Related to	Paid on	Type of Dividend	Dividend Rate (%)	Net Amount (RM'000)
Solid Corporation	FYE 30 April 2009	15 September 2009	Final dividend	7.5%	331
Solid Corporation	FYE 30 April 2010	15 April 2010	Interim tax exempt dividend	10%	441
Solid Corporation	FYE 30 April 2010	21 December 2010	Final single tier dividend	25%	1,102
Solid Corporation	FYE 30 April 2011	1 February 2011	Interim single tier dividend	42.48%	1,874
Solid Corporation	FYE 30 April 2011	31 May 2011	Final single tier dividend	25%	1,103
Solid Corporation	FYE 30 April 2012	26 September 2011	1st interim single tier dividend	16%	706
Solid Corporation	FYE 30 April 2012	7 December 2011	2nd interim single tier dividend	85%	3,749
Solid Corporation	FYE 30 April 2012	31 December 2012	Final single tier dividend	25%	1,163
Solid Corporation	FYE 30 April 2013	20 May 2013	Special single tier dividend	20%	930
Twinco	FYE 31 December 2010	6 October 2010	Interim dividend	46%	648
Twinco	FYE 30 April 2012	1 June 2011	Interim single tier dividend	22%	413
Twinco	FYE 30 April 2012	27 November 2012	Final single tier dividend	20%	376
Twinco	FYE 30 April 2013	17 May 2013	Special single tier dividend	20%	376
Auto Empire	FYE 30 April 2012	27 November 2012	Final single tier dividend	16%	759
Auto Empire	FYE 30 April 2013	29 April 2013	Interim single tier dividend	20%	933

13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIODS AND AUDITORS

The auditors of Solid and its subsidiaries for the relevant FYE/FPE are as follows:-

Company	FPE/FYE	Auditors	Auditors' Report
Solid Corporation	FYE 30 April 2010	Messrs. Crowe Horwath	Appendix I
	FYE 30 April 2011	Messrs. Crowe Horwath	Appendix II
	FYE 30 April 2012	Messrs. Crowe Horwath	Appendix III
	FYE 30 April 2013	Messrs. Crowe Horwath	Appendix IV
Twinco	FYE 31 December 2010	Messrs. Crowe Horwath	Appendix V
	FPE 30 April 2011	Messrs. Crowe Horwath	Appendix VI
	FYE 30 April 2012	Messrs. Crowe Horwath	Appendix VII
	FYE 30 April 2013	Messrs. Crowe Horwath	Appendix VIII
Auto Empire	FPE 30 April 2010	Messrs. Lee S F & Co	Appendix IX
	FYE 30 April 2011	Messrs. Lee S F & Co	Appendix X
	FYE 30 April 2012	Messrs. Lee S F & Co	Appendix XI
	FYE 30 April 2013	Messrs. Lee S F & Co	Appendix XII
JBS	FYE 30 April 2010	Messrs. Crowe Horwath	Appendix XIII
	FYE 30 April 2011	Messrs. Crowe Horwath	Appendix XIV
	FYE 30 April 2012	Messrs. Crowe Horwath	Appendix XV
	FYE 30 April 2013	Messrs. Crowe Horwath	Appendix XVI
Uni Point	FYE 30 April 2010	Messrs. Crowe Horwath	Appendix XVII
	FYE 30 April 2011	Messrs. Crowe Horwath	Appendix XVIII
	FYE 30 April 2012	Messrs. Crowe Horwath	Appendix XIX
	FYE 30 April 2013	Messrs. Crowe Horwath	Appendix XX
HKT	FYE 30 April 2010	Messrs. Crowe Horwath	Appendix XXI
	FYE 30 April 2011	Messrs. Crowe Horwath	Appendix XXII
	FYE 30 April 2012	Messrs. Crowe Horwath	Appendix XXIII
	FYE 30 April 2013	Messrs. Crowe Horwath	Appendix XXIV
Solid	FPE 30 April 2013	Messrs. Crowe Horwath	Appendix XXV

13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIODS AND AUDITORS (CONT'D)

For the purpose of this report, the financial information of the following is presented:-

Company	Audited
Solid	FPE 30 April 2013
Solid Corporation Group	FYE 30 April 2010 FYE 30 April 2011 FYE 30 April 2012 FYE 30 April 2013
Twinco	FYE 31 December 2010 FPE 30 April 2011 FYE 30 April 2012 FYE 30 April 2013
Auto Empire	FPE 30 April 2010 FYE 30 April 2011 FYE 30 April 2012 FYE 30 April 2013

Solid Group only existed on 13 June 2013 upon completion of the Acquisition by Solid. Hence, there are no consolidated financial statements of Solid Group for FYE 30 April 2013.

The financial statements for Solid for the FPE 30 April 2013 have been reported in accordance with applicable approved MFRSs in Malaysia.

For the past four (4) FYE 30 April 2010 to 2013, the individual financial information of JBS, Uni Point and HKT are not shown separately as they have been consolidated and presented in the consolidated financial statements of Solid Corporation Group.

The financial statements for Solid Corporation Group for the FYE 30 April 2010 and 30 April 2011 had been previously reported in accordance with applicable approved PERs in Malaysia. The financial statements for Twinco for the FYE 31 December 2010 and FPE 30 April 2011 had been previously reported in accordance with applicable approved PERs in Malaysia. Solid Corporation Group and Twinco adopted applicable approved FRSs in Malaysia for the FYE 30 April 2012 and adopted applicable approved MFRSs in Malaysia for the FYE 30 April 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



4. RELEVANT FINANCIAL PERIODS AND AUDITORS (CONT'D)

The statutory financial statements of Auto Empire for the FPE 30 April 2010 and FYE 30 April 2011 to 30 April 2013 have been prepared in accordance with SFRSs. There is no significant difference between FRS/MFRSs and SFRSs in the context of Auto Empire's financial statements for the above mentioned FPE/FYE and neither adjustment is required or reconciliation is presented for the financial statements under these accounting standards.

The audited financial statements of all the companies within Solid Group for the FPEs/FYEs reported above were not subject to any qualifications, modification or disclaimer.

5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

5.1 BASIS OF PREPARATION

In preparing this Report, the financial information of Auto Empire was translated into RM for information purposes.

The exchange rates as used for the purpose of this Report are as follows:-

FPE/FYE	Average Rate
30 April 2010	SGD 1 = RM2.4060
30 April 2011	SGD 1 = RM2.3680
30 April 2012	SGD 1 = RM2.4460
30 April 2013	SGD 1 = RM2.4955

FPE/FYE	Closing Rate
30 April 2010	SGD 1 = RM2.3322
30 April 2011	SGD 1 = RM2.4222
30 April 2012	SGD 1 = RM2.4523
30 April 2013	SGD 1 = RM2.4521

(Source: Bank Negara Malaysia)

13. ACCOUNTANTS' REPORT (Cont'd)

**5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.1 BASIS OF PREPARATION (CONT'D)****5.1.1 New FRSs, Amendments to FRSs and IC Interpretations adopted**

For FYE 30 April 2012, the Group has applied FRS 1, First-Time Adoption of Financial Reporting Standards, in preparing these financial statements.

The Group has applied FRS 7 prospectively in accordance with the transitional provision. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the Group's financial statements for the FYE 30 April 2012.

There were no significant differences between FRS and SFRS on the Group's financial statements.

The transition from PERS to FRS did not materially affect Solid Corporation Group and Twinco's reported financial position, financial results and cash flows other than as disclosed below:

(A) Solid Corporation Group**(i) Negative goodwill**

Under PERS, negative goodwill was recorded as a credit balance in non-current asset in the statement of financial position.

Under FRS 3, negative goodwill should be recognised in the income statement as and when it arises.

Accordingly, the negative goodwill as at 1 May 2009 has been derecognised with a corresponding adjustment to the opening balance of retained profits of Solid Corporation Group on the assumption Solid Corporation Group applied FRS from 1 May 2009 onwards. The financial impact to Solid Corporation Group is an increase in retained profits at the beginning of the financial year.

The cumulative effects on statement of financial position are disclosed in Section 7.2.32.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 BASIS OF PREPARATION (CONT'D)

5.1.1 New FRSs, Amendments to FRSs and IC Interpretations adopted (cont'd)

(ii) Investment properties

Under PERS, investment properties were classified as property, plant and equipment and were stated at cost less accumulated depreciation and impairment loss, if any.

Under FRS 140, properties held to earn rentals or for capital appreciation and could be sold separately or lease out separately, should be accounted for as investment properties.

Accordingly, the carrying amount of properties as at 1 May 2009 previously classified under property, plant and equipment is retained as the carrying amount of investment property on the assumption Solid Corporation Group applied FRS from 1 May 2009 onwards. There were no financial impacts on the consolidated statements of comprehensive income for year ended 30 April 2010, 2011 and 2012.

The effects of FRS 140 on the statement of financial position are disclosed in Section 7.2.33.

(B) Twinco

Under PERS, gain on disposal of property, plant and equipment was recorded as an allocation from retained profits to reserve account in the statement of financial position.

Upon adoption of FRSs, the gain has been reclassified from reserve account to retained profits.

The cumulative effects on statement of financial position are disclosed in Section 7.3.26(ii) on the assumption Twinco applied FRS from 1 January 2010 onwards.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 BASIS OF PREPARATION (CONT'D)

5.1.1 Transition to MFRSs and IC Interpretations adopted

For the FYE 30 April 2013, the financial statements of the Group have been prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

There were no financial impacts on the transition from FRSs/SFRSs to MFRSs.

The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial year.

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 7 and MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

The above accounting standards and interpretations (including the consequential amendments) do not have any financial impact on the Group's financial statements upon their initial application.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 CONSISTENCY OF APPLICATION OF ACCOUNTING POLICIES

This Report is prepared on a basis consistent with the accounting policies adopted by the Group as disclosed in paragraph 5.3 below.

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(iii) *Impairment of Non-financial Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Write down of Inventories*

Reviews are made periodically by management on damaged and obsolete inventories. These reviews require management to consider the future demand for the products and subsequent events. The Group also adopts the write down policy for slow moving inventories by marking down the carrying amount of those slow-moving inventories which are aged more than 2 years by using certain percentages which are derived base on the past historical movement trend of the inventories and judgement of the directors and management.

In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) *Classification between Investment Properties and Owner-occupied Properties*

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates and Judgements (Cont'd)

(vi) *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vii) *Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(b) **Basis of Consolidation**

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

13. ACCOUNTANTS' REPORT (Cont'd)

**5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Consolidation (Cont'd)****(i) Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

However, a business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

An acquisition that resulted in a business combination involving common control entities is outside the scope of MFRS 3 Business Combinations. For such common control combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the audited financial statements.

In applying merger accounting, financial statements items of the combining entities or businesses for the reporting period in which common control combination occurs are included in the audited financial statements of the Group as if the combination had occurred from the date when the combining entities or businesses first come under the control of the controlling party or parties.

13. ACCOUNTANTS' REPORT (Cont'd)

**5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Consolidation (Cont'd)****(i) Business Combinations (Cont'd)**

Under merger accounting, the Group recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amount as if such audited financial statements had been prepared by the controlling party including adjustments required for conforming to the Groups' accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or a gain from a bargain purchase at the time of the common control combination. The effect of all transactions and balances between combining entities, whether occurring before or after the combination, are eliminated in preparing the audited financial statements of the Group.

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

13. ACCOUNTANTS' REPORT *(Cont'd)*

5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(iv) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139.

(c) Functional and Foreign Currencies

(i) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

13. ACCOUNTANTS' REPORT *(Cont'd)*

5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency (Cont'd)

(iii) *Foreign Operations*

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

(d) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- *Held-to-maturity Investments*

At the end of the financial year, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(iii) Equity Instruments (Cont'd)

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(e) Investments

(i) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Transferable Golf Club Membership

Transferable golf club membership is stated at cost less impairment losses, if any.

(f) Property, Plant and Equipment

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less impairment losses, if any and is not depreciated.

Depreciation is calculated under the straight-line method to write off the depreciable amount of assets over their estimated useful lives. Depreciation of an asset does not cease when the asset become idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over 50 - 93 years
Buildings	2% - 4%
Fixtures, furniture and equipment	10%
Motor vehicles	20%
Plant and machinery	10% - 15%
Office equipment	10% - 25%

13. ACCOUNTANTS' REPORT (Cont'd)

**5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) Property, Plant and Equipment (Cont'd)**

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

(g) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less any accumulated depreciation and impairment losses, if any. Leasehold land and building portion of investment properties are depreciated on the straight line basis over its estimated useful life where as freehold land portion is not subject to depreciation.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment

(i) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (Cont'd)

(ii) *Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(i) **Assets under Hire Purchase**

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in paragraph 5.3(f) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(j) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials and trading goods is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

13. ACCOUNTANTS' REPORT *(Cont'd)*

5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories (Cont'd)

Reviews are made periodically by management on damaged and obsolete inventories. These reviews require management to consider the future demand for the products and subsequent events. The Group also adopts the write down policy for slow moving inventories by marking down the carrying amount of those slow-moving inventories which are aged more than 2 years by using certain percentages which are derived base on the past historical movement trend of the inventories and judgement of the directors and management.

(k) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's net identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income Taxes (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(l) Borrowing Costs

Cost incurred on borrowings to finance the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to the income statement. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

13. ACCOUNTANTS' REPORT (Cont'd)



5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(p) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

13. ACCOUNTANTS' REPORT *(Cont'd)*

5. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Contingent Liabilities (Cont'd)

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(q) Revenue and Other Income

(i) Sales of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(iii) Rental Income

Rental income is recognised on an accrual basis.

(iv) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

6. FINANCIAL INFORMATION AND LIMITATION

The scope of work involved in the preparation of this report does not constitute an audit in accordance with approved standards on auditing in Malaysia.

All information are extracted from a combination of the audited financial statements, management accounts, representations and/or explanations provided by the management of the Group and mathematical calculations.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID

7.1.1 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF SOLID

	Note	12.09.2012 to 30.4.2013 RM'000
Revenue		-
Administrative expenses		(61)
Loss before taxation	7.1.5	(61)
Income tax expense	7.1.6	-
Loss for the financial period/Total comprehensive expense for the financial period		(61)
<i>GP margin (%)</i>		<i>n/a</i>
<i>PBT margin (%)</i>		<i>n/a</i>
<i>PAT margin (%)</i>		<i>n/a</i>
<i>Effective tax rate (%)</i>		<i>n/a</i>
<i>Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)</i>		(61)
<i>Weighted average number of ordinary shares in issue of RM1.00 each ('000)</i>		*
<i>Gross earnings per share ("EPS") (sen)</i>		<i>n/a</i>
<i>Net EPS (sen)</i>		<i>n/a</i>

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.2 STATEMENT OF FINANCIAL POSITION OF SOLID

	Note	30.4.2013 RM'000
CURRENT ASSETS		
Cash in hand		*
TOTAL ASSETS		*
EQUITY AND LIABILITIES		
EQUITY		
Share capital	7.1.7	*
Accumulated loss		(61)
TOTAL EQUITY		(61)
CURRENT LIABILITIES		
Other payables and accruals	7.1.8	61
TOTAL LIABILITIES		61
TOTAL EQUITY AND LIABILITIES		*

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.3 STATEMENT OF CASH FLOWS OF SOLID

	12.9.2012 to 30.4.2013 RM'000
CASH FLOW FROM OPERATING ACTIVITY	
Loss before taxation/Operating loss before working capital changes	(61)
Increase in other payables and accruals	61
NET CASH FROM OPERATING ACTIVITY	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>-</u>
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION	<u>*</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>*</u>

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.4 STATEMENT OF CHANGES IN EQUITY OF SOLID

	Share capital RM'000	Accumulated loss RM'000	Total RM'000
At 12.9.2012 (date of incorporation)	*	-	*
Total comprehensive expense for the financial period	-	(61)	(61)
Balance at 30.04.2013	*	(61)	(61)

Note :

(* - Amount is less than RM500)

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.5 LOSS BEFORE TAXATION

	12.9.2012 to 30.4.2013 RM'000
Loss before taxation is arrived at after charging:-	
Audit fee	1
	<u>1</u>

7.1.6 INCOME TAX EXPENSE

A reconciliation of income tax expense applicable to loss before taxation at the statutory tax rates to income tax expense at the effective tax rate of Solid is as follows:-

	12.9.2012 to 30.4.2013 RM'000
Loss before taxation	(61)
Tax at statutory rate	(15)
Tax effects of :- Non-deductible expenses	15
Income tax expense	<u>-</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.7 SHARE CAPITAL

	30.4.2013	30.4.2013
	Number of shares '000	RM'000
<i>Ordinary shares of RM0.50 each:-</i>		
Authorised		
At date of incorporation/At 30.4.2013	200,000	100,000
Issued and fully paid-up		
At date of incorporation/At 30.4.2013	*	*

Note :

(*) - Amount is less than RM500

7.1.8 OTHER PAYABLE AND ACCRUALS

	30.4.2013 RM'000
Other payables	59
Accrued expenses	2
	61

Other payable represents amount owing to a company in which certain directors have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.9 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Solid has related party relationships with its directors, key management personnel, and other entities in which the directors have substantial financial interests.

(b) In addition to the information detailed elsewhere in the financial statements, Solid carried out the following significant transactions with the related parties during the financial year:-

	12.9.2012 to 30.4.2013 RM'000
Advances from a company in which certain directors have substantial financial interests	59

7.1.10 FINANCIAL INSTRUMENT

Solid's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Solid's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Solid's financial performance.

(a) Financial Risk Management Policies

Solid's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

Solid does not have any foreign currency transactions, assets or liabilities and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Solid does not have any interest-bearing borrowings and hence, it is not exposed to interest rate risk.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.10 FINANCIAL INSTRUMENT (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

Solid's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

Solid does not have any quoted investments and hence is not exposed to price risk.

(ii) Credit Risk

Solid does not have any credit risk related to any individual customer or counterparty.

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. Solid practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
30.4.2013				
Other payables and accruals	-	61	61	61

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.10 FINANCIAL INSTRUMENT (CONT'D)

(b) Capital Risk Management

Solid has no significant borrowings and a relatively small equity base. The debt-to-ratio may not provide a meaningful indicator of the risk of borrowings.

Solid manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, Solid may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

(c) Classification Of Financial Instruments

	30.4.2013 RM'000
Financial Assets	
<u>Loan and receivables financial assets</u>	
Cash and bank balances	*
Financial Liabilities	
<u>Other financial liabilities</u>	
Other payables and accruals	61

Note :

(*) - Amount is less than RM500

(d) Fair Values Of Financial Instruments

The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(e) Fair Value Hierarchy

At the end of the reporting period, there were no financial instruments carried at fair values.

13. ACCOUNTANTS' REPORT (Cont'd)**7. AUDITED FINANCIAL STATEMENTS (CONT'D)****7.1 SOLID (CONT'D)****7.1.11 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD**

On 8 October 2012, Solid entered into a conditional Share Sale Agreement to acquire the equity interest of the following entities for the purpose of listing on the Main Market of Bursa Malaysia Securities Berhad:-

- i) acquisition of 99.56% issued and paid-up share capital of Solid Corporation Sdn. Bhd. ("Solid Corporation") amounting to RM4,630,351 comprising 4,630,351 ordinary shares of RM1.00 each in Solid Corporation for a purchase consideration of RM40,289,363 which will be wholly satisfied by the issuance of 80,578,726 Company's share at an issue price of RM0.50 per share;
- ii) acquisition of the entire issued and paid-up share capital of Auto Empire Impex Pte Ltd ("AEI") amounting to SGD1,900,000 comprising 1,900,000 ordinary shares in AEI for a purchase consideration of RM9,511,500 which will be wholly satisfied by the issuance of 18,522,394 of Company's share at an issue price of RM0.50 per share and cash consideration of RM250,303;
- iii) acquisition of the entire issued and paid-up share capital of Twinco Far East Sdn. Bhd. ("Twinco") amounting to RM1,878,417 comprising 1,878,417 ordinary shares of RM1.00 each in Twinco for a purchase consideration of RM7,597,500 which will be wholly satisfied by the issuance of 15,195,000 of Company's share at an issue price of RM0.50 per share;
- iv) acquisition of 10% issued and paid-up share capital of JBS Auto-Tech Sdn. Bhd. ("JBS") amounting to RM 100,000 comprising 100,000 ordinary shares of RM1.00 each in JBS for a purchase consideration of RM159,939 which will be wholly satisfied by the issuance of 319,878 Company's share at an issue price of RM0.50 per share.

The completion of the Share Sale Agreement shall be conditional upon the fulfilment of the following conditions precedent:

- i) the approval of the shareholders of the vendor to the disposal;
- ii) the approval of the shareholders of the Company;
- iii) the consent from the bank for the change of shareholders (where applicable);
- iv) the approval of the Securities Commission of Malaysia for the listing on the Main Market of Bursa Malaysia Securities Berhad; and
- v) if required, any other governmental, administrative or regulatory authorities whose approvals are deemed necessary by the Company and the vendor to complete the sale and purchase exercise.

13. ACCOUNTANTS' REPORT *(Cont'd)*



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.1 SOLID (CONT'D)

7.1.12 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The approval from the Securities Commission Malaysia for the listing on the Main Market of Bursa Malaysia Securities Berhad was obtained on 3 May 2013.

The sale and purchase exercise as highlighted in Note 7.1.11 to the financial statements has been completed on 13 June 2013.

7.1.13 COMPARATIVE FIGURES

No comparative figures are available as this is the first set of financial statements prepared by Solid since incorporation.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP

7.2.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF SOLID CORPORATION

	Note	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Revenue	7.2.5	60,614	72,610	78,225	86,017
Cost of sales		(43,347)	(51,836)	(54,703)	(60,452)
Gross profit ("GP")		17,267	20,774	23,522	25,565
Other income	7.2.6	1,108	739	5,632	903
		18,375	21,513	29,154	26,468
Selling and distribution expenses		(4,696)	(5,951)	(7,591)	(8,779)
Administrative expenses		(6,492)	(6,449)	(7,016)	(6,805)
Profit from operations		7,187	9,113	14,547	10,884
Finance costs		(300)	(386)	(522)	(507)
Profit before taxation ("PBT")	7.2.7	6,887	8,727	14,025	10,377
Income tax expense	7.2.8	(1,926)	(2,400)	(2,324)	(2,818)
Profit after taxation ("PAT")/Total comprehensive income		4,961	6,327	11,701	7,559
Profit after taxation attributable to:-					
Owners of the company		4,973	6,347	11,645	7,584
Holders of non-controlling interests		(12)	(20)	56	(25)
		4,961	6,327	11,701	7,559
GP margin (%)		28.49	28.61	30.07	29.72
PBT margin (%)		11.36	12.02	17.93	12.06
PAT margin (%)		8.18	8.71	14.96	8.79
Effective tax rate (%)		27.97	27.50	16.57	27.16
Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		8,284	10,271	15,681	12,221
Weighted average number of ordinary shares in issue of RM1.00 each ('000)		4,411	4,411	4,511	4,651
Gross earnings per share ("EPS") (sen)		156	198	311	223
Net EPS (sen)		112	143	259	163

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.2 STATEMENTS OF FINANCIAL POSITION OF SOLID CORPORATION

	Note	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	7.2.9	9,953	10,731	16,812	16,057
Investment properties	7.2.10	6,277	5,714	2,615	2,591
Other investment		26	26	26	26
Deferred tax assets	7.2.11	-	-	194	17
		16,256	16,471	19,647	18,691
CURRENT ASSETS					
Inventories	7.2.12	16,338	19,238	28,036	23,739
Trade receivables	7.2.13	16,764	17,856	17,324	17,184
Other receivables, deposits and prepayments	7.2.14	1,382	804	1,133	2,217
Tax recoverable		611	298	230	97
Cash and bank balances		1,178	1,906	3,192	5,217
		36,273	40,102	49,915	48,454
TOTAL ASSETS		52,529	56,573	69,562	67,145

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.2 STATEMENTS OF FINANCIAL POSITION OF SOLID CORPORATION (CONT'D)

	Note	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	7.2.15	4,411	4,411	4,651	4,651
Share premium	7.2.16	2,636	2,636	2,636	2,636
Retained profits	7.2.17	24,615	27,986	34,073	40,494
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		31,662	35,033	41,360	47,781
NON-CONTROLLING INTERESTS		444	424	480	455
TOTAL EQUITY		32,106	35,457	41,840	48,236
NON-CURRENT LIABILITIES					
Long-term borrowings	7.2.18	3,318	1,260	797	451
Deferred tax liabilities	7.2.11	238	199	120	95
		3,556	1,459	917	546
CURRENT LIABILITIES					
Trade payables	7.2.21	8,183	5,307	7,849	7,495
Other payables and accruals	7.2.22	1,464	2,977	3,733	3,501
Amount owing to directors	7.2.23	392	10	3	-
Amount owing to shareholder		-	*	-	-
Provision for taxation		991	836	455	265
Bank overdrafts	7.2.24	330	872	-	-
Short-term borrowings	7.2.25	5,507	9,655	14,765	7,102
		16,867	19,657	26,805	18,363
TOTAL LIABILITIES		20,423	21,116	27,722	18,909
TOTAL EQUITY AND LIABILITIES		52,529	56,573	69,562	67,145

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.3 STATEMENTS OF CASH FLOWS OF SOLID CORPORATION

	Note	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
CASH FLOW (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		6,887	8,727	14,025	10,377
Adjustments for :-					
Allowance for impairment losses on trade receivables		427	170	302	174
Bad debts recovered		-	(20)	(46)	-
Bad debts written off		*	-	-	-
Depreciation of investment properties		162	160	32	24
Depreciation of property, plant and equipment		935	998	1,102	1,313
Dividend income		-	-	-	(44)
Gain on disposal of investment properties		-	(137)	(5,005)	-
(Gain)/Loss on disposal of property, plant and equipment		(237)	192	(148)	(1)
(Gain)/Loss on foreign exchange - unrealised		(127)	4	(30)	(88)
Interest expenses		293	376	514	500
Property, plant and equipment written off		-	10	-	17
Rental income on properties		(467)	(398)	(287)	(198)
Reversal of allowance for impairment losses on trade receivables		-	(2)	(7)	(303)
Operating profit before working capital changes		7,873	10,080	10,452	11,771
(Increase)/Decrease in inventories		(4,268)	(2,900)	(8,798)	4,297
(Increase)/Decrease in trade and other receivables		(1,903)	(666)	(57)	780
Increase/(Decrease) in trade and other payables		87	(1,363)	3,339	(473)
CASH FROM OPERATIONS		1,789	5,151	4,936	16,375
Interest paid		(293)	(376)	(514)	(500)
Tax refund		-	-	-	294
Tax paid		(1,682)	(2,281)	(2,909)	(3,017)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(186)	2,494	1,513	13,152
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividend received		-	-	-	20
Payment of deposit for the acquisition of property, plant and equipment		-	-	-	(521)
Proceeds from disposal of property, plant and equipment		385	1,688	197	4
Proceeds from disposal of investment properties		-	540	8,071	-
Purchase of property, plant and equipment	7.2.26	(2,841)	(3,186)	(6,864)	(297)
Rental received		467	398	287	198
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(1,989)	(560)	1,691	(75)
BALANCE CARRIED FORWARD		(2,175)	1,934	3,204	13,077

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.3 STATEMENTS OF CASH FLOWS OF SOLID CORPORATION (CONT'D)

	Note	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
BALANCE BROUGHT FORWARD		(2,175)	1,934	3,204	12,556
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid	7.2.27	(772)	(2,976)	(5,558)	(1,163)
Drawdown of term loans		1,000	-	-	-
Net advances from/(repayment to) directors		149	(382)	(7)	-
Net advances from/(repayment to) a shareholder		-	*	(*)	-
Net drawdown/(repayment) of bankers' acceptance		1,120	1,435	5,698	(12,065)
Net drawdown/(repayment) of bills payable		-	-	299	(299)
Net drawdown/(repayment) of foreign currency loan		452	2,836	(891)	4,653
Payment of initial public offering expenses		-	-	-	(1,079)
Proceeds from issuance of shares	7.2.15	-	-	240	-
Repayment of hire purchase obligations		(245)	(80)	(197)	(289)
Repayment of term loans		(528)	(2,581)	(630)	(289)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		1,176	(1,748)	(1,046)	(10,531)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(999)	186	2,158	2,025
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		1,847	848	1,034	3,192
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	7.2.28	848	1,034	3,192	5,217

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.4 STATEMENTS OF CHANGES IN EQUITY OF SOLID CORPORATION

	Note	Share capital RM'000	Share premium RM'000	Retained profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interest RM'000	Total RM'000
Balance at 1.5.2009							
- As restated		4,411	2,636	20,414	27,461	456	27,917
Total comprehensive income for the financial year		-	-	4,973	4,973	(12)	4,961
Dividend paid	7.2.27	-	-	(772)	(772)	-	(772)
Balance at 30.4.2010/1.5.2010		4,411	2,636	24,615	31,662	444	32,106
Total comprehensive income for the financial year		-	-	6,347	6,347	(20)	6,327
Dividend paid	7.2.27	-	-	(2,976)	(2,976)	-	(2,976)
Balance at 30.04.2011/1.5.2011		4,411	2,636	27,986	35,033	424	35,457
Total comprehensive income for the financial year		-	-	11,645	11,645	56	11,701
Issuance of shares	7.2.15	240	-	-	240	-	240
Dividend paid	7.2.27	-	-	(5,558)	(5,558)	-	(5,558)
Balance at 30.04.2012/1.5.2012		4,651	2,636	34,073	41,360	480	41,840
Total comprehensive income for the financial year		-	-	7,584	7,584	(25)	7,559
Dividend paid	7.2.27	-	-	(1,163)	(1,163)	-	(1,163)
Balance at 30.04.2013		4,651	2,636	40,494	47,781	455	48,236

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.5 REVENUE

Revenue are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

7.2.6 OTHER INCOME

	FYE 30.4.2010	FYE 30.4.2011	FYE 30.4.2012	FYE 30.4.2013
	RM'000	RM'000	RM'000	RM'000
Dividend income	-	-	-	44
Gain on disposal of investment properties	-	137	5,005	-
Gain on disposal of property, plant and equipment	237	-	148	1
Gain on foreign exchange - realised	-	95	-	123
Gain on foreign exchange - unrealised	127	-	30	88
Rental income	467	398	287	198
Reversal of allowance for impairment losses on trade receivables	-	2	7	303
Others	277	107	155	146
	1,108	739	5,632	903

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.7 PROFIT BEFORE TAXATION

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Allowance for impairment losses on trade receivables	427	170	302	174
Audit fee				
- current year	41	40	56	68
- (over)/under provision in previous financial year	(10)	(2)	6	10
Bad debts written off	*	-	-	-
Bad debt recovered	-	(20)	(46)	(4)
Depreciation of investment properties	162	160	32	24
Depreciation of property, plant and equipment	935	998	1,102	1,313
Directors' fees	250	240	190	145
Directors' non-fees emolument				
- EPF	58	69	114	118
- Other emoluments	635	650	1,022	1,007
Interest expenses	293	376	514	500
Loss/(Gain) on foreign exchange - realised	393	(95)	354	(123)
(Gain)/Loss on foreign exchange - unrealised	(127)	4	(30)	(88)
Property, plant and equipment written off	-	10	-	17
Rental of motor vehicles	10	-	14	12
Rental of premises	347	378	289	291
Staff costs	5,014	6,085	6,957	8,103
Dividend income	-	-	-	(44)
Gain on disposal of investment properties	-	(137)	(5,005)	-
(Gain)/Loss on disposal of property, plant and equipment	(237)	192	(148)	(1)
Rental income	(467)	(398)	(287)	(198)
Reversal of allowance for impairment losses on trade receivables	-	(2)	(7)	(303)

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

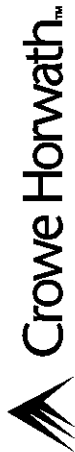
7.2.8 INCOME TAX EXPENSE

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Current tax expense :-				
- for the financial year	1,889	2,459	2,621	2,798
- under/(over) provision in previous financial year	4	(20)	(24)	(132)
	1,893	2,439	2,597	2,666
Deferred tax liability (Note 7.2.11)				
- for the financial year	52	(10)	(205)	41
- (over)/under provision in previous financial year	(19)	(29)	(68)	111
	33	(39)	(273)	152
Total tax expense	1,926	2,400	2,324	2,818

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of Solid Corporation is as follows:-

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Profit before taxation	6,887	8,727	14,025	10,377
Tax at statutory rate	1,722	2,182	3,506	2,594
Tax effects of :-				
Deferred tax assets not recognised during the year	25	19	9	45
Non-taxable income	(54)	(39)	(1,273)	(11)
Non-deductible expenses	286	303	174	211
Utilisation of deferred tax assets previously not recognised	(38)	(16)	-	-
Under/(Over) provision in previous financial year				
- current tax	4	(20)	(24)	(132)
- deferred tax	(19)	(29)	(68)	111
Income tax expense	1,926	2,400	2,324	2,818

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.9 PROPERTY, PLANT AND EQUIPMENT

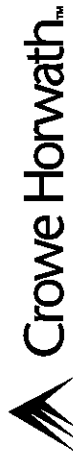
Net Book Value	Freehold land		Leasehold land		Buildings		Fixtures, furniture and equipment		Motor vehicles		Office equipment		Plant and machinery		Plant equipment, furniture and fixtures		Asset in progress		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As previously stated at 1.5.2009	3,686	3,035	5,232	-	915	-	-	-	-	-	-	-	-	-	-	-	-	-	14,634
Effects of FRS 140	(1,597)	(1,829)	(3,013)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,439)
As restated at 1.5.2009	2,089	1,206	2,219	-	915	-	-	-	-	-	-	-	-	-	-	-	-	-	8,195
Additions	-	1,384	640	-	298	-	-	-	-	-	-	-	-	-	519	-	-	-	2,841
Disposal	(31)	-	(97)	-	-	-	-	-	-	-	-	-	-	-	(20)	-	-	-	(148)
Depreciation charges	-	(43)	(65)	-	(351)	-	-	-	-	-	-	-	-	-	(476)	-	-	-	(935)
At 30.4.2010	2,058	2,547	2,697	-	862	-	-	-	-	-	-	-	-	-	1,789	-	-	-	9,953
As previously stated at 1.5.2010	3,655	4,303	5,621	-	862	-	-	-	-	-	-	-	-	-	1,789	-	-	-	16,230
Effects of FRS 140	(1,597)	(1,756)	(2,924)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,277)
As restated at 1.5.2010	2,058	2,547	2,697	-	862	-	-	-	-	-	-	-	-	-	1,789	-	-	-	9,953
Reclassification	-	-	-	168	-	-	-	-	-	-	1,436	-	-	-	(1,789)	-	-	-	-
Additions	1,109	-	747	6	830	-	-	-	-	-	468	-	-	-	-	-	-	400	3,666
Disposal	(1,471)	-	(377)	-	-	-	-	-	-	-	(32)	-	-	-	-	-	-	-	(1,880)
Written off	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	(9)	-	-	-	(10)
Depreciation charges	-	(75)	(65)	(34)	(402)	-	-	-	-	-	(384)	-	-	-	(38)	-	-	-	(998)
At 30.4.2011	1,696	2,472	3,002	140	1,290	-	-	-	-	-	1,487	-	-	-	244	-	-	400	10,731

(*) Amount is less than RM500

Crowe Horwath Offices in Malaysia:

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13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

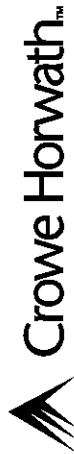
Net Book Value	Freehold land		Leasehold land		Buildings		Fixtures, furniture and equipment		Motor vehicles		Office equipment		Plant and machinery		Plant equipment, furniture and fixtures		Asset in progress		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As previously stated at 1.5.2011	3,293	4,156	5,435	140	1,290	1,487	244	-	400	16,445									
Effects of FRS 140	(1,597)	(1,684)	(2,433)	-	-	-	-	-	-	(5,714)									
As restated at 1.5.2011	1,696	2,472	3,002	140	1,290	1,487	244	-	400	10,731									
Additions	2,809	-	2,348	23	956	664	12	-	420	7,232									
Reclassification	492	-	328	-	-	-	-	-	(820)	-									
Disposal	-	-	-	-	(28)	(21)	-	-	-	(49)									
Depreciation charges	-	(75)	(116)	(34)	(517)	(324)	(36)	-	-	(1,102)									
At 30.4.2012	4,997	2,397	5,562	129	1,701	1,806	220	-	-	16,812									
As 1.5.2012	4,997	2,397	5,562	129	1,701	1,806	220	-	-	16,812									
Additions	1	-	-	34	317	159	67	-	-	578									
Disposal	-	-	-	*	-	(3)	-	-	-	(3)									
Written off	-	-	-	(7)	-	(10)	-	-	-	(17)									
Depreciation charges	-	(75)	(261)	(31)	(557)	(349)	(40)	-	-	(1,313)									
At 30.4.2013	4,998	2,322	5,301	125	1,461	1,603	247	-	-	16,057									

(*) Amount is less than RM500

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13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Fixtures, furniture and equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Plant equipment, furniture and fixtures RM'000	Asset in progress RM'000	Total RM'000
At 30.4.2010										
Cost	2,058	2,655	2,771	-	2,653	-	4,274	-	-	14,411
Accumulated depreciation	-	(108)	(74)	-	(1,791)	-	(2,485)	-	-	(4,458)
Net book value	2,058	2,547	2,697	-	862	-	1,789	-	-	9,953
At 30.4.2011										
Cost	1,696	2,623	3,141	492	3,301	3,644	597	-	400	15,894
Accumulated depreciation	-	(151)	(139)	(352)	(2,011)	(2,157)	(353)	-	-	(5,163)
Net book value	1,696	2,472	3,002	140	1,290	1,487	244	-	400	10,731
At 30.4.2012										
Cost	4,997	2,623	5,817	515	3,760	4,275	609	-	-	22,596
Accumulated depreciation	-	(226)	(255)	(386)	(2,059)	(2,469)	(389)	-	-	(5,784)
Net book value	4,997	2,397	5,562	129	1,701	1,806	220	-	-	16,812
At 30.4.2013										
Cost	4,998	2,623	5,817	320	4,032	4,086	676	-	-	22,552
Accumulated depreciation	-	(301)	(516)	(195)	(2,571)	(2,483)	(429)	-	-	(6,495)
Net book value	4,998	2,322	5,301	125	1,461	1,603	247	-	-	16,057

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in property, plant and equipment of Solid Corporation are the following assets acquired under hire purchase terms:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Motor vehicles	66	653	860	919

Included in the net book value of property, plant and equipment at the end of the reporting period are the following assets pledged to financial institutions as security for banking facilities granted to Solid Corporation:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Freehold land	130	-	2,300	2,300
Leasehold land	-	-	1,050	1,030
Buildings	1,010	740	3,024	3,093
	1,140	740	6,374	6,423

7.2.10 INVESTMENT PROPERTIES

	As previously reported	Effects of FRS 140	As Restated	Depreciation charges	At 30.4.2010
	At 1.5.2009		At 1.5.2009		
	RM'000	RM'000	RM'000	RM'000	RM'000
Net Book Value					
Freehold land	-	1,597	1,597	-	1,597
Leasehold land	-	1,829	1,829	(73)	1,756
Buildings	-	3,013	3,013	(89)	2,924
	-	6,439	6,439	(162)	6,277

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.10 INVESTMENT PROPERTIES (CONT'D)

	As previously reported At 1.5.2010 RM'000	Effects of FRS 140 RM'000	As Restated At 1.5.2010 RM'000	Disposal RM'000	Depreciation charges RM'000	At 30.4.2011 RM'000
Net Book Value						
Freehold land	-	1,597	1,597	-	-	1,597
Leasehold land	-	1,756	1,756	-	(72)	1,684
Buildings	-	2,924	2,924	(403)	(88)	2,433
	-	6,277	6,277	(403)	(160)	5,714

	As previously reported At 1.5.2011 RM'000	Effects of FRS 140 RM'000	As Restated At 1.5.2011 RM'000	Disposal RM'000	Depreciation charges RM'000	At 30.4.2012 RM'000
Net Book Value						
Freehold land	-	1,597	1,597	-	-	1,597
Leasehold land	-	1,684	1,684	(1,679)	(5)	-
Buildings	-	2,433	2,433	(1,388)	(27)	1,018
	-	5,714	5,714	(3,067)	(32)	2,615

	At 1.5.2012 RM'000	Depreciation charges RM'000	At 30.4.2013 RM'000
Net Book Value			
Freehold land	1,597	-	1,597
Buildings	1,018	(24)	994
	2,615	(24)	2,591

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.10 INVESTMENT PROPERTIES (CONT'D)

	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 30.4.2010			
Freehold land	1,597	-	1,597
Leasehold land	1,935	(179)	1,756
Buildings	3,264	(340)	2,924
	6,796	(519)	6,277

	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 30.4.2011			
Freehold land	1,597	-	1,597
Leasehold land	1,935	(251)	1,684
Buildings	2,777	(344)	2,433
	6,309	(595)	5,714

	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 30.4.2012			
Freehold land	1,597	-	1,597
Leasehold land	-	-	-
Buildings	1,177	(159)	1,018
	2,774	(159)	2,615

	At cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
At 30.4.2013			
Freehold land	1,597	-	1,597
Buildings	1,177	(183)	994
	2,774	(183)	2,591

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.10 INVESTMENT PROPERTIES (CONT'D)

The following assets have been pledged to financial institutions as security for banking facilities granted to Solid Corporation:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Freehold land	1,597	1,597	1,597	1,597
Leasehold land	1,756	1,684	-	-
Buildings	2,515	2,433	1,018	994
	5,868	5,714	2,615	2,591

7.2.11 DEFERRED TAX LIABILITIES/(ASSETS)

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
At 1 May	205	238	199	(74)
Recognised in profit or loss (Note 7.2.8)	33	(39)	(273)	152
At 30 April	238	199	(74)	78

Presented after appropriate offsetting as follows:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Deferred tax assets	-	-	(194)	(17)
Deferred tax liabilities	238	199	120	95
Net deferred tax liabilities/(assets)	238	199	(74)	78

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.11 DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

The deferred tax liabilities/(assets) are attributable to the following items:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Deferred tax liabilities :-				
- Accelerated capital allowance	218	238	235	121
- Unrealised gain on foreign exchange	32	-	7	22
	<u>250</u>	<u>238</u>	<u>242</u>	<u>143</u>
Deferred tax assets :-				
- Unabsorbed capital allowances	(9)	(35)	-	(8)
- Impairment losses on receivables	-	-	(63)	(40)
- Inventories written off	-	-	(198)	-
- Others	(3)	(4)	(55)	(17)
	<u>238</u>	<u>199</u>	<u>(74)</u>	<u>78</u>

No deferred tax asset is recognised in a subsidiary in respect of the following due to its uncertainty of its recoverability.

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Unabsorbed capital allowances	-	-	-	11
Unutilised tax losses	-	-	28	134
	<u>-</u>	<u>-</u>	<u>28</u>	<u>145</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.12 INVENTORIES

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
At cost :-				
Raw materials	3,195	4,085	1,894	1,767
Work-in-progress	195	178	557	593
Finished goods	-	-	3,519	2,803
Goods-in-transit	-	-	3,646	2,998
Trading goods	12,948	14,975	16,507	14,286
	16,338	19,238	26,123	22,447
At net realisable value:-				
Raw materials	-	-	1,913	1,234
Trading goods	-	-	-	58
	16,338	19,238	28,036	23,739

7.2.13 TRADE RECEIVABLES

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Trade receivables	17,191	18,451	18,214	17,945
Allowance for impairment losses	(427)	(595)	(890)	(761)
	16,764	17,856	17,324	17,184
Allowance for impairment losses:-				
At 1 May	-	427	595	890
Additions during the financial year	427	170	302	174
Reversal during the financial year	-	(2)	(7)	(303)
At 30 April	427	595	890	761

Solid Corporation's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables of Solid Corporation is RM36,545 (2012: RM146,530; 2011: RM60,094; 2010: RM337,423) representing amount owing by companies in which the directors of Solid Corporation have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Other receivables	1,151	382	275	28
Deposits	57	225	162	587
Dividend receivable	-	-	-	24
Prepayments	174	197	696	1,578
	<u>1,382</u>	<u>804</u>	<u>1,133</u>	<u>2,217</u>

Included in other receivables of Solid Corporation is RM26,764 (2012: RM212,112; 2011: RM191,403; 2010: RM699,805) representing amount owing by companies in which the directors of Solid Corporation have substantial financial interests.

7.2.15 SHARE CAPITAL

	30.4.2010 '000	30.4.2011 '000	30.4.2012 '000	30.4.2013 '000	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Ordinary shares of RM1 each:-								
Authorised	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Issued and fully paid-up :-								
At 1 May	4,411	4,411	4,411	4,651	4,411	4,411	4,411	4,651
Allotment during the financial year	-	-	240	-	-	-	240	-
Issued and fully paid-up	<u>4,411</u>	<u>4,411</u>	<u>4,651</u>	<u>4,651</u>	<u>4,411</u>	<u>4,411</u>	<u>4,651</u>	<u>4,651</u>

7.2.16 SHARE PREMIUM

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia.

7.2.17 RETAINED PROFITS

At the end of the reporting period, Solid Corporation will be able to distribute dividends out of its entire retained profits under the single tier tax system.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.18 LONG-TERM BORROWINGS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Hire purchase payables (Note 7.2.19)	-	280	354	299
Term loans (Note 7.2.20)	3,318	980	443	152
	3,318	1,260	797	451

7.2.19 HIRE PURCHASE PAYABLES

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Minimum hire purchase payment :-				
- not later than one year	32	173	274	322
- later than one year and not later than five years	-	293	384	320
	32	466	658	642
Less : Future finance charges	(2)	(35)	(56)	(48)
	30	431	602	594
Current :				
- not later than one year (Note 7.2.25)	30	151	248	295
Non-current :				
- later than one year and not later than five years (Note 7.2.18)	-	280	354	299
	30	431	602	594

7.2.20 TERM LOANS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Current :				
- repayable within one year (Note 7.2.25)	610	366	273	275
Non-current portion :				
- repayable between one to two years	642	389	288	152
- repayable between two to five years	1,821	591	155	-
- repayable after five years	855	-	-	-
Total non-current portion (Note 7.2.18)	3,318	980	443	152
	3,928	1,346	716	427

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.20 TERM LOANS (CONT'D)

Details of the repayment terms are as follows:-

	Amount outstanding			
	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Term loan of RM2,873,000 repayable by 120 monthly instalments of RM27,742 each	2,242	-	-	-
Term loan of RM380,000 repayable by 60 monthly instalments of RM1,631 (2012: RM1,631; 2011 & 2010: RM7,171) each	305	238	35	11
Term loan of RM380,000 repayable by 60 monthly instalments of RM1,652 (2012: RM1,652; 2011 & 2010: RM7,215) each	304	237	36	13
Term loan of RM220,000 repayable by 60 monthly instalments of RM3,683 (2012, 2011 & 2010: RM3,683) each	163	125	85	44
Term loan of RM1,000,000 repayable by 60 monthly instalments of RM19,590 (2012, 2011 & 2010: RM19,590) each	914	746	560	359
	3,928	1,346	716	427

The term loans at the end of the reporting period are secured by:-

- (i) legal charges over the landed properties of Solid Corporation as disclosed in Note 7.2.9 and Note 7.2.10; and
- (ii) joint and several guarantee by certain directors of Solid Corporation.

7.2.21 TRADE PAYABLES

The normal trade credit terms granted to Solid Corporation range from 30 to 90 days.

Included in trade payables of Solid Corporation is RM399,400 (2012: RM249,258; 2011: RM256,538; 2010: RM153,538) representing amount owing to companies in which directors of Solid Corporation have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)**7. AUDITED FINANCIAL STATEMENTS (CONT'D)****7.2 SOLID CORPORATION GROUP (CONT'D)****7.2.22 OTHER PAYABLES AND ACCRUALS**

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Other payables	1,300	2,102	3,347	3,226
Accrued expenses	164	875	386	275
	1,464	2,977	3,733	3,501

Included in other payables of Solid Corporation is RM22,310 (2012: RM208,098; 2011: RM90,317; 2010: RM160,262) representing amount owing to companies in which directors of Solid Corporation have substantial financial interests.

7.2.23 AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest-free and repayable on demand.

7.2.24 BANK OVERDRAFTS

The bank overdrafts are secured by way of joint and several guarantee by certain directors of Solid Corporation.

7.2.25 SHORT-TERM BORROWINGS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Bankers' acceptances	4,342	7,178	12,876	811
Foreign currency loans	525	1,960	1,069	5,721
Bills payable	-	-	299	-
Hire purchase payables (Note 7.2.19)	30	151	248	295
Term loans (Note 7.2.20)	610	366	273	275
	5,507	9,655	14,765	7,102

The bankers' acceptances, foreign currency loans, and bills payable of Solid Corporation are secured in the same manner as the term loans as disclosed in Note 7.2.20.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.26 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Cost of property, plant and equipment purchased	2,841	3,666	7,232	578
Amount finance through hire purchase	-	(480)	(368)	(281)
Cash disbursed for purchase of property, plant and equipment	2,841	3,186	6,864	297

7.2.27 DIVIDENDS

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Paid:-				
<i>In respect of previous financial year</i>				
Final dividend of 7.5 sen per ordinary share, net of 25% tax paid on 15 September 2009	331	-	-	-
Final single tier dividend of 25 sen per ordinary share paid on 21 December 2010	-	1,102	-	-
Final single tier dividend of 25 sen per ordinary share paid on 31 May 2011	-	-	1,103	-
Final single tier dividend of 25 sen per ordinary share paid on 31 December 2012	-	-	-	1,163
Paid:-				
<i>In respect of current financial year</i>				
Interim tax-exempt dividend of 10 sen per ordinary share paid on 15 April 2010	441	-	-	-
Interim single tier dividend of approximately 42 sen per ordinary share paid on 1 February 2011	-	1,874	-	-
1st interim single tier dividend of approximately 16 sen per ordinary share paid on 26 September 2011	-	-	706	-
2nd interim single tier dividend of approximately 85 sen per ordinary share paid on 7 December 2011	-	-	3,749	-
	772	2,976	5,558	1,163

In respect of the financial year ended 30 April 2013, a special single tier dividend of RM0.20 per ordinary share amounting to RM930,181 was approved by the shareholders and paid on 20 May 2013.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.28 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Cash and bank balances	1,178	1,906	3,192	5,217
Bank overdraft (Note 7.2.24)	(330)	(872)	-	-
	848	1,034	3,192	5,217

7.2.29 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Solid Corporation has related party relationships with its directors, key management personnel, entities within the same group of companies and other entities in which the directors have substantial financial interests.

(b) In addition to the information detailed elsewhere in the financial statements, Solid Corporation carried out the following significant transactions with the related parties during the financial year:-

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
<i>Companies in which certain directors have substantial financial interests</i>				
Purchase of goods	2,055	1,605	2,008	603
Sales of goods	(243)	(159)	(275)	(183)
Rental received/receivable	(192)	(192)	(194)	(192)
Rental paid/payable	183	132	152	-
Commission received/receivable	(196)	-	-	-
Consultancy fees paid/payable	85	99	-	-
Dividend income received	-	-	-	(44)
Disposal of property	-	(2,150)	-	-
Purchase of property	-	-	4,200	-
Insurance premium paid/payable	157	319	184	-
Transport charges paid/payable	347	411	424	445

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.29 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

	FYE 30.4.2010 RM'000	FYE 30.4.2011 RM'000	FYE 30.4.2012 RM'000	FYE 30.4.2013 RM'000
Short-term employee benefits	885	890	1,212	1,152
Post-employment benefit - Defined contribution plan	58	69	114	118
	<u>943</u>	<u>959</u>	<u>1,326</u>	<u>1,270</u>

7.2.30 CAPITAL COMMITMENTS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Contracted but not provided for:- Freehold land and buildings	1,717	1,109	-	4,170

7.2.31 FINANCIAL INSTRUMENTS

Solid Corporation's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Solid Corporation's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Solid Corporation's financial performance.

(a) Financial Risk Management Policies

Solid Corporation's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

Solid Corporation is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than RM. The currencies giving rise to this risk are primarily USD and JPY. Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Solid Corporation's exposure to foreign currency is as follows:-

	USD RM'000	JPY RM'000	TOTAL RM'000
30.4.2012			
Financial assets			
Trade receivables	3,487	60	3,547
Cash and bank balances	1,437	-	1,437
	<u>4,924</u>	<u>60</u>	<u>4,984</u>
Financial liabilities			
Bank borrowings	1,069	-	1,069
Trade payables	3,171	1,237	4,408
Other payables and accruals	2,174	*	2,174
	<u>6,414</u>	<u>1,237</u>	<u>7,651</u>
Currency exposure	<u>(1,490)</u>	<u>(1,177)</u>	<u>(2,667)</u>

(*) Amount is less than RM500

	USD RM'000	JPY RM'000	TOTAL RM'000
30.4.2013			
Financial assets			
Trade receivables	3,765	17	3,782
Cash and bank balances	1,330	*	1,330
	<u>5,095</u>	<u>17</u>	<u>5,112</u>
Financial liabilities			
Bank borrowings	5,721	-	5,721
Trade payables	2,664	963	3,627
Other payables and accruals	4	-	4
	<u>8,389</u>	<u>963</u>	<u>9,352</u>
Currency exposure	<u>(3,294)</u>	<u>(946)</u>	<u>(4,240)</u>

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the major foreign currencies as at the end of the reporting period, with all other variables held constant:-

	30.4.2012	30.4.2013
	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000
Effects on profit after taxation		
United States Dollar:		
- strengthened by 6% (2012: 5%)	(56)	(148)
- weakened by 6% (2012: 5%)	56	148
Japanese Yen:		
- strengthened by 34% (2012: 10%)	(88)	(242)
- weakened by 34% (2012: 10%)	88	242

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Solid Corporation's exposure to interest rate risk arises mainly from interest-bearing financial liabilities. Solid Corporation's policy is to obtain the most favourable interest rates available.

Information relating to Solid Corporation's exposure to the interest rate risk of the financial liabilities is disclosed in Note 7.2.31(a)(iii).

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	30.4.2012 Increase/ (Decrease) RM'000	30.4.2013 Increase/ (Decrease) RM'000
Effects on profit after taxation		
Increase of 100 basis points (bp)	(112)	(52)
Decrease of 100 bp	112	52

(iii) Equity Price Risk

Solid Corporation is not exposed to any significant equity price risks.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

Solid Corporation's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. Solid Corporation manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

Solid Corporation establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. This allowance represents specific expected loss that relates to individually significant exposures. Impairment is estimated by management based on customer creditworthiness, changes in customers' payment terms and prior experience.

Credit risk concentration profile

Solid Corporation's major concentration of credit risk relates to the amounts owing by fifteen (15) (2012: 14) major customers which constituted approximately 24% (2012: 21%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As Solid Corporation does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	30.4.2012	30.4.2013
	RM'000	RM'000
Malaysia	13,930	13,445
Middle East	2,198	2,906
Others	1,196	833
	<u>17,324</u>	<u>17,184</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of Solid Corporation's trade receivables at end of the reporting period are as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
30.4.2012			
Not past due	13,546	-	13,546
Past due:			
- Less than 3 months	3,405	-	3,405
- 3 to 6 months	400	(30)	370
- Over 6 months	863	(860)	3
	18,214	(890)	17,324
30.4.2013			
Not past due	12,141	-	12,141
Past due:			
- Less than 3 months	4,323	-	4,323
- 3 to 6 months	286	-	286
- Over 6 months	1,195	(761)	434
	17,945	(761)	17,184

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

13. ACCOUNTANTS' REPORT *(Cont'd)*



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

No collective impairment allowance is provided as based on the past records, the irrecoverable amounts from the sale of goods are very insignificant.

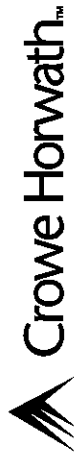
Trade receivables that are past due but not impaired

Solid Corporation believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with reliable collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with Solid Corporation. Solid Corporation's uses ageing analysis to monitor the credit quality of the trade receivables.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. Solid Corporation practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual		
			Undiscounted Cash Flows RM'000	Within	
				1 Year RM'000	1 - 5 years RM'000
30.4.2012					
Hire purchase payables	4.93	602	658	274	384
Term loans	6.91	716	795	319	476
Bankers' acceptances	2.43	12,876	12,876	12,876	-
Foreign currency loans	1.98	1,069	1,069	1,069	-
Bills payables	2.83	299	299	299	-
Trade payables		7,849	7,849	7,849	-
Other payables and accruals		3,733	3,733	3,733	-
Amount owing to directors		3	3	3	-
		27,147	27,282	26,422	860

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13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 years RM'000
30.4.2013					
Hire purchase payables	4.88	594	642	322	320
Term loans	7.43	427	459	307	152
Bankers' acceptances	3.57	811	811	811	-
Foreign currency loans	1.21	5,721	5,721	5,721	-
Trade payables		7,495	7,495	7,495	-
Other payables and accruals		3,501	3,501	3,501	-
		18,549	18,629	18,157	472

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management Policies and Objectives

Solid Corporation manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, Solid Corporation may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Solid Corporation manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as bank borrowings plus trade and other payables and amount owing to directors less cash and cash equivalents.

The debt-to-equity ratio of Solid Corporation as at the end of the reporting period was as follows:-

	30.4.2012 RM'000	30.4.2013 RM'000
Hire purchase payables	602	594
Term loans	716	427
Bankers' acceptances	12,876	811
Foreign currency loans	1,069	5,721
Bills payables	299	-
Trade payables	7,849	7,495
Other payables and accruals	3,733	3,501
Amount owing to directors	3	-
	27,147	18,549
Less:		
Cash and bank balances	(3,192)	(5,217)
Net debt	23,955	13,332
Total equity	41,840	48,236
Debt-to-equity ratio	57%	28%

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	30.4.2012	30.4.2013
	RM'000	RM'000
Financial Assets		
<u>Available-for-sale financial assets</u>		
Other investment	26	26
<u>Loan and receivables financial assets</u>		
Trade receivables	17,324	17,184
Other receivables and deposits	437	639
Cash and bank balances	3,192	5,217
	<u>20,953</u>	<u>23,040</u>
Financial Liabilities		
<u>Other financial liabilities</u>		
Trade payables	7,849	7,495
Other payables and accruals	3,733	3,501
Amount owing to directors	3	-
Borrowings	15,562	7,553
	<u>27,147</u>	<u>18,549</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.31 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

As at the end of the reporting period, the carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.
- (iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

(e) Fair Value Hierarchy

As at 30 April 2013, there were no financial instruments carried at fair values.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.32 EFFECT OF ADOPTION OF FRS 3 - TRANSITION FROM PERS TO FRS

The effects arising from the adoption of FRS 3, Business Combination has been accounted for by adjusting the opening balances as follows:-

Impact on Solid Corporation's statements of financial position:

	As previously reported RM'000	Effects of FRS 3 RM'000	As restated RM'000
Balance as at 1 May 2009			
Negative goodwill on consolidation	421	(421)	-
Retained profits	19,993	421	20,414

	As previously reported RM'000	Effects of FRS 3 RM'000	As restated RM'000
Balance as at 1 May 2010			
Negative goodwill on consolidation	421	(421)	-
Retained profits	24,194	421	24,615

	As previously reported RM'000	Effects of FRS 3 RM'000	As restated RM'000
Balance as at 1 May 2011			
Negative goodwill on consolidation	421	(421)	-
Retained profits	27,565	421	27,986

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.33 RECLASSIFICATION - TRANSITION FROM PERS TO FRS

- (a) Upon transition from PERS to FRS, properties held to earn rentals has been reclassified from property, plant account to investment properties account in the statement of financial position retrospectively.

Impact on Solid Corporation's statements of financial position:

	As previously reported RM'000	Effects of FRS 140 RM'000	As restated RM'000
Balance as at 1 May 2009			
Properties, plant and equipment	14,634	(6,439)	8,195
Investment properties	-	6,439	6,439
Balance as at 1 May 2010			
Properties, plant and equipment	16,230	(6,277)	9,953
Investment properties	-	6,277	6,277
Balance as at 1 May 2011			
Properties, plant and equipment	16,445	(5,714)	10,731
Investment properties	-	5,714	5,714

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.33 RECLASSIFICATION - TRANSITION FROM PERS TO FRS

(b) The following comparative figures have been reclassified to conform with the presentation of the FYE 30 April 2012:-

	As previously reported RM'000	Reclassification RM'0	As restated RM'000
FYE 30.4.2010			
Statement of Cash Flows (Extract):-			
<i>Cash flow from operating activities</i>			
Increase in amount owing to directors	149	(149)	-
Depreciation of investment properties	-	162	162
Depreciation of property, plant and equipment	1,097	(162)	935
Rental income on properties	-	(467)	(467)
<i>Cash flow for investing activities</i>			
Rental received	-	467	467
<i>Cash flow for financing activities</i>			
Advances from directors	-	149	149
Drawdown of bankers' acceptance	17,120	(17,120)	-
Repayment of bankers' acceptance	(15,548)	15,548	-
Net drawdown of bankers' acceptance	-	1,120	1,120
Net drawdown of letter of credit	-	452	452

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.2 SOLID CORPORATION GROUP (CONT'D)

7.2.33 RECLASSIFICATION - TRANSITION FROM PERS TO FRS (CONT'D)

(b) The following comparative figures have been reclassified to conform with the presentation of the FYE 30 April 2012:- (Cont'd)

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
FYE 30.4.2011			
Statement of Cash Flows (Extract):-			
Cash flow from operating activities			
Decrease in amount owing to directors	(382)	382	-
Increase in amount owing to a shareholder	*	(*)	-
Depreciation of investment properties	-	160	160
Depreciation of property, plant and equipment	1,158	(160)	998
Rental income on properties	-	(398)	(398)
Bad debts recovered	-	(20)	(20)
Gain on disposal of investment properties	-	(137)	(137)
Loss on disposal of property, plant and equipment	55	137	192
Property, plant and equipment written off	10	*	10
Gain on foreign exchange - unrealised	-	4	4
Reversal of allowance for impairment losses on trade receivables	-	(2)	(2)
Increase in trade and other receivables	(684)	18	(666)
Cash flow for investing activities			
Rental received	-	398	398
Proceeds from disposal of property, plant and equipment	2,228	(540)	1,688
Proceeds from disposal of investment properties	-	540	540
Cash flow for financing activities			
Repayment to directors	-	(382)	(382)
Advance from a shareholder	-	*	*
Drawdown of bankers' acceptance	20,799	(20,799)	-
Repayment of bankers' acceptance	(16,528)	16,528	-
Net drawdown of bankers' acceptance	-	1,435	1,435
Net drawdown of foreign currency loan	-	2,836	2,836

(*) - Amount less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO

7.3.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF TWINCO

	Note	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Revenue	7.3.5	16,204	5,556	19,840	16,612
Cost of sales		(12,128)	(4,109)	(14,222)	(11,863)
Gross profit ("GP")		4,076	1,447	5,618	4,749
Other income	7.3.6	209	83	563	237
		4,285	1,530	6,181	4,986
Selling and distribution expenses		(924)	(372)	(1,296)	(1,337)
Administrative expenses		(2,083)	(781)	(1,983)	(2,082)
Profit from operations		1,278	377	2,902	1,567
Finance costs		(148)	(51)	(185)	(122)
Profit before taxation ("PBT")	7.3.7	1,130	326	2,717	1,445
Income tax expense	7.3.8	(259)	(61)	(656)	(361)
Profit after taxation ("PAT")/Total comprehensive income		871	265	2,061	1,084
GP margin (%)		25.15	26.04	28.32	28.59
PBT margin (%)		6.97	5.87	13.69	8.70
PAT margin (%)		5.38	4.77	10.39	6.53
Effective tax rate (%)		22.92	18.71	24.14	24.98
Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		1,430	430	3,047	1,705
Weighted average number of ordinary shares in issue of RM1.00 each ('000)		1,878	1,878	1,878	1,878
Gross earnings per share ("EPS") (sen)		60	17	145	77
Net EPS (sen)		46	14	110	58

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.2 STATEMENTS OF FINANCIAL POSITION OF TWINCO

	Note	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	7.3.9	444	407	405	398
Other investment		76	76	76	76
		520	483	481	474
CURRENT ASSETS					
Inventories	7.3.10	4,254	3,929	5,109	5,151
Trade receivables	7.3.11	6,113	6,175	6,137	5,780
Other receivables, deposits and prepayments	7.3.12	327	832	39	328
Tax recoverable		291	292	-	135
Cash and bank balances		321	266	657	548
		11,306	11,494	11,942	11,942
TOTAL ASSETS		11,826	11,977	12,423	12,416

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.2 STATEMENTS OF FINANCIAL POSITION OF TWINCO (CONT'D)

		31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	7.3.13	1,878	1,878	1,878	1,878
Retained profits	7.3.14	4,182	4,447	6,095	6,803
TOTAL EQUITY		6,060	6,325	7,973	8,681
NON-CURRENT LIABILITIES					
Hire purchase payables	7.3.15	32	26	61	58
Deferred tax liability	7.3.16	20	23	24	4
		52	49	85	62
CURRENT LIABILITIES					
Trade payables	7.3.17	1,696	1,726	1,823	1,041
Other payables and accruals	7.3.18	417	350	272	259
Amount owing to directors	7.3.19	44	-	-	-
Short-term borrowings	7.3.20	3,557	3,527	2,024	2,373
Tax payable		-	-	246	-
		5,714	5,603	4,365	3,673
TOTAL LIABILITIES		5,766	5,652	4,450	3,735
TOTAL EQUITY AND LIABILITIES		11,826	11,977	12,423	12,416

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.3 STATEMENTS OF CASH FLOWS OF TWINCO

	1.1.2010 to 31.12.2010	1.1.2011 to 30.4.2011	1.5.2011 to 30.4.2012	1.5.2012 to 30.4.2013
Note	RM'000	RM'000	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	1,130	326	2,717	1,445
Adjustments for :-				
Allowance for impairment losses on trade receivables	-	196	57	162
Bad debts written off	130	-	-	-
Depreciation of plant and equipment	152	53	145	138
Equipment written off	-	-	-	1
Gain on disposal of plant and equipment	-	-	(163)	(13)
Gain on foreign exchange - unrealised	-	-	(2)	(1)
Interest expenses	131	47	159	101
Interest income	(*)	(*)	(5)	(3)
Rental income	(5)	-	-	-
Reversal of allowance for impairment losses on trade receivables	-	(19)	(140)	(93)
Operating profit before working capital changes	1,538	603	2,768	1,737
Decrease/(Increase) in inventories	524	325	(1,180)	(42)
(Increase)/Decrease in trade and other receivables	(440)	(744)	915	(2)
(Decrease)/Increase in trade and other payables	(1,115)	(37)	20	(794)
CASH FROM OPERATIONS	507	147	2,523	899
Interest paid	(131)	(47)	(159)	(101)
Interest received	*	*	5	3
Tax refund	-	-	-	11
Tax paid	(181)	(59)	(117)	(772)
NET CASH FROM OPERATING ACTIVITIES	195	41	2,252	40
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES				
Proceeds from disposal of plant and equipment	-	-	166	13
Purchase of plant and equipment	7.3.21 (38)	(16)	(46)	(71)
Rental received	5	-	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(33)	(16)	120	(58)
BALANCE CARRIED FORWARD	162	25	2,372	(18)

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.3 STATEMENTS OF CASH FLOWS OF TWINCO (CONT'D)

		1.1.2010 to 31.12.2010	1.1.2011 to 30.4.2011	1.5.2011 to 30.4.2012	1.5.2012 to 30.4.2013
BALANCE BROUGHT FORWARD		162	25	2,372	(18)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid	7.3.22	(648)	-	(413)	(376)
Net repayment to directors		(18)	(44)	-	-
Net repayment from former holding company		383	-	-	-
Net drawdown/(repayment) of bankers' acceptances		308	(14)	(1,520)	341
Repayment of hire purchase obligations		(47)	(22)	(48)	(56)
NET CASH FOR FINANCING ACTIVITIES		(22)	(80)	(1,981)	(91)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		140	(55)	391	(109)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		181	321	266	657
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	7.3.23	321	266	657	548

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.4 STATEMENTS OF CHANGES IN EQUITY OF TWINCO

	Note	Share capital RM'000	Retained profits RM'000	Total RM'000
Balance at 1.1.2010		1,878	3,959	5,837
Total comprehensive income for the financial year		-	871	871
Dividend paid	7.3.22	-	(648)	(648)
Balance at 31.12.2010/1.1.2011		1,878	4,182	6,060
Total comprehensive income for the financial period		-	265	265
Balance at 30.04.2011/1.5.2011		1,878	4,447	6,325
Total comprehensive income for the financial year		-	2,061	2,061
Dividend paid	7.3.22	-	(413)	(413)
Balance at 30.04.2012/1.5.2012		1,878	6,095	7,973
Total comprehensive income for the financial year		-	1,084	1,084
Dividend paid	7.3.22	-	(376)	(376)
Balance at 30.04.2013		1,878	6,803	8,681

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.5 REVENUE

Revenue are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

7.3.6 OTHER INCOME

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Commission received	-	52	253	99
Gain on disposal of property, plant and equipment	-	-	163	13
Gain on foreign exchange - realised	137	-	-	-
Gain on foreign exchange - unrealised	-	-	2	1
Reversal of allowance for impairment losses on trade receivables	-	19	140	93
Others	72	12	5	31
	209	83	563	237

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.7 PROFIT BEFORE TAXATION

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Allowance for impairment losses on trade receivables	-	196	57	162
Audit fee				
- current year	19	8	20	20
- (over)/under provision in previous financial year	(5)	(4)	(1)	1
Bad debts written off	130	-	-	-
Depreciation of plant and equipment	152	53	145	138
Directors' fees	130	-	50	30
Directors' non-fees emolument				
- EPF	14	17	50	50
- Other emoluments	111	120	421	421
Equipment written off	-	-	-	1
Interest expenses	131	47	159	101
Loss on foreign exchange - realised	-	15	16	26
Rental of equipment	-	-	-	5
Rental of premises	192	64	192	192
Staff costs	1,531	489	1,618	1,652
Gain on disposal of plant and equipment	-	-	(163)	(13)
Gain on foreign exchange - realised	(137)	-	-	-
Gain on foreign exchange - unrealised	-	-	(2)	(1)
Interest income	(*)	(*)	(5)	(3)
Rental income on motor vehicle	(5)	-	-	-
Reversal of allowance for impairment losses on trade receivables	-	(19)	(140)	(93)

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.8 INCOME TAX EXPENSE

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Current tax expense :-				
- for the financial year	278	74	655	371
- (over)/under provision in previous financial year	-	(16)	-	10
	278	58	655	381
Deferred tax liability (Note 7.3.16)				
- for the financial year	(*)	(2)	(11)	(20)
- (over)/under provision in previous financial year	(19)	5	12	*
	(19)	3	1	(20)
Total tax expense	259	61	656	361

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of Twinco is as follows:-

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Profit before taxation	1,130	326	2,717	1,445
Tax at statutory rate	283	82	679	361
Tax effects of :-				
Differential of tax rate for the first RM500,000	(25)	(18)	(25)	(25)
Non-deductible expenses	20	8	28	15
Non-taxable income	-	-	(38)	-
(Over)/Under provision in previous financial year				
- current tax	-	(16)	-	10
- deferred tax	(19)	5	12	*
Income tax expense	259	61	656	361

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.9 PLANT AND EQUIPMENT

	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Net Book Value				
At 1.1.2010	266	154	88	508
Additions	2	70	16	88
Depreciation charges	(43)	(64)	(45)	(152)
At 31.12.2010	225	160	59	444
At 1.1.2011	225	160	59	444
Additions	11	-	5	16
Depreciation charges	(15)	(24)	(14)	(53)
At 30.4.2011	221	136	50	407
At 1.5.2011	221	136	50	407
Additions	19	121	6	146
Depreciation charges	(46)	(77)	(22)	(145)
Disposal	-	(3)	-	(3)
At 30.4.2012	194	177	34	405
At 1.5.2012	194	177	34	405
Additions	3	96	33	132
Depreciation charges	(47)	(74)	(17)	(138)
Disposal	(*)	-	-	(*)
Written off	-	-	(1)	(1)
At 30.4.2013	150	199	49	398

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.9 PLANT AND EQUIPMENT (CONT'D)

	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
At 31.12.2010				
Cost	521	1,480	368	2,369
Accumulated depreciation	(296)	(1,320)	(309)	(1,925)
Net book value	225	160	59	444
At 30.4.2011				
Cost	532	1,480	373	2,385
Accumulated depreciation	(311)	(1,344)	(323)	(1,978)
Net book value	221	136	50	407
At 30.4.2012				
Cost	551	943	379	1,873
Accumulated depreciation	(357)	(766)	(345)	(1,468)
Net book value	194	177	34	405
At 30.4.2013				
Cost	462	976	146	1,584
Accumulated depreciation	(312)	(777)	(97)	(1,186)
Net book value	150	199	49	398

Included in plant and equipment of Twinco are the following assets acquired under hire purchase terms:-

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Motor vehicles	136	119	154	182

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.10 INVENTORIES

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
At cost :-				
Trading stocks	4,254	3,929	4,604	4,919
Goods in transit	-	-	505	232
	4,254	3,929	5,109	5,151

None of the inventories is carried at net realisable value.

7.3.11 TRADE RECEIVABLES

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Trade receivables	6,242	6,481	6,360	6,072
Allowance for impairment losses	(129)	(306)	(223)	(292)
	6,113	6,175	6,137	5,780

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Allowance for impairment losses:-				
At 1 January/1 May	129	129	306	223
Additions during the financial year/period	-	196	57	162
Reversal during the financial year/period	-	(19)	(140)	(93)
At 31 December/30 April	129	306	223	292

Twinco's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in trade receivables is an amount of RM399,400 (2012: RM258,942; 2011: RM229,376; 2010: RM263,062) owing by companies in which certain directors of Twinco have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Other receivables	264	771	8	23
Deposits	8	14	8	267
Prepayments	55	47	23	38
	327	832	39	328

Included in other receivables is an amount of RM22,970 (2012: RM6,164; 2011: RM107,691; 2010: RM239,769) owing by companies in which certain directors of Twinco have substantial financial interests.

7.3.13 SHARE CAPITAL

	31.12.2010 '000	30.4.2011 '000	30.4.2012 '000	30.4.2013 '000	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Ordinary shares of RM1 each:-								
Authorised	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Issued and fully paid-up	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878

7.3.14 RETAINED PROFITS

Twinco has elected for the irrevocable option for the single tier tax system during the financial year 2012. Therefore, at the end of the reporting period, Twinco will be able to distribute dividends out of its entire retained profits under the single tier tax system.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.15 HIRE PURCHASE PAYABLES

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Minimum hire purchase payment :-				
- not later than one year	52	35	55	63
- later than one year and not later than five years	33	27	64	60
	85	62	119	123
Less : Future finance charges	(4)	(3)	(8)	(7)
	81	59	111	116
Current :				
- not later than one year (Note 7.3.20)	49	33	50	58
Non-current :				
- later than one year and not later than five years	32	26	61	58
	81	59	111	116

7.3.16 DEFERRED TAX LIABILITY

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
At 1 January/ 1 May	39	20	23	24
Recognised in profit or loss (Note 7.3.8)	(19)	3	1	(20)
At 31 December/ 30 April	20	23	24	4

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.16 DEFERRED TAX LIABILITY (CONT'D)

The deferred tax consists of the tax effects of the following items:-

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Deferred tax liabilities :-				
- Accelerated capital allowance	20	23	30	35
- Gain on foreign exchange - unrealised	-	-	1	*
	<u>20</u>	<u>23</u>	<u>31</u>	<u>35</u>
Deferred tax assets :-				
- Allowance for impairment losses on trade receivables	-	-	(7)	(31)
	<u>20</u>	<u>23</u>	<u>24</u>	<u>4</u>

Note :

(*) - Amount is less than RM500

7.3.17 TRADE PAYABLES

The normal trade credit terms granted to Twinco range from 30 to 90 days.

Included in trade payables is an amount of RM304,528 (2012: RM631,290; 2011: RM577,984; 2010: RM450,810) owing to companies in which certain directors of Twinco have substantial financial interests.

7.3.18 OTHER PAYABLES AND ACCRUALS

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Other payables	84	94	106	71
Accrued expenses	333	256	166	188
	<u>417</u>	<u>350</u>	<u>272</u>	<u>259</u>

Included in other payables is an amount of RM26,764 (2012: RM81,214; 2011: RM42,236; 2010: RM10,245) owing to companies in which certain directors of Twinco have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.19 AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest-free and repayable on demand.

7.3.20 SHORT-TERM BORROWINGS

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Bankers' acceptance	3,508	3,494	1,974	2,315
Hire purchase payables (Note 7.3.15)	49	33	50	58
	<u>3,557</u>	<u>3,527</u>	<u>2,024</u>	<u>2,373</u>

The bankers' acceptances of Twinco are secured by:-

- (i) a corporate guarantee from a company in which certain directors have substantial financial interests and
- (ii) joint and several guarantee by the directors of Twinco.

Bankers' acceptances are drawn for a period of up to 180 days (2012: 180 days; 2011: 180 days; 2010: 180 days) which are renewable on maturity and bear interest at rates ranging from 4.43% to 4.67 (2012: 4.50% to 4.78%; 2011: 4.26% to 4.77%; 2010: 4.26% to 4.77%) per annum.

7.3.21 PURCHASE OF PLANT AND EQUIPMENT

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Cost of plant and equipment purchased	88	16	146	132
Amount financed through hire purchase	(50)	-	(100)	(61)
Cash disbursed for purchase of plant and equipment	<u>38</u>	<u>16</u>	<u>46</u>	<u>71</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.22 DIVIDENDS

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Paid:-				
In respect of previous financial year				
Interim dividend of approximately 46 sen per ordinary share less 25% tax paid on 6 October 2010	648	-	-	-
Interim single tier dividend of 22 sen per ordinary share paid on 1 June 2011	-	-	413	-
Final single tier dividend of 20 sen per ordinary share paid on 27 November 2012	-	-	-	376
	648	-	413	376

In respect of the financial year ended 30 April 2013, a special single tier dividend of RM0.20 per ordinary share amounting to RM375,683 was approved by the shareholders and paid on 17 May 2013.

7.3.23 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	31.12.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Cash and bank balances	321	266	657	548

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.24 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Twinco has related party relationships with its directors, key management personnel and other entities in which the directors have substantial financial interests.

(b) In addition to the information detailed elsewhere in the financial statements, Twinco carried out the following significant transactions with the related parties during the financial year:-

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Company in which certain directors have substantial financial interests				
Sale of goods	(685)	(222)	(2,249)	(801)
Purchase of goods	1,578	510	1,902	1,555
Transport charges paid/payable	80	28	82	89
Insurance premium paid/payable	47	5	44	-
Rental paid/payable	192	64	192	192

(c) Compensation of key management personnel

	1.1.2010 to 31.12.2010 RM'000	1.1.2011 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Short-term employee benefits	241	120	471	451
Post-employment benefit - Defined contribution plan	14	17	50	50
	255	137	521	501

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS

Twinco's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Twinco's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Twinco's financial performance.

(a) Financial Risk Management Policies

Twinco's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

Twinco is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than RM. The currencies giving rise to this risk are primarily SGD and Euro. Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

Twinco's exposure to foreign currency is as follows:-

30.4.2013	SGD RM'000	EURO RM'000	TOTAL RM'000
Financial assets			
Cash and bank balances	96	1	97
Financial liabilities			
Trade payables	268	76	344
Currency exposure	<u>(172)</u>	<u>(75)</u>	<u>(247)</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the major foreign currencies as at the end of the reporting period, with all other variables held constant:-

	30.4.2012 Increase/ (Decrease) RM'000	30.4.2013 Increase/ (Decrease) RM'000
Effects on profit after taxation		
SGD:		
- strengthened by 3% (2012: 2%)	(7)	(4)
- weakened by 3% (2012: 2%)	7	4
Euro:		
- strengthened by 10% (2012: 9%)	(13)	(6)
- weakened by 10% (2012: 9%)	13	6

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Twinco's exposure to interest rate risk arises from interest-bearing financial liabilities. Twinco's policy is to obtain the most favourable interest rates available.

Information in relating to Twinco's exposure to the interest rate risk of the financial liabilities is disclosed in Note 7.3.25(a)(iii).

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	30.4.2012 Increase/ (Decrease) RM'000	30.4.2013 Increase/ (Decrease) RM'000
Effects on profit after taxation		
Increase of 100 basis point (bp)	(15)	(23)
Decrease of 100 bp	15	23

(iii) Equity Price Risk

Twinco does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

Twinco's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. Twinco manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

Twinco establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. This allowance represents specific expected loss that relates to individually significant exposures. Impairment is estimated by management based on customer creditworthiness, changes in customers' payment terms and prior experience.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Credit risk concentration profile

Twinco's major concentration of credit risk relates to the amounts owing by ten (10) (2012: 7) major customers which constituted approximately 24% (2012: 29%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As Twinco does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	30.4.2012	30.4.2013
	RM'000	RM'000
Singapore	13	2
Malaysia	6,124	5,778
	<u>6,137</u>	<u>5,780</u>

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of Twinco's trade receivables at the end of the reporting period are as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
30.4.2012			
Not past due	3,739	-	3,739
Past due:			
- Less than 3 months	2,054	-	2,054
- 3 to 6 months	225	-	225
- Over 6 months	342	(223)	119
	6,360	(223)	6,137
30.4.2013			
Not past due	4,079	-	4,079
Past due:			
- Less than 3 months	1,579	-	1,579
- 3 to 6 months	117	-	117
- Over 6 months	297	(292)	5
	6,072	(292)	5,780

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

No collective impairment allowance is provided as based on the past records, the irrecoverable amounts from the sale of goods are very insignificant.

13. ACCOUNTANTS' REPORT *(Cont'd)*



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Trade receivables that are past due but not impaired

Twinco believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with reliable collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with Twinco. Twinco's uses ageing analysis to monitor the credit quality of the trade receivables.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. Twinco practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual	
			Undiscounted Cash Flows RM'000	Within 1 Year 1 - 5 years RM'000 RM'000
30.4.2012				
Hire purchase payables	6.11	111	119	55 64
Bankers' acceptances	4.60	1,974	1,974	1,974 -
Trade payables		1,823	1,823	1,823 -
Other payables and accruals		272	272	272 -
		4,180	4,188	4,124 64

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual		1 - 5 years RM'000
			Undiscounted Cash Flows RM'000	Within 1 Year RM'000	
30.4.2013					
Hire purchase payables	5.56	116	123	63	60
Bankers' acceptances	4.54	2,315	2,315	2,315	-
Trade payables		1,041	1,041	1,041	-
Other payables and accruals		259	259	259	-
		3,731	3,738	3,678	60

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management Policies and Objectives

Twinco manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, Twinco may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Twinco manages its capital based on debt-to-equity ratio. Twinco's strategy was unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as bank borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of Twinco as at the end of the reporting period was as follows:-

	30.4.2012 RM'000	30.4.2013 RM'000
Hire purchase payables	111	116
Bankers' acceptances	1,974	2,315
Trade payables	1,823	1,041
Other payables and accruals	272	259
	4,180	3,731
Less:		
Cash and bank balances	(657)	(548)
	3,523	3,183
Net debt	3,523	3,183
Total equity	7,973	8,681
Debt-to-equity ratio	44%	37%

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	30.4.2012 RM'000	30.4.2013 RM'000
Financial Assets		
<u>Available-for-sale financial assets</u>		
Other investment	76	76
<u>Loan and receivables financial assets</u>		
Trade receivables	6,137	5,780
Other receivables and deposits	16	290
Cash and bank balances	657	548
	6,810	6,618
Financial Liabilities		
<u>Other financial liabilities</u>		
Hire purchase payables	111	116
Bankers' acceptances	1,974	2,315
Trade payables	1,823	1,041
Other payables and accruals	272	259
	4,180	3,731

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.25 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(e) Fair Value Hierarchy

As at 30 April 2013, there were no financial instruments carried at fair values.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.26 RECLASSIFICATION - TRANSITION FROM PERS to FRS

- i) The following comparative figures had been reclassified to conform with the presentation of the audited financial statements for the FYE 30 April 2012:-

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Cash Flows (Extract):-			
<u>1.1.2010 to 31.12.2010</u>			
<i>Cash flow from operating activities</i>			
Decrease in amount owing by holding company	383	(383)	-
Decrease in amount owing to directors	(18)	18	-
Rental income	-	(5)	(5)
<i>Cash flow for investing activities</i>			
Rental received	-	5	5
<i>Cash flow for financing activities</i>			
Net repayment from holding company	-	383	383
Net repayment to directors	-	(18)	(18)
<u>1.1.2011 to 30.4.2011</u>			
<i>Cash flow from operating activities</i>			
Decrease in amount owing to directors	(44)	44	-
Reversal of allowance for impairment losses on trade receivables	-	(19)	(19)
Increased in trade and other receivables	(763)	19	(744)
<i>Cash flow for financing activities</i>			
Net repayment to directors	-	(44)	(44)

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.3 TWINCO (CONT'D)

7.3.26 RECLASSIFICATION - TRANSITION FROM PERS to FRS (CONT'D)

- i) The following comparative figures have been reclassified to conform with the presentation of the audited financial statements for the FYE 30 April 2012:-
(Cont'd)

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Comprehensive Income (Extract):-			
<u>1.1.2010 to 31.12.2010</u>			
Administrative expenses	2,083	(337)	1,746
Selling and distribution expenses	924	337	1,261
<u>1.1.2011 to 30.4.2011</u>			
Administrative expenses	911	(130)	781
Selling and distribution expenses	242	130	372

- ii) Upon transition to FRSs, gain on disposal of property, plant and equipment has been reclassified from reserve account to retained profit account in the statement of financial position retrospectively.

Impact on Twinco's statements of financial position:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Balance as at 1 Jan 2011			
Reserve	308	(308)	-
Retained profits	3,874	308	4,182
Balance as at 1 May 2011			
Reserve	308	(308)	-
Retained profits	4,139	308	4,447

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE

7.4.1 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF AUTO EMPIRE

	Note	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Revenue	7.4.5	6,213	10,881	10,126	8,511
Cost of sales		(5,033)	(8,581)	(7,874)	(6,624)
Gross profit ("GP")		1,180	2,300	2,252	1,887
Other income	7.4.6	127	136	193	170
		1,307	2,436	2,445	2,057
Selling and distribution expenses		(112)	(196)	(267)	(466)
Administrative expenses		(284)	(429)	(727)	(699)
Profit from operations		911	1,811	1,451	892
Finance costs		(20)	(43)	(49)	(50)
Profit before taxation ("PBT")	7.4.7	891	1,768	1,402	842
Taxation	7.4.8	(201)	(362)	85	(53)
Profit after taxation ("PAT")		690	1,406	1,487	789
Other comprehensive income		(158)	157	53	-
Total comprehensive income		532	1,563	1,540	789
GP margin (%)		18.99	21.14	22.24	22.17
PBT margin (%)		14.34	16.25	13.85	9.89
PAT margin (%)		11.11	12.92	14.68	9.27
Effective tax rate (%)		22.56	20.48	(6.06)	6.29
Earning before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		922	1,821	1,464	924
Weighted average number of ordinary shares in issue ('000)		720	720	795	4,654
Gross earnings per share ("EPS") (sen)		124	246	176	18
Net EPS (sen)		96	195	187	17

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.2 STATEMENTS OF FINANCIAL POSITION OF AUTO EMPIRE

	Note	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	7.4.9	24	14	49	341
		24	14	49	341
CURRENT ASSETS					
Inventories	7.4.10	3,729	3,638	5,068	5,874
Trade receivables	7.4.11	4,709	5,063	4,289	2,651
Other receivables, deposits and prepayments	7.4.12	117	47	694	205
Amount due from a shareholder	7.4.13	-	-	17	-
Amount due from a related party	7.4.14	787	643	472	268
Cash and bank balances	7.4.23	1,816	1,398	1,305	1,625
		11,158	10,789	11,845	10,623
TOTAL ASSETS		11,182	10,803	11,894	10,964
EQUITY AND LIABILITIES					
EQUITY					
Share capital	7.4.15	720	720	4,654	4,654
Translation reserve	7.4.16	(77)	80	133	133
Retained profits		2,576	3,982	5,469	4,566
TOTAL EQUITY		3,219	4,782	10,256	9,353
NON-CURRENT LIABILITIES					
Hire purchase payables	7.4.17	-	-	-	98
CURRENT LIABILITIES					
Trade payables	7.4.18	602	1,116	1,101	372
Other payables and accruals	7.4.19	98	70	147	103
Amount owing to directors	7.4.20	5,219	4,029	143	*
Amount owing to shareholders	7.4.21	1,937	558	-	932
Hire purchase payable	7.4.17	-	-	-	56
Provision for taxation	7.4.8	107	248	247	50
		7,963	6,021	1,638	1,513
TOTAL LIABILITIES		7,963	6,021	1,638	1,611
TOTAL EQUITY AND LIABILITIES		11,182	10,803	11,894	10,964

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.3 STATEMENTS OF CASH FLOWS OF AUTO EMPIRE

	1.10.2009 to 30.4.2010	1.5.2010 to 30.4.2011	1.5.2011 to 30.4.2012	1.5.2012 to 30.4.2013
Note	RM'000	RM'000	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	891	1,768	1,402	842
Adjustments for :-				
Depreciation of property, plant and equipment	11	10	13	32
Interest expense	-	-	-	2
Operating profit before working capital changes	902	1,778	1,415	876
Decrease/(increase) in inventories	1,015	230	(1,382)	(820)
(Increase)/Decrease in trade and other receivables	(339)	(96)	191	2,164
Increase/(Decrease) in trade and other payables	196	450	47	(787)
Decrease in amount due from a related party	708	171	178	207
CASH FROM OPERATIONS	2,482	2,533	449	1,640
Tax refund	-	-	246	-
Tax paid	(357)	(229)	(165)	(254)
Interest paid	-	-	-	(2)
NET CASH FROM OPERATING ACTIVITIES	2,125	2,304	530	1,384
CASH FLOWS FOR INVESTING ACTIVITY				
Purchase of plant and equipment	-	-	(48)	(153)
NET CASH FOR INVESTING ACTIVITY	-	-	(48)	(153)
CASH FLOWS FOR FINANCING ACTIVITIES				
Dividend paid	-	-	-	(759)
Increase/(Decrease) in amount owing to directors	5,279	(1,360)	(11)	(146)
(Decrease)/Increase in amount owing to shareholders	(6,729)	(1,421)	(581)	17
Repayment of hire purchase obligations	-	-	-	(18)
NET CASH FOR FINANCING ACTIVITIES	(1,450)	(2,781)	(592)	(906)

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.3 STATEMENTS OF CASH FLOWS OF AUTO EMPIRE (CONT'D)

	1.10.2009 to 30.4.2010	1.5.2010 to 30.4.2011	1.5.2011 to 30.4.2012	1.5.2012 to 30.4.2013
Note	RM'000	RM'000	RM'000	RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	675	(477)	(110)	325
FOREIGN CURRENCY TRANSLATION RESERVE	(83)	59	17	(5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,224	1,816	1,398	1,305
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	7.4.23 1,816	1,398	1,305	1,625

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.4 STATEMENTS OF CHANGES IN EQUITY OF AUTO EMPIRE

	Note	Share capital RM'000	Translation reserve RM'000	Retained profits RM'000	Total RM'000
Balance at 1.10.2009		720	81	1,886	2,687
Total comprehensive income for the financial period		-	(158)	690	532
Balance at 30.4.2010/1.5.2010		720	(77)	2,576	3,219
Total comprehensive income for the financial year		-	157	1,406	1,563
Balance at 30.04.2011/1.5.2011		720	80	3,982	4,782
Issuance of shares	7.4.15	3,934	-	-	3,934
Total comprehensive income for the financial year		-	53	1,487	1,540
Balance at 30.04.2012/1.5.2012		4,654	133	5,469	10,256
Total comprehensive income for the financial year		-	-	789	789
Dividend paid	7.4.24	-	-	(1,692)	(1,692)
Balance at 30.04.2013		4,654	133	4,566	9,353

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.5 REVENUE

Revenue represents invoiced trading sales to customers.

7.4.6 OTHER INCOME

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Bad debts recovery	-	-	20	-
Freight charges	1	6	87	83
Gain in foreign exchange - trade	120	129	30	5
Jobs credit	6	1	-	-
Other income	-	-	56	64
SME cash grant	-	-	-	12
Special Employment Credit	-	-	-	6
	127	136	193	170

7.4.7 PROFIT BEFORE TAXATION

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Audit fee				
- current year	7	9	10	11
- over provision in previous year	1	*	2	-
Depreciation of property, plant and equipment	11	10	13	32
Directors' fees	5	5	98	50
Directors' non-fees emolument				
- CPF	5	9	9	8
- Other emoluments	72	111	114	110
Interest expenses	-	-	-	2
Rental of premises	128	216	364	371
Staff costs	85	132	218	371
Gain on foreign exchange - realised	(120)	(129)	(30)	(6)

Note:

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.8 TAXATION

(a) Tax expense

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Current tax expense :-				
- for the financial year	73	241	171	53
- under/(over) provision in previous financial year	128	121	(256)	-
Total tax expense/(income)	201	362	(85)	53

The tax expense on the results for the financial period/year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Profit before taxation	891	1,768	1,402	842
Tax at statutory rate	152	301	238	143
Tax effects of :-				
Non-deductible expenses	5	3	6	11
Non-taxable gain	(21)	(*)	-	(2)
Other	-	-	-	-
Capital allowances	(1)	(1)	(10)	(11)
Corporate income tax rebate	-	-	-	(23)
Statutory stepped income exemption	(62)	(62)	(63)	(65)
Under/(Over) provision of taxation in previous financial year	128	121	(256)	-
Income tax expense/(income)	201	362	(85)	53

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.8 TAXATION (CONT'D)

(b) Movements in provision for taxation as follows:

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Balance at beginning of the financial period/year	272	107	248	247
Current period's/year's tax expense on profit	73	241	171	53
Income tax refund	-	-	246	-
Under/(Over) provision in previous financial period/year	128	121	(256)	-
Income tax paid	(357)	(229)	(165)	(254)
Exchange differences	(9)	8	3	4
Balance at end of the financial period/year	107	248	247	50

7.4.9 PLANT AND EQUIPMENT

Net Book Value	Computers RM'000	Motor vehicles RM'000	Office equipment RM'000	Fixture and fittings RM'000	Store Equipments RM'000	Total RM'000
At 1.10.2009	-	1	-	35	-	36
Depreciation charges	-	(1)	-	(10)	-	(11)
Exchange differences	-	(*)	-	(1)	-	(1)
At 30.4.2010	-	-	-	24	-	24
At 1.5.2010	-	-	-	24	-	24
Depreciation charges	-	-	-	(10)	-	(10)
Exchange differences	-	-	-	*	-	*
At 30.4.2011	-	-	-	14	-	14
At 1.5.2011	-	-	-	14	-	14
Additions	10	-	22	13	3	48
Depreciation charges	(1)	-	(1)	(11)	(*)	(13)
Exchange differences	*	-	*	*	*	*
At 30.4.2012	9	-	21	16	3	49
At 1.5.2012	9	-	21	16	3	49
Additions	-	328	-	-	-	328
Depreciation charges	(2)	(22)	(2)	(6)	(*)	(32)
Exchange differences	*	(4)	*	*	*	(4)
At 30.4.2013	7	302	19	10	3	341

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.9 PLANT AND EQUIPMENT (CONT'D)

	Computers RM'000	Motor vehicles RM'000	Office equipment RM'000	Fixture and fittings RM'000	Store Equipments RM'000	Total RM'000
At 30.4.2010						
Cost	-	113	14	102	-	229
Accumulated depreciation	-	(113)	(14)	(77)	-	(204)
Exchange differences	-	(*)	-	(1)	-	(1)
Net book value	-	-	-	24	-	24
At 30.4.2011						
Cost	-	61	8	102	-	171
Accumulated depreciation	-	(61)	(8)	(88)	-	(157)
Net book value	-	-	-	14	-	14
At 30.4.2012						
Cost	10	61	30	115	3	219
Accumulated depreciation	(1)	(61)	(9)	(99)	(*)	(170)
Net book value	9	-	21	16	3	49
At 30.4.2013						
Cost	10	389	30	115	3	547
Accumulated depreciation	(3)	(83)	(11)	(105)	(*)	(202)
Exchange differences	-	(4)	-	-	-	(4)
Net book value	7	302	19	10	3	341

(*) - Amount is less than RM500

7.4.10 INVENTORIES

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
At cost :-				
Trading stocks	3,729	3,638	5,068	5,874

None of the inventories is carried at net realisable value.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.11 TRADE RECEIVABLES

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Trade receivables	4,785	5,145	4,143	2,722
GST	33	31	241	24
Allowance for impairment losses	(109)	(113)	(95)	(95)
	4,709	5,063	4,289	2,651
	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Allowance for impairment losses:-				
At 1 October/1 May	115	109	113	95
Less : Bad debts recovered during the financial period/year	-	-	(20)	-
Exchange differences	(6)	4	2	-
At 30 April	109	113	95	95

The trade receivables are non-interest bearing and normally settled on 60 to 120 days term.

Trade receivables are denominated in the following currencies and approximate its fair values:

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Euro	-	-	45	10
SGD	4,709	5,063	4,244	2,640
USD	-	-	-	1
	4,709	5,063	4,289	2,651

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.12 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Other receivables	117	-	191	-
Advance paid to suppliers	-	-	494	158
Deposits	-	*	*	31
Prepayments	-	47	9	16
	117	47	694	205

(*) Amount is less than RM500

7.4.13 AMOUNT DUE FROM A SHAREHOLDER

The amount due from a shareholder is non-trade in nature, unsecured, interest free and repayable on demand.

7.4.14 AMOUNT DUE FROM A RELATED PARTY

The amount due from a related party is trade in nature, unsecured, interest free and with a fixed term of 90 days.

7.4.15 SHARE CAPITAL

	30.4.2010 '000	30.4.2011 '000	30.4.2012 '000	30.4.2013 '000	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Number of shares								
Issued and fully paid-up :-								
Beginning of the financial period/year	720	720	720	4,654	720	720	720	4,654
Issued during the financial year	-	-	3,934	-	-	-	3,934	-
End of the financial period/year	720	720	4,654	4,654	720	720	4,654	4,654

7.4.16 TRANSLATION RESERVE

The reserve represents the foreign exchange translation reserve arose from the translation of the financial statements of Auto Empire from SGD to RM.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.17 HIRE PURCHASE PAYABLES

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Minimum hire purchase payment :-				
- not later than one year	-	-	-	61
- later than one year and not later than five years	-	-	-	102
	-	-	-	163
Less : Future finance charges	-	-	-	(9)
	-	-	-	154
Current :				
- not later than one year	-	-	-	56
Non-current :				
- later than one year and not later than five years	-	-	-	98
	-	-	-	154

7.4.18 TRADE PAYABLES

The trade payables are non-interest bearing and are normally settled on 30 to 120 days terms.

The trade payables are denominated in the following currencies and approximate its fair values:

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Euro	566	1,046	1,099	345
RM	1	3	-	-
SGD	2	4	2	-
USD	33	63	*	27
	602	1,116	1,101	372

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)**7. AUDITED FINANCIAL STATEMENTS (CONT'D)****7.4 AUTO EMPIRE (CONT'D)****7.4.18 TRADE PAYABLES (CONT'D)**

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Trade payables	155	411	727	372
Bill payable	447	705	374	-
	602	1,116	1,101	372

7.4.19 OTHER PAYABLES AND ACCRUALS

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Other payables	39	33	27	14
Accrued expenses	59	37	29	37
Proposed directors' fee	-	-	91	49
Amount due to a related party	-	-	*	3
	98	70	147	103

(*) Amount is less than RM500

7.4.20 AMOUNT OWING TO DIRECTORS

The amount owing to directors is non-trade in nature, unsecured, interest-free and repayable on demand.

7.4.21 AMOUNT OWING TO SHAREHOLDERS

The amount owing to shareholders is non-trade in nature, unsecured, interest-free and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.22 PURCHASE OF PLANT AND EQUIPMENT

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Cost of plant and equipment purchased	-	-	48	328
Amount financed through hire purchase	-	-	-	(175)
Cash disbursed for purchase of plant and equipment	-	-	48	153

7.4.23 CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
Cash and bank balances	1,816	1,398	1,305	1,625

Cash and cash equivalents are denominated in the following currencies and approximate its fair values:

	30.4.2010 RM'000	30.4.2011 RM'000	30.4.2012 RM'000	30.4.2013 RM'000
SGD	1,804	1,379	1,302	1,604
RM	12	19	3	21
	1,816	1,398	1,305	1,625

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.24 DIVIDENDS

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Paid/Payable:-				
<i>In respect of previous financial year</i>				
Final single tier dividend of SGD 0.16 per ordinary share paid on 27 November 2012	-	-	-	759
<i>In respect of current financial year</i>				
interim single tier dividend of SGD 0.20 per ordinary share paid on 29 April 2013	-	-	-	933
	-	-	-	1,692

7.4.25 SIGNIFICANT RELATED PARTY DISCLOSURES

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision.

These were the following significant related party transactions which were carried out in the normal course of business on terms that prevail in arm's length transactions during the financial period/year:

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
Amount billed by/(to) related parties				
Sale of goods	(1,123)	(1,437)	(1,637)	(1,368)
Purchase of goods	245	180	285	197
Rental expense	64	108	167	171
Dividend paid	-	-	-	44

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.25 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

	1.10.2009 to 30.4.2010 RM'000	1.5.2010 to 30.4.2011 RM'000	1.5.2011 to 30.4.2012 RM'000	1.5.2012 to 30.4.2013 RM'000
<i>Compensation of key management personnel</i>				
Salaries, bonus and other benefits-in-kind	72	111	114	110
Directors' fees	5	5	98	50
Contribution to defined contribution plan	5	9	9	8
	82	125	221	168

7.4.26 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	30.4.2012 RM'000	30.4.2013 RM'000
Financial Assets		
<u>Loan and receivables</u>		
Trade and other receivables (excluding prepayments)	4,974	2,840
Amount due from a shareholder	17	-
Amount due from a related party	472	268
Cash and cash equivalents	1,305	1,625
	6,768	4,733
Financial Liabilities		
<u>Amortised cost</u>		
Trade and other payables	1,248	475
Amount owing to directors	143	*
Amount owing to shareholders	-	932
Hire purchase payables	-	154
	1,391	1,561

Note :

(*) - Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

Auto Empire's overall policy with respect to managing risks associated with financial instruments is to recognise the potential adverse effects on the financial performance of Auto Empire.

The policies for managing each of these risks are summarised below:

(i) Credit risk

It is Auto Empire's policy to evaluate each customer for credit risk before a service on credit terms is extended and the debtors are constantly reviewed and more intensively at the end of each financial period for possible losses and provision for bad debts is made where necessary. Cash is placed with reputable banks.

Auto Empire's major concentration of credit risk relates to the amount owing by a customer which constitutes approximately 50% (2012: 54%).

Receivables that are past due but not impaired

Auto Empire has trade receivables amounting to approximately RM805,000 (2012: RM1,950,000) that are past due at the date of statement of financial position but not impaired. These trade receivables are unsecured and the analysis of their ageing at the date of statement of financial position are as follows:

	Carrying Value RM'000
30.4.2012	
Not past due	2,339
Past due:	
- Less than 3 months	1,517
- 3 to 6 months	304
- Over 6 months	129
	4,289

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Value RM'000
30.4.2013			
Not past due	1,606	-	1,606
Past due:			
- Less than 3 months	450	-	450
- 3 to 6 months	355	-	355
- Over 6 months	335	(95)	240
	<u>2,746</u>	<u>(95)</u>	<u>2,651</u>

Trade receivables that are individually determined to be impaired at the statement of financial position date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(ii) Interest rate risk

Auto Empire's exposure to market risk for changes in interest rates relates primarily to its debt obligations. Auto Empire does not use derivative financial instruments to hedge its debt obligations and it manages its interest cost partially by using a mix of fixed and variable rate debts. The increases or decreases in interest rate, if any, will not have significant impact on the financial statements as the interest rate is variable.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that Auto Empire is unable to pay its debts as at when they fall due. To mitigate this risk, Auto Empire maintains sufficient cash balances to meet its working capital requirements and operational needs and where necessary, from funds provided by the director and shareholder. Liquidity risk arises if such financial support is abruptly withdrawn.

The table below summarises the maturity profile of Auto Empire's financial liabilities as at the reporting date based on the contractual undiscounted cash flow:-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	Within 2 - 5 years RM'000
30.4.2012					
Trade and other payables	-	1,248	1,248	1,248	-
30.4.2013					
Trade and other payables	-	475	475	475	-
Hire purchase payables	4.36	154	163	61	102
		629	638	536	102

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Foreign exchange risk

Foreign exchange risk arises from a change in foreign currency exchange rate, which is expected to have an effect on Auto Empire in the current reporting period and in future years.

Auto Empire has purchases and sales denominated in EURO and USD. Fluctuations in the exchange rate between these foreign currencies with SGD will therefore have an impact to Auto Empire.

Auto Empire did not enter into derivative forward exchange contracts, futures and options for hedging and speculative purposes.

(v) Sensitivity analysis for currency risk

	30.4.2012 Increase/ (Decrease) RM'000	30.4.2013 Increase/ (Decrease) RM'000
Effects on profit before taxation		
USD - strengthened 10% (2012: 10%)	(*)	7
USD - weakened 10% (2012: 10%)	*	(7)
RM - strengthened 10% (2012: 10%)	*	2
RM - weakened 10% (2012: 10%)	(*)	(2)
Euro - strengthened 10% (2012: 10%)	(105)	(28)
Euro - weakened 10% (2012: 10%)	105	28

(*) Amount is less than RM500

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.26 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(vi) Capital management

Auto Empire manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debts and equity balance.

The capital structure of Auto Empire consists of debts, bank balances and equity attributable to equity holder of Auto Empire, comprising paid-up capital and retained earnings.

Management reviews Auto Empire's capital structure from time to time and recommends to the Board of Directors appropriate actions such as payment of dividend, new share issues and utilisation of available banking facilities as well as redemption of existing debts.

As at 30 April 2013, Auto Empire is not subjected to any externally imposed capital requirement.

(vii) Fair value of financial assets and liabilities

The carrying amount of the financial assets and financial liabilities recorded in the financial statements approximates their respective net fair value due to the relatively short-term maturity of these financial instruments.

13. ACCOUNTANTS' REPORT (Cont'd)



7. AUDITED FINANCIAL STATEMENTS (CONT'D)

7.4 AUTO EMPIRE (CONT'D)

7.4.27 RECLASSIFICATION

The following comparative figures have been reclassified to conform with the presentation of Auto Empire's audited financial statements for the FYE 30 April 2012.

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Financial Position (Extract):-			
As at 30 April 2010			
Trade receivables	5,734	(1,025)	4,709
Trade payables	(840)	238	(602)
Amount due from a related party	-	787	787

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Comprehensive Income (Extract):-			
<u>1.10.2009 to 30.4.2010</u>			
Selling and distribution expenses	-	112	112
Administrative expenses	32	252	284
Other operating expenses	364	(364)	-

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Cash Flows (Extract):-			
<u>1.10.2009 to 30.4.2010</u>			
Decrease/(Increase) in trade and other receivables	123	(462)	(339)
Increase in trade and other payables	442	(246)	196
Decrease in amount owing by a related party - trade	-	708	708

13. ACCOUNTANTS' REPORT (Cont'd)



8. SUBSEQUENT EVENTS

There is no significant subsequent event between the date of the last financial statements used in the preparation of this report and the date of this report which will affect materially the contents of this report.

9. AUDITED FINANCIAL STATEMENTS

As of the date of this report, no audited financial statements have been prepared in respect of any period subsequent to 30 April 2013 for Solid, Solid Corporation, Twinco and Auto Empire.

Yours faithfully

A stylized signature of the firm name "Crowe Horwath" in cursive script.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

A handwritten signature in cursive script, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/14 (J)
Chartered Accountant



Crowe Horwath AF 1018
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID CORPORATION SDN. BHD.

(Incorporated in Malaysia)
Company No.: 88187-A

Report on the Financial Statements

We have audited the financial statements of Solid Corporation Sdn. Bhd., which comprise the balance sheets of the Group and of the Company as at 30 April 2010, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 35.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID CORPORATION SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 88187-A

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2010 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Johor Bahru

14 OCT 2010

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID CORPORATION SDN. BHD.

(Incorporated in Malaysia)
Company No.: 88187-A

Report on the Financial Statements

We have audited the financial statements of Solid Corporation Sdn. Bhd., which comprise the balance sheets of the Group and of the Company as at 30 April 2011, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 35.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID CORPORATION SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 88187-A

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2011 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Johor Bahru

14 OCT 2011

Wong Tak Mun
Approval No. 1793/09/12 (J)
Chartered Accountant

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID CORPORATION SDN. BHD.

(Incorporated in Malaysia)
Company No.: 88187-A

Report on the Financial Statements

We have audited the financial statements of Solid Corporation Sdn. Bhd., which comprise the statements of financial position as at 30 April 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 75.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID CORPORATION SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 88187-A

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2012 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID CORPORATION SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 88187-A

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Crowe Horwath".

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

23 AUG 2012

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID CORPORATION SDN. BHD.

(Incorporated in Malaysia)
Company No.: 88187-A

Report on the Financial Statements

We have audited the financial statements of Solid Corporation Sdn. Bhd., which comprise statements of financial position as at 30 April 2013 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 71.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID CORPORATION SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 88187-A

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 April 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes;
- (c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID CORPORATION SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 88187-A

Other Matters

1. As stated in Note 3(a) to the financial statements, Solid Corporation Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Crowe Horwath".

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

29 JUN 2013

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/14 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWINCO FAR EAST SDN. BHD.

(Incorporated in Malaysia)
Company No.: 324516-P

Report on the Financial Statements

We have audited the financial statements of Twinco Far East Sdn. Bhd., which comprise the balance sheet of the Company as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 26.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TWINCO FAR EAST SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 324516-P

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm Crowe Horwath.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

08 JUN 2011

Johor Bahru

A handwritten signature of Wong Tak Mun.

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWINCO FAR EAST SDN. BHD.

(Incorporated in Malaysia)
Company No.: 324516-P

Report on the Financial Statements

We have audited the financial statements of Twinco Far East Sdn. Bhd., which comprise the balance sheet of the Company as at 30 April 2011, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 27.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TWINCO FAR EAST SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 324516-P

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2011 and of its financial performance and cash flows for the financial period then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature for Crowe Horwath.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

Johor Bahru

13 JUN 2011

A handwritten signature for Wong Tak Mun.

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWINCO FAR EAST SDN. BHD.

(Incorporated in Malaysia)
Company No.: 324516-P

Report on the Financial Statements

We have audited the financial statements of Twincoco Far East Sdn. Bhd., which comprise the statement of financial position as at 30 April 2012 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 42.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TWINCO FAR EAST SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 324516-P

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm name "Crowe Horwath" in a cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

23 AUG 2012

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX VIII

Crowe Horwath AF 1016
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWINCO FAR EAST SDN. BHD.

(Incorporated in Malaysia)
Company No.: 324516-P

Report on the Financial Statements

We have audited the financial statements of Twinco Far East Sdn. Bhd., which comprise statement of financial position as at 30 April 2013 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 41.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 April 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan Page 6

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TWINCO FAR EAST SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 324516-P

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 3 to the financial statements, Twinco Far East Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Crowe Horwath".

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

29 June 2013

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/14 (J)
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IX



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUTO EMPIRE IMPEX PTE.LTD.**

We have audited the accompanying financial statements of AUTO EMPIRE IMPEX PTE.LTD., which comprise the statement of financial position of the Company as at 30 April 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income, statement of financial position and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 April 2010 and of the results, changes in equity and cash flows of the Company for the financial period ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

LEE S F & CO
Public Accountants and Certified Public Accountants
Singapore,
EDD/LSF

08 FEB 2012



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUTO EMPIRE IMPEX PTE.LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of AUTO EMPIRE IMPEX PTE.LTD., which comprise the statement of financial position of the Company as at 30 April 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 April 2011 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

LEE S F & CO
Public Accountants and Certified Public Accountants
Singapore,
SAN/LSF

1 JUN 2012

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XI



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUTO EMPIRE IMPEX PTE LTD**

Report on the Financial Statements

We have audited the accompanying financial statements of AUTO EMPIRE IMPEX PTE LTD (the "Company"), which comprise the statement of financial position as at 30 April 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 April 2012 and of the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.


LEE S F & CO
 Public Accountants and Certified Public Accountants
 Singapore,
 JL/LSF

09 OCT 2012



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AUTO EMPIRE IMPEX PTE LTD**

Report on the Financial Statements

We have audited the accompanying financial statements of AUTO EMPIRE IMPEX PTE LTD, which comprise the statement of financial position of the Company as at 30 April 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Company as at 30 April 2013 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

LEE S F & CO
Public Accountants and Certified Public Accountants
Singapore, JL/LSF
29 JUN 2013



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JBS AUTO-TECH SDN. BHD.

(Incorporated in Malaysia)
Company No: 609175 - K

Report on the Financial Statements

We have audited the financial statements of JBS Auto-Tech Sdn. Bhd., which comprise the balance sheet of the Company as at 30 April 2010, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 29.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JBS AUTO-TECH SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No: 609175 - K

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements.

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature in cursive script, likely representing the firm's name or a representative.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Johor Bahru

14 OCT 2010

A stylized signature in cursive script, likely representing the Chartered Accountant's name.

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JBS AUTO-TECH SDN. BHD.

(Incorporated in Malaysia)
Company No.: 609175-K

Report on the Financial Statements

We have audited the financial statements of JBS Auto-Tech Sdn. Bhd., which comprise the balance sheet of the Company as at 30 April 2011, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 27.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JBS AUTO-TECH SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 609175-K

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2011 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm name "Crowe Horwath" in cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

10 OCT 2011

Johor Bahru

A handwritten signature in cursive script, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JBS AUTO-TECH SDN. BHD.

(Incorporated in Malaysia)
Company No.: 609175-K

Report on the Financial Statements

We have audited the financial statements of JBS Auto-Tech Sdn. Bhd., which comprise the statement of financial position of the Company as at 30 April 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 46.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JBS AUTO-TECH SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 609175-K

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm name 'Crowe Horwath' in a cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

23 AUG 2012

Johor Bahru

A handwritten signature in black ink, appearing to read 'Wong Tak Mun'.

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JBS AUTO-TECH SDN. BHD.

(Incorporated in Malaysia)
Company No.: 609175-K

Report on the Financial Statements

We have audited the financial statements of JBS Auto-Tech Sdn. Bhd., which comprise statement of financial position of the Company as at 30 April 2013, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 42.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JBS AUTO-TECH SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 609175-K

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 April 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 4 to the financial statements, JBS Auto-Tech Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

29 JUN 2013

Johor Bahru

Wong Tak Mun
Approval No: 1793/09/14 (J)
Chartered Accountant



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNI POINT MARKETING (M) SDN. BHD.

(Incorporated in Malaysia)
Company No: 72146 - U

Report on the Financial Statements

We have audited the financial statements of Uni Point Marketing (M) Sdn. Bhd., which comprise the balance sheet of the Company as at 30 April 2010, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 22.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI POINT MARKETING (M) SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No: 72146 - U

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Crowe Horwath'.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Johor Bahru

14 OCT 2010

A handwritten signature in black ink, appearing to read 'Wong Tak Mun'.

Wong Tak Mun
Approval No: T793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF UNI POINT MARKETING (M) SDN. BHD.

(Incorporated in Malaysia)
Company No.: 72146-U

Report on the Financial Statements

We have audited the financial statements of Uni Point Marketing (M) Sdn. Bhd., which comprise the balance sheet of the Company as at 30 April 2011, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
UNI POINT MARKETING (M) SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 72146-U

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2011 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm name 'Crowe Horwath'.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

26 SEP 2011

Johor Bahru

A handwritten signature in black ink.

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNI POINT MARKETING (M) SDN. BHD.

(Incorporated in Malaysia)
Company No.: 72146-U

Report on the Financial Statements

We have audited the financial statements of Uni Point Marketing (M) Sdn. Bhd., which comprise the statement of financial position of the Company as at 30 April 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 34.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI POINT MARKETING (M) SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 72146-U

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm name "Crowe Horwath" in a cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

23 AUG 2012

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNI POINT MARKETING (M) SDN. BHD.

(Incorporated in Malaysia)
Company No.: 72146-U

Report on the Financial Statements

We have audited the financial statements of Uni Point Marketing (M) Sdn. Bhd., which comprise the statement of financial position as at 30 April 2013 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 32.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI POINT MARKETING (M) SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No.: 72146-U

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 April 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 4 to the financial statements, Unipoint Marketing Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

29 JUN 2013

Johor Bahru

Wong Tak Mun
Approval No: 4793/09/14 (J)
Chartered Accountant



Crowe Horwath AF 1018
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Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HKT AUTO ELECTRICAL PARTS SDN. BHD.

(Incorporated in Malaysia)
Company No: 446168 - W

Report on the Financial Statements

We have audited the financial statements of HKT Auto Electrical Parts Sdn. Bhd. , which comprise the balance sheet of the Company as at 30 April 2010, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 21.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HKT AUTO ELECTRICAL PARTS SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)
Company No: 446168 - W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2010 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Crowe Horwath'.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Johor Bahru

14 OCT 2010

A handwritten signature in black ink, appearing to read 'Wong Tak Mun'.

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Johor Bahru Office
30-04 Level 30, Menara Landmark
Mail Box 171, 12 Jalan Ngee Heng
80000 Johor Bahru, Malaysia
Main +6 07 2781 268
Fax +6 07 2781 238
www.crowehorwath.com.my
info.jb@crowehorwath.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HKT AUTO ELECTRICAL PARTS SDN. BHD.

(Incorporated in Malaysia)
Company No.: 448168 – W

Report on the Financial Statements

We have audited the financial statements of HKT Auto Electrical Parts Sdn. Bhd., which comprise the balance sheet of the Company as at 30 April 2011, and the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 21.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
HKT AUTO ELECTRICAL PARTS SDN. BHD.**

(Incorporated in Malaysia)
Company No.: 446168 – W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2011 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion that the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Crowe Horwath".

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

26 SEP 2011

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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www.crowehorwath.com.my
info.jb@crowehorwath.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HKT AUTO ELECTRICAL PARTS SDN. BHD.

(Incorporated in Malaysia)
Company No.: 446168 – W

Report on the Financial Statements

We have audited the financial statements of HKT Auto Electrical Parts Sdn. Bhd., which comprise the statement of financial position of the Company as at 30 April 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 25.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HKT AUTO ELECTRICAL PARTS SDN. BHD.**

(Incorporated in Malaysia)
Company No.: 446168 – W

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 April 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion that the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature of the firm name "Crowe Horwath" in cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

23 AUG 2012

Johor Bahru

A handwritten signature in cursive script, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/12 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HKT AUTO ELECTRICAL PARTS SDN. BHD.

(Incorporated in Malaysia)
Company No.: 446168 – W

Report on the Financial Statements

We have audited the financial statements of HKT Auto Electrical Sdn. Bhd., which comprise statement of financial position as at 30 April 2013 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 26.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance above whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 April 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Crowe Horwath Offices in Malaysia:

Kuala Lumpur • Klang • Penang • Johor Bharu • Melaka • Muar • Kuching • Sibul • Bintulu • Miri • Kota Kinabalu • Labuan Page 6

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HKT AUTO ELECTRICAL PARTS SDN. BHD.**

(Incorporated in Malaysia)
Company No.: 446168 – W

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 4 to the financial statements, HKT Auto Electrical Parts Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A stylized signature in black ink, appearing to read "Crowe Horwath".

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

29 June 2013

Johor Bahru

A stylized signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No. 1793/09/14 (J)
Chartered Accountant



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Johor Bahru Office
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

Report on the Financial Statements

We have audited the financial statements of Solid Automotive Berhad, which comprise statement of financial position as at 30 April 2013 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 25.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance above whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOLID AUTOMOTIVE BERHAD**

(Incorporated in Malaysia)
Company No.: 1016725 – P

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 April 2013 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

A stylized signature of the firm name "Crowe Horwath" in cursive script.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

29 June 2013

Johor Bahru

A handwritten signature in cursive script, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No. 1793/09/14 (J)
Chartered Accountant

14. DIRECTORS' REPORT



SOLID AUTOMOTIVE BERHAD (1016725-P)

No. 5, Jalan Dataran 5, Taman Kempas, 81200 Johor Bahru, Johor Darul Takzim, Malaysia.
Tel: 607-238 1782 Fax: 607-238 9073 Website: www.solidcorp.com.my

05 AUG 2013

Registered Office:
157A, Jalan Sri Pelangi
Taman Pelangi
80400 Johor Bahru
Johor Darul Takzim

The shareholders of Solid Automotive Berhad ("Solid" or "Company")

Dear Sirs/Madams,

On behalf of the Board of Directors of Solid, I report after due and careful enquiry that during the period from 30 April 2013 (being the date to which the last audited financial statements of our Company and our subsidiary companies which have been made) up to **05 AUG 2013** (being a date not earlier than 14 days before the issuance of this Prospectus):

- (i) the business of our Company and subsidiary companies have, in the opinion of the Directors, been satisfactorily maintained;
- (ii) in the opinion of our Directors, no circumstances have arisen since the last audited financial statements of our Company and our subsidiary companies which have adversely affected the trading of the value of the assets of our Company or of our subsidiary companies;
- (iii) the current assets of our Company and our subsidiary companies appears in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) there are no contingent liabilities by reason of any guarantee or indemnities given by our Company or our subsidiary companies;
- (v) since the last audited financial statements of our Company and our subsidiary companies, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which we are aware of; and
- (vi) since the last audited financial statements of our Company and our subsidiary companies, save as disclosed in the Accountants' Report enclosed in this Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Company and our subsidiary companies.

Yours faithfully
For and on behalf of the Board of Directors
SOLID AUTOMOTIVE BERHAD

A handwritten signature in black ink, appearing to read 'Ker Min Choo', written over a horizontal line.

KER MIN CHOO
Director

A handwritten signature in black ink, appearing to read 'Ong Kheng Swee', written over a horizontal line.

ONG KHENG SWEET
Director

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE

citilegal

CitiLegal LLC
Lawyers
Notaries Public
Commissioners for Oaths

Your Ref :
Our Ref : AC/CYL/F/12.04.076
Date : **02 AUG 2013** 2013

Head Office:
150 Cecil Street
#15-01
Singapore 069543
Tel: (65) 63331611 Fax: (65) 63386277
(All fax numbers are not for service of court documents)
www.citi-legal.com

Sender's Email: chanyuenleng@citi-legal.com

The Board of Directors
Solid Automotive Berhad
No. 5, Jalan Dataran 5
Taman Kempas
81200
Johor Bahru, Johor
Malaysia

BY COURIER

Dear Sirs

LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE

1. INTRODUCTION

We are a Singapore law corporation qualified to practise in the Republic of Singapore. This opinion on Auto Empire Impex Pte. Ltd. (Company Number 198703437E, the "**Company**") is furnished to Solid Automotive Berhad ("**Solid**"), the parent company of the Company, at the latter's request.

This legal opinion has been prepared for the purposes of inclusion in the prospectus of Solid in connection with its proposed listing on the Main Market of Bursa Malaysia Securities Berhad.

2. DOCUMENTS EXAMINED

For the purposes of this opinion:-

2.1 we have been provided with and examined the following documents (the "**Documents**"): -

(a) copies of the following corporate secretarial records of the Company as of 30 June 2013 ("**Cut-off Date**"):-

- Register of Members
- Register of Charges;
- Register of Directors' Interests;
- Registers of Directors, Secretaries and Auditors;
- Minute Book;
- Register of Transfers; and
- Register of Allotments;

(b) copies of the following documents:-

- certificate of incorporation and certificate of incorporation on change of name of the Company; and

..2/-

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

CITILEGAL LLC

Page 2

02 AUG 2013 2013

- memorandum and articles of association of the Company ("**M&AA**"); and
- (c) such other documents and records as we have deemed necessary to examine in order that we may render this opinion,

(the documents referred to in this paragraph 2.1 are hereafter collectively referred to as the "**Records**"); and

- 2.2 we conducted an instant information search against the Company with the Accounting & Corporate Regulatory Authority of Singapore ("**ACRA**") via electronic search on 4 July 2013 ("**ACRA Search**").

3. ASSUMPTIONS

3.1 In giving our opinion, we have assumed:-

- (a) that all facts stated in the Records are accurate, true and complete and are not misleading due to any omission, whether wilful or otherwise, of any material fact, both as at the date it is stated to be given and continues to be so as of the date hereof;
- (b) the genuineness of all signatures, seals, chops, duty stamp or marking on all documents examined, and that each signature on behalf of each party thereto is that of a person duly authorised to execute the same, the authenticity and completeness of all documents submitted to us whether as originals or copies, and the conformity to originals of all documents supplied to us as PDF copies, photocopies or facsimile copies;
- (c) that no steps have been taken by ACRA to strike off or deregister the Company;
- (d) that there has not been since the Cut-off Date any change in circumstances, event, arrangement, transaction or other matter affecting or potentially affecting the accuracy and validity of the Records;
- (e) that the copies of the resolutions of the Company that we have inspected are full and accurate records of resolutions duly and properly passed and that the resolutions have not been amended or rescinded and are in full force and effect and no other resolutions or action had been taken which would affect the validity of such resolutions;
- (f) that the copies of documents inspected conform to the originals and that no amendments or variations have been made to them since our inspection of the same;
- (g) that the copies of the M&AA are the most recent and up to date memorandum and articles of association of the Company and that no alteration has been made to the same since the inspection of the copies thereof;
- (h) that the information disclosed by the ACRA Search has since not been altered and that it did not omit any information which has been delivered for filing and registration but was not disclosed or, as the case may be, did not appear on the public file at the time of our search. In this context it should be noted that the information contained in the search pertains only to Singapore and not in respect of any other jurisdiction, and further that the accuracy of our search depends upon due filing of documents by the Company or third parties obliged to file the same;

..3/-

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

CITILEGAL LLC

Page 3

02 AUG 2013 2013

- (i) that all filings of documents were carried out on time;
- (j) that all actions taken by the directors of the Company were in the best interests of the Company and were legal in all relevant jurisdictions. Furthermore, that no interest of any shareholders of the Company were prejudiced as a result of any previous proceedings of the Company;
- (k) that none of the directors of the Company have been disqualified or restrained from acting as directors of a company under the Companies Act, Singapore, Cap. 50 ("**Companies Act**") and none of them have done any act which may lead to their office being vacated under the M&AA, where applicable;
- (l) that the member as registered in the register of members is the beneficial owner of such shares and have not charged or created any encumbrances on its shares in the Company; and
- (m) all allotments of shares in the Company which were for cash have been validly paid for and that any allotments for non-cash consideration have been validly performed or received in full by the Company.

4. OPINION

On the basis of and subject to (i) the foregoing assumptions and (ii) the reservations and qualifications set forth below, we set forth the results of our review and examination for the period up to the Cut-off Date.

4.1 Incorporation and share capital

- (a) The Company is a private company limited by shares duly incorporated on 3 November 1987 (Company Registration Number: 198703437E) in Singapore.
- (b) The Company's corporate particulars are set out below:-

(i) Class of Shares

One class of ordinary shares.

(ii) Issued and paid up capital

S\$1,900,000.00

(iii) Members

Members	Number of ordinary shares held	Percentage of total ordinary shares (%)
Solid	1,900,000	100

..4/-

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

CITILEGAL LLC

Page 4

02 AUG 2013 2013

(iv) Directors

The directors of the Company are:

Name	Date of Appointment
Ker Min Choo	9 November 1990
Ker Mong Keng	14 November 1990
Ong Choon Huat	6 March 1995

(v) Secretary

The secretary of the Company is Loo Her Seng, appointed on 21 April 1998.

(vi) Auditors

The auditors of the Company are Lee S F & Co. appointed on 29 April 2004.

(vii) Registered Office

The registered office of the Company is situated at 10 Admiralty Street, #01-86, Singapore (757695).

(viii) Principal Business

The principal activities of the Company as reflected in the ACRA Search are:-
 "Wholesale of parts and accessories for vehicles"; and
 "Retail sale of spare parts and accessories for motor vehicles."

4.2 Constitutional Documents

The Company was incorporated in Singapore under the Companies Act and its constitution is set out in the M&AA.

4.3 Singapore Taxation

(a) Scope of Tax and Tax Rates

- (i) Corporate taxpayers are generally subject to Singapore income tax on all Singapore sourced income, and on foreign sourced income received or deemed received in Singapore (unless specifically exempted).

From Year of Assessment 2010 onwards, the corporate tax rate in Singapore is 17%. In addition, 75% of up to the first S\$10,000 and 50% of the next S\$290,000 of a company's normal chargeable income (excluding Singapore franked dividends) are exempt from corporate tax. The remaining chargeable income will be taxed at a tax rate of 17%.

For Year of Assessment 2011, companies will be granted a 20% corporate income tax rebate.

..5/-

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

CITILEGAL LLC
02 AUG 2013 2013

Page 5

For Years of Assessment 2013, 2014 and 2015, companies will be granted a 30% corporate income tax rebate capped at \$30,000 for each Year of Assessment.

- (ii) In general, the personal income of individuals is subject to Singapore income tax only if it is Singapore sourced.

For Year of Assessment 2012 onwards, Singapore tax resident individuals are subject to tax based on a progressive scale from 0% to 20%.

For Years of Assessment 2009 and 2011, a personal income tax rebate of 20%, up to a maximum of \$2,000 is granted.

For Year of Assessment 2013, a personal tax rebate of up to a maximum of \$1,500 is granted as follows: (ii.i) 30% rebate for taxpayers below 60 years old as at 31 December 2012; and (ii.ii) 50% rebate for taxpayers 60 years old and above as at 31 December 2012.

Non-resident individuals' employment income is taxed at 15% or the resident rate, whichever gives rise to a higher tax amount. Directors' fees, consultation fees and all other income that a non-resident individual received are taxed at 20% from year of assessment 2005 onwards.

- (iii) Property tax is payable on all immovable properties.

For non-residential properties, the current tax rate is 10% of their annual value.

- (iv) Goods and services tax ("GST") is levied on the import of goods, and the supplies of most goods and services (unless zero rated or specifically exempted).

Businesses with turnover exceeding S\$1,000,000 a year must register for GST and must charge and account for GST at the prevailing rate, currently 7%.

- (v) Stamp duty is payable on executed documents relating to immovable properties, shares and interests in immovable properties and/or shares.

The types of documents subject to stamp duty and the rates of tax are specified in the Schedules to the Stamp Duties Act (Singapore Statutes, Cap. 312). Please refer to paragraph 4.3(d) below on stamp duty on share transfer documents.

(b) Dividend Distribution

- (i) Singapore does not impose withholding tax on dividends declared by Singapore incorporated companies and paid to Singapore resident or non-Singapore resident shareholders.

- (ii) Singapore currently operates a one-tier corporate tax system. Under this system, the corporate tax payable by a company would constitute a final tax and the company may pay tax exempt (one-tier) dividends to its shareholders subject to the provisions of the Companies Act and its memorandum and articles of association relating to dividend payment.

..6/-

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

CITILEGAL LLC

Page 6

02 AUG 2013 2013

(c) Capital Gains Tax

Singapore does not impose tax on capital gains arising from disposal of shares. Thus, any gains derived from the disposal of the Company's shares acquired for long term investment will not be taxable in Singapore. On the other hand, where a taxpayer is deemed by the Inland Revenue Authority of Singapore to be carrying on a trade or business of dealing in shares in Singapore, gains from disposal of shares are of an income nature (rather than capital gains) and thus subject to Singapore income tax.

(d) Stamp Duty on Shares

- (i) No stamp duty is payable on the allotment and issuance of new shares in the capital of the Company.
- (ii) Stamp duty is payable on an instrument of transfer of the Company's shares at the rate of S\$0.20 for every S\$100 or part thereof of the consideration for the transfer, or the net asset value of the Company's shares, whichever is the higher. The transferee is liable for payment of stamp duty, unless otherwise agreed between the transferee and transferor.

4.4 Exchange Control / Repatriation of Capital, Profits and Dividends

There are no governmental laws, decrees, regulations or other legislation that may affect the following:-

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by the Company; and
- (b) the remittance of dividends, interest or other payments to non-residential holders of the Company's shares.

4.5 Distributions and Dividends

The Company may in a general meeting declare dividends but no such dividends shall exceed the amount recommended by the directors of the Company¹.

The Company may, by board resolution, declare and pay such interim dividends as appear to the directors to be justified by the profits of the Company².

No dividends, whether interim or final, shall be paid except out of profits of the Company³.

4.6 Purchase by the Company of its own shares

Section 76B of the Companies Act permits a Singapore incorporated company to, subject to the provisions of the Act, purchase or acquire its own shares if expressly permitted to do so by its articles of association.

The articles of association of the Company ("**Articles**") do not expressly permit the Company to purchase its own shares.

..7/-

¹ Article 99.

² Article 100.

³ Article 101 and Section 403 of the Companies Act.

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

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4.7 Alteration of Share Capital

- (a) Section 71 of the Companies Act permits a Singapore incorporated company, if so authorized by its articles, to alter its share capital in a general meeting in any one of the following ways:-
- (i) consolidate and divide all or any of its share capital;
 - (ii) convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares;
 - (iii) subdivide its shares or any of them;
 - (iv) cancel the number of shares which have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of shares so cancelled.
- (b) Section 78A of the Companies Act permits a Singapore incorporated company to reduce its share capital by:-
- (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up;
 - (ii) cancelling any paid-up capital which is lost or unrepresented by available assets;
 - (iii) returning to shareholders any paid-up share capital which is more than it needs,

subject to the procedures and requirements of the Companies Act.

4.8 Appointment of Directors

- (a) A director of the Company is not required to hold any shares in the Company.
- (b) The Articles provide that:-
- (i) at every annual general meeting of the Company, one-third of the directors for the time being or the nearest one-third shall retire from office⁴;
 - (ii) a retiring director shall be eligible for re-election to the board⁵;
 - (iii) the directors who retire every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot⁶;
 - (iv) the company at the meeting at which a director so retires may fill the vacated office by electing a person thereto, and in default the retiring director shall if offering himself for re-election and not being disqualified under the

..8/-

⁴ Article 66

⁵ Article 66

⁶ Article 67

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Companies Act for holding office as a director be deemed to have been re-elected, unless at that meeting it is expressly resolved not to fill the vacated office unless a resolution for the re-election of that director is put to a vote and lost⁷;

- (v) the Company may from time to time by ordinary resolution increase or reduce the number of directors and may also determine in what rotation the increased or reduced number is to go out of office⁸;
- (vi) the directors of the Company shall have power at any time to appoint a person to be a director, either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting⁹; and
- (vii) the Company may by ordinary resolution remove any director before the expiration of his period of office and may appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director¹⁰.

4.9 Duties of Directors of the Company

- (a) The Companies Act provides that a director of a Singapore incorporated company shall:-
 - (i) at all times act honestly and use reasonable diligence in the discharge of the duties of his office¹¹;
 - (ii) not make improper use of any information acquired by virtue of his position as an officer of the company to gain, directly or indirectly, an advantage for himself or for any other person or to cause detriment to the company¹²;
 - (iii) observe the laws and regulations on company matters that are set out in the Companies Act and its subsidiary legislation. The directors have specific duties on company administration that are set out in the Companies Act. The following are examples of such duties (the list is not exhaustive):-
 - the duty to hold an annual general meeting;
 - the duty to submit an annual return;
 - the duty to maintain proper accounts and to submit accounts for an annual audit (if applicable);
 - not to pay out any dividends except out of profits;

..9/-

⁷ Article 68

⁸ Article 69

⁹ Article 70

¹⁰ Article 71

¹¹ Section 157(1) of the Companies Act.

¹² Section 157(2) of the Companies Act.

15. LEGAL OPINION ON PREVAILING REGULATIONS ON THE REPATRIATION OF CAPITAL, REMITTANCE OF PROFITS AND THE RELEVANT LAWS AND REGULATIONS IN SINGAPORE (Cont'd)

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- the duty to declare any interest in shares of the company or its related companies; and
- not to carry out any proposals for the disposal of the whole or substantially the whole of the company's undertaking or property without the approval of the company in a general meeting.

(b) Common law imposes fiduciary duties on a director, including but without limitation, the duty to act honestly in the company's interest and to avoid conflicts of interest.

4.10 Conduct of Meetings and Proceedings of the Company

- (a) The Articles stipulate that the Company shall hold an annual general meeting in accordance with the provisions of the Companies Act. All general meetings other than the annual general meeting shall be called extraordinary general meetings¹³.
- (b) The Companies Act stipulates that annual general meetings, unless dispensed with in accordance with its provisions, shall be held once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting¹⁴.
- (c) The Articles stipulate that any director may whenever he thinks fit convene an extraordinary general meeting. An extraordinary general meeting shall also be convened on such requisition or in default, may be convened by such requisitionists, as provided in the Companies Act¹⁵.
- (d) The Articles stipulate that no business shall be transacted at any general meeting unless a quorum of member is present when the meeting proceeds to business. Two members present in person shall be a quorum.¹⁶

4.11 Loans to Directors

Subject to the exceptions permitted under the Companies Act, the Act prohibits a Singapore incorporated company from making any loan to a director of the company or of a company which by virtue of section 6 of the Act is deemed to be related to that company, or enter into any guarantee or provide any security in connection with a loan to such a director by any other person¹⁷.

4.12 Members' Rights

- (a) A member of the Company has a statutory right to have the provisions of the M&AA observed by every other member of the Company¹⁸. He is also entitled to inspect specified statutory registers of the Company and the minute books of the Company's general meetings and members' resolutions passed by written means¹⁹.

...10/-

¹³ Article 45

¹⁴ Section 175 and Section 175A of the Companies Act.

¹⁵ Article 46

¹⁶ Article 49

¹⁷ Section 162 of the Companies Act.

¹⁸ Section 39 of the Companies Act.

¹⁹ Section 189(2) of the Companies Act.

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- (b) A member of the Company has a right, under the Companies Act, to attend, speak and vote in any general meeting, in person or by proxy²⁰.
- (c) The Articles stipulate that in a general meeting:-
- (i) a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by: (i.i) the chairman, (i.ii) at least two members present in person or by proxy, (i.iii) any member or members representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting, or (i.iv) a member or members holding shares in the company conferring a right to vote at the meeting being shares on which the aggregate sum has been paid up equal to not less than one-tenth of the total paid up on all the shares conferring that right²¹; and
- (ii) subject to any rights or restrictions for the time being attached to any shares, at meetings of members, each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands every person present who is a member or representative of a member shall have one vote, and on a poll every member present in person or by proxy or attorney or other duly authorized representative shall have one vote for each share he holds²².
- (d) The Companies Act permits the passing of members' resolutions by written means, in accordance with and subject to the provisions thereof²³.

4.13 Protection of Minorities

- (a) Section 216 of the Companies Act allows a member of a Singapore incorporated company to petition for reliefs in specified cases of oppression or injustice. Any member of a company may apply to the court for an order under Section 216 on the ground:-
- (i) that the affairs of the company are being conducted or the powers of the directors are being exercised in a manner oppressive to one or more of the members including himself or in disregard of his or their interests as members or shareholders of the company; or
- (ii) that some act of the company has been done or is threatened or that some resolution of the members or any class of them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more of the members (including himself).
- (b) If on such application to the court, it is of the opinion that either of such grounds referred to in paragraph 4.13(a) above is established, the court may, with a view to bringing to an end or remedying the matters complained of, make such order as it thinks fit including (but not limited to):-
- (i) directing or prohibiting any act or cancelling or varying any transaction or resolution;

..11/-

²⁰ Section 180 of the Companies Act.

²¹ Article 53

²² Article 56

²³ Section 184A to Section 184F of the Companies Act.

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- (ii) regulating the conduct of the affairs of the company in the future;
- (iii) authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court may direct;
- (iv) providing for the purchase of the shares of the company by other members of the company or by the company itself;
- (v) in the case of a purchase of shares by the company provide for a reduction accordingly of the company's capital; and
- (vi) providing that the company be wound up.

4.14 Filing/Keeping and Inspection of Records

The Companies Act prescribes that the Company must maintain certain registers. These include (but are not limited to) the register of members²⁴, register of directors, managers, secretaries and auditors²⁵, register of directors' shareholdings²⁶ and register of charges²⁷. Statutory registers are required to be kept at the registered office of the Company or such other place as the directors think fit. The aforesaid registers shall also be open to inspection in the manner prescribed by the Act.

4.15 Winding Up

- (a) There are generally two modes of winding up, namely voluntary winding up (whether it be a members' voluntary winding up or a creditors' voluntary winding up) and winding up by the Singapore courts. In the former, a resolution of members must be passed while in the latter, a winding up petition is presented to the court by a party entitled to do so under the Companies Act.
- (b) In a voluntary winding up, where directors make a declaration of solvency in accordance with the provisions of the Companies Act, the winding up proceeds as a members' voluntary winding up and if they do not, it proceeds as a creditors' voluntary winding up. In a winding up by the courts, the petition must be based on one of the grounds set out in Section 254 of the Companies Act, the most common ground cited being a company is unable to pay its debts.
- (c) Subject to the payment of secured debts and certain statutory debts (such as the costs of the winding up and the wages of employees) which have priority of payment, a company's property will be applied pro-ratedly to satisfy all its unsecured liabilities upon winding up. Any surplus will be distributed to members in accordance with their rights and interests in the company and in accordance with the provisions of its articles of association.

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²⁴ Section 190 of the Companies Act.

²⁵ Section 173 of the Companies Act.

²⁶ Section 164 of the Companies Act.

²⁷ Section 138 of the Companies Act.

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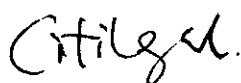
4.16 Enforcement of Judgments

- (a) In respect of civil actions, the High Court of Singapore will give effect to and enforce any judgment obtained in the superior courts of Malaysia if the judgment is registrable and duly registered under the Reciprocal Enforcement of Commonwealth Judgments Act (Singapore Statutes, Cap. 264) and such registration has not been set aside.
- (b) In respect of criminal actions, the Extradition Act (Singapore Statutes, Cap. 103) allows extradition of individuals to and from Malaysia subject to the provisions therein prescribed.

5. QUALIFICATIONS

- 5.1 **Basis of opinion.** Our opinion relates solely to laws of general application of Singapore as at the date of this opinion and as currently applied by Singapore courts, and is given on the basis that it will be governed by and construed in accordance with the laws of Singapore. We express no opinion on the laws of any other jurisdiction and have made no investigation on the laws of any jurisdiction. In particular, we express no opinion on the laws of Malaysia and have made no investigation of such laws.
- 5.2 **Subject Matter of opinion.** This opinion addresses exclusively the matters stated herein and is strictly limited to the matters stated herein and is not to be read as extending to any other documents or matters. We express no view with respect to any other matter and are under no obligation to advise you on any matters that may occur after the date of this opinion which would render the views expressed herein no longer applicable. The general statements made under paragraph 4 are not and shall not be construed as an exhaustive or comprehensive statement of the law in that regard and may be subject to, varied or qualified by other rules or regulations not mentioned therein.
- 5.3 **Benefit of opinion.** This opinion has been prepared solely for the purposes of inclusion in the prospectus in connection with the proposed listing of Solid on the Main Market of Bursa Malaysia Securities Berhad, and is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by you for any other purposes save as set out above, except with our prior written consent.
- 5.4 **Condition of opinion.** This opinion is rendered as at the date set forth above, and we disclaim any obligation to update this opinion after this date. This opinion is given on condition that it itself is governed by Singapore law and that any action or proceeding based on the opinion is subject to the exclusive jurisdiction of the Singapore courts.
- 5.5 **Documents not examined.** For the purposes of this opinion, we have not examined or reviewed any contracts, instruments and other documents that may have been entered into by or which may affect this opinion, other than those specified in paragraph 2 above; nor have we made any other enquiries or investigations of the Company, apart from the enquiries and searches referred to in paragraph 2. Accordingly, our opinion is subject to there not being anything contained in any document not reviewed by us that may require us to vary or amend this opinion.

Yours faithfully



Chan Yuen Leng
CitiLegal LLC

16. ADDITIONAL INFORMATION

16.1 SHARE CAPITAL

- (i) Save as disclosed in this prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.
- (ii) None of the capital of our Company or our subsidiary companies are under option or agreed conditionally or unconditionally to be put under option.
- (iii) Save for our IPO Shares reserved for subscription by the eligible employees and Directors of our Group, there is no other scheme involving the Directors and employees in the capital of our Company or our subsidiary companies.
- (iv) Save as disclosed in Section 8.1 of this Prospectus, there are no other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company or our subsidiary companies.
- (v) As at the date of this Prospectus, there is no limitation on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by the applicable Malaysian law or by our Memorandum and Articles of Association.

16.2 ARTICLES OF ASSOCIATION

The following provisions relate to the remuneration of directors, voting and borrowing powers of directors, transfer of securities and changes in capital and variation of class rights as reproduced from our Articles of Association (“Article(s)”). The words and expressions appearing in the following provisions shall bear the same meaning used in our Articles unless they are otherwise defined here or the context otherwise requires:

(i) Remuneration of Directors

“Article 114

The fees of the directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportions of the fees related to the period during which he has held office Provided Always that:

- (a) *fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;*
- (b) *any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.*

16. ADDITIONAL INFORMATION (Cont'd)

(c) *If by arrangement with the directors, any director shall perform or render any special duties or services outside his ordinary duties as a director in particular without limiting to the generality of the foregoing if any director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or resident for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors, the directors may pay him special remuneration, in addition to his director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arrangement provided always that extra remuneration payable to:*

(i) *a non executive director shall not be by a commission on or percentage of profits or turnover;*

(ii) *an executive director shall not include a commission on or percentage of turnover.*

(ii) Voting Powers and Borrowing Powers of Directors***“Article 127***

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two.

Article 128

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under these Articles vested in or exercisable by the Directors generally.

Article 129

Subject to these Articles, questions arising at any meeting of Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors form a quorum and only such a quorum is present at the meeting; or are competent to vote on the question at issue.

Article 118

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party PROVIDED ALWAYS that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.”

(iii) Transfer of Securities***“Article 43***

Subject to these Articles, the Act, the Depositories Act and the Rules (with respect to transfer of deposited security), the instrument of transfer shall be executed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the transferee's name is entered in the Register as the holder of that share and/or the Record of Depositors as the case may be, in respect thereof. All transfer of deposited securities shall be effected in accordance with the Act, the Depositories Act and the Rules.

16. ADDITIONAL INFORMATION (Cont'd)

Article 42

The transfer of any listed securities or class of securities of the Company which have been deposited with the Depository shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities."

(iv) Changes in Capital and Variation of Class Rights

"Subject to the Act and to the conditions, restrictions and limitations expressed in these Articles the Directors may allot or otherwise dispose of the unissued shares capital of the Company to such persons, at such time and on such terms as they think proper PROVIDED ALWAYS THAT:

- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act; and*
- (b) no shares shall be issued which have the effect of transferring a controlling interest in the Company without prior approval of the members in general meeting;*
- (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in these Articles;*
- (d) except in the case of an issue of securities on a pro rata basis to shareholders, the Company must ensure that it or any of its subsidiaries shall not issue shares or other convertible securities to the following persons unless shareholders in general meeting have approved of the specific allotment to be made to such persons:*
 - a director, major shareholder or Chief Executive Officer of the Company or its holding company; or*
 - a person connected with such a director, major shareholder or Chief Executive Officer;*
- (e) except in the case of an issue of securities on a pro rata basis to shareholders and subject to Article 4(a), the Company must ensure that its subsidiary shall not issue shares or other convertible securities to a Director, major shareholder or chief executive officer of its subsidiary or the holding company of the said subsidiary (other than the Company or a holding company of the company) or a person connected with such Director, major shareholder or chief executive officer unless the following are complied with:*
 - (i) prior approval of the Board of the Company must be obtained for the specific allotment to such person;*
 - (ii) the Board of the Company must ensure that the allotment is fair and reasonable to the Company and in the best interests of the Company; and*
 - (iii) an immediate announcement of the specific allotment to such persons must be made.*

16. ADDITIONAL INFORMATION (Cont'd)

Article 23

If at any time the share capital is divided into different classes of shares, the right attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy of one-tenth of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary apply."

16.3 MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (including contracts not in writing), not being contracts entered into in the ordinary course of business, that have been entered into by our Group from 29 November 2010 up to the date of this Prospectus:

- (i) A Sale and Purchase Agreement dated 29 November 2010 between Solid Corporation and Kok Seng Cho @ Goh Seng Cho wherein Solid Corporation has purchased all that piece of land held under H.S.M 72578, PT 104549, Place of Payar Makbar, Mukim of Kuala Kuantan, District of Kuantan, State of Pahang at Lot 4739, Jalan Wong Ah Jang, 25100 Kuantan, Pahang for the purchase consideration of RM800,000. As at the LPD, this agreement has been completed.
- (ii) A Sale and Purchase Agreement dated 4 May 2011 between Solid Corporation and Pang Ann Puo wherein Solid Corporation has purchased (3 storey shop lot) held under H.S.(M) 44365, Lot 3663 (29, 29A, 29B) Place of Telok Gadong Besar, Bandar of Klang, District of Klang, State of Selangor at No.29, Jalan Jelai 10/KS1, Taman Telok Gadong Besar, 41200 Klang, Selangor for the purchase consideration of RM788,000. As at the LPD, this agreement has been completed.
- (iii) A Sale and Purchase Agreement dated 28 October 2011 between Solid Corporation and Tampoi Auto Supply Sdn Bhd wherein Solid Corporation has purchased all that piece of land held under H.S.(D) 160851, PTD 28179, Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Takzim at No. 7, Jalan Dataran 5, Taman Kempas, 81200 Johor Bahru, Johor for the purchase consideration of RM4,200,000. As at the LPD, this agreement has been completed.
- (iv) A Sale and Purchase Agreement dated 28 April 2011 between Solid Corporation and Tampoi Auto Supply Sdn Bhd wherein Solid Corporation disposed of two (2) parcels of freehold land held under GRN124629, Lot 76 and GRN 124630, Lot 77, Township of Kundang, District of Gombak, State of Selangor for the purchase consideration of RM1,230,000.00. As at the LPD, this agreement has been completed.

16. ADDITIONAL INFORMATION (Cont'd)

- (v) A Sale and Purchase Agreement dated 20 June 2011 between Solid Corporation and Kim Teck Cheong Sdn Bhd wherein Solid Corporation disposed of a parcel of land measuring approximately 53,580 sq. ft. together with one unit of 2-storey detached office and warehouse erected thereon known as Lot 22, SEDCO Light Industrial Estate, Mile 5 1/2, Jalan Tuaran, Kota Kinabalu, Sabah held under Country Lease No. 015379674, District Kota Kinabalu, Sabah for the purchase consideration of RM8,500,000.00. Pursuant to the terms of the Sale and Purchase Agreement, Solid Corporation rented a portion of Ground Floor of the premise for one (1) year from 20 June 2011. On 19 June 2012, Solid Corporation has relocated its branch office to Lot 13, Lorong Durian 3, Kian Yap Light Industrial Estate, Jalan Kolombong, 88450 Sabah. As at the LPD, this agreement has been completed.
- (vi) A conditional Share Sale Agreement dated 8 October 2012 entered into between Ong Kheng Swee and Ker Ming Choo with Solid Corporation for the sale and purchase of 10% issued and paid up share capital of JBS comprising 100,000 ordinary shares of RM1.00 each, of which all the 1,000,000 ordinary shares have been issued and are fully paid up for a total purchase consideration of RM159,939 satisfied entirely by the issuance of 319,878 Shares at par value. This agreement was completed on 13 June 2013.
- (vii) A conditional Share Sale Agreement dated 8 October 2012 entered into between Ker Min Choo, Ker Mong Keng and Solid Corporation with Solid for the sale and purchase of the entire issued and paid up share capital of Auto Empire of SGD1,900,000 comprising 1,900,000 ordinary shares for a total purchase consideration of RM9,511,500 satisfied by the issuance of 18,522,394 Shares at par value and cash consideration of RM250,303. This agreement was completed on 13 June 2013.
- (viii) A conditional Share Sale Agreement dated 8 October 2012 entered into between Twinco shareholders, being Ker Min Choo, Ker Mong Keng, Ker Meng Oi and Ker Soo Ha with Solid for the sale and purchase of the entire issued and paid up share capital of Twinco of RM1,878,417 comprising 1,878,417 ordinary shares of RM1.00 each for a total purchase consideration of RM7,579,500 satisfied entirely by the issuance of 15,195,000 Shares at par value. This agreement was completed on 13 June 2013.
- (ix) A conditional Share Sale Agreement dated 8 October 2012 entered into between the shareholders of Solid Corporation, consist of Ker Min Choo, Ker Mong Keng, Ker Meng Oi, Ker Soo Ha, Yeo Guik Hiang, Kek Kok Swee, Ong Kheng Swee, Lee Heng Haw, Eng Choon Kwang, Chan Teck Yin, Chan San Hor and Empressa Brilliante Sdn Bhd with Solid for the sale and purchase of 99.56% issued and paid up share capital of Solid Corporation of RM4,650,903 comprising 4,650,903 ordinary shares of RM1.00 for a total purchase consideration of RM40,289,363 satisfied entirely by the issuance of 80,578,726 Shares at par value. This agreement was completed on 13 June 2013.
- (x) On 14 September 2012, Uni Point ("Licensee") entered into a Trade Mark Licence Agreement with Lucas Industries Limited (Registered No. 00054802) ("Licensor") to accept a grant from the Licensor to use the trade marks namely "Lucas" and Lucas Diagonal Flash ("Licence Agreement") with effect from 1 January 2013 until 31 December 2017 wherein the Licensor grants to the Licensee an exclusive licence to use, reproduce and apply the trade marks in connection with the products specified in the Trade Mark Licence Agreement to the market for the supply of spare and replacement products for the automotive services market and within the territory indicated in the Trade Mark Licence Agreement on the terms and conditions as set out therein.

16. ADDITIONAL INFORMATION (Cont'd)

- (xi) A Sale and Purchase Agreement dated 29 November 2012 between Solid Corporation and Chin Sin Motor Works Sdn Bhd for the purchase of all that piece of leasehold land with a 99 years lease held under Pajakan Negeri (WP) No. Hakmilik 108, Lot No. 16494, in the Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur together with an open-side detached factory erected thereon, bearing the postal address of No. 28, Persiaran Segambut Tengah, 51200 Kuala Lumpur for the purchase consideration of RM3,807,320. As at the LPD, the Sale and Purchase Agreement is pending completion.
- (xii) On 2 August 2013, Solid entered into an Underwriting Agreement with Alliance for the underwriting of up to 22,500,000 Public Issue Shares for an underwriting commission of between 1.0% and 2.0% of the total value of the underwritten Shares at the IPO Price.

16.4 MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither we nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Directors do not know of any proceedings pending or threatened against our Company or our subsidiary companies, or of any fact likely to give rise to any proceeding which may materially and adversely affect our financial position or business.

16.5 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As our Group does not physically operate in other countries, other than in Singapore, there is no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group. Please refer to Section 15 of this Prospectus for the Legal Opinion on Prevailing Regulations on the Repatriation of Capital, Remittance of Profits and the Relevant Laws and Regulations in Singapore.

16.6 PUBLIC TAKE-OVER OFFERS

None of the following has occurred in the last financial year or the current financial year up to the LPD:

- (i) Public take-over offers by third parties for our Shares; and
- (ii) Public take-over offers by our Company for other companies' shares.

16.7 CONSENTS

The written consents of our Principal Adviser, Joint Adviser, Underwriter and Placement Agent, Solicitors, Principal Bankers, Issuing House, Share Registrar and Company Secretaries for inclusion in this Prospectus of their names and all references thereto in the manner, form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of Messrs Crowe Horwath for the inclusion of its name, Accountants' Report, Report on Compilation of Proforma Consolidated Financial Information of Solid Group and all references thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Protégé Associates for the inclusion in this Prospectus of its name and executive summary of the IMR Report and all reference thereto in the manner, form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16. ADDITIONAL INFORMATION *(Cont'd)*

16.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of 12 months from the date of this Prospectus:

- (i) Memorandum and Articles of Association of our Company;
- (ii) Material contracts as referred to in Section 16.3 of this Prospectus;
- (iii) Reporting Accountants' Report on Compilation of Proforma Consolidated Financial Information as included in Section 11.4 of this Prospectus;
- (iv) Accountants' Report as included in Section 13 of this Prospectus;
- (v) IMR Report referred to in this Prospectus and the executive Summary thereof as included in Section 7 of this Prospectus;
- (vi) Directors' Report as included in Section 14 of this Prospectus;
- (vii) Audited financial statements of:
 - (a) Solid for the financial period ended 30 April 2013;
 - (b) Solid Corporation, JBS, HKT and Uni Point for the past four (4) FYE 30 April 2010 to 2013;
 - (c) Twinco for FYE 31 December 2010 and four (4) months ended 30 April 2011, and FYE 30 April 2012 to 2013; and
 - (d) Auto Empire for seven (7) months ended 30 April 2010 and FYE 30 April 2011 to 2013;and
- (viii) Letters of consent as referred to in Section 16.7 of this Prospectus.

16.9 RESPONSIBILITY STATEMENT

Our Directors, Promoters and Offerors have seen and approved this Prospectus and we collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, after having made all reasonable enquiries, that to the best of our knowledge and belief there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Alliance, being our Principal Adviser, Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Public Issue and Offer for Sale.

MainStreet Advisers, being our Joint Adviser, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Public Issue and Offer for Sale.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE

17.1 OPENING AND CLOSING OF APPLICATION

Applications will be accepted from 10.00 a.m. on 19 August 2013 and will remain open until 5.00 p.m. on 30 August 2013 or for such further period or periods as our Board, Promoters and Offerors together with our Underwriter in their absolute discretion may mutually decide.

In the event the closing date for the Applications is extended, you will be notified of the change in a widely circulated daily Bahasa Malaysia and English daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for the IPO Shares, allotment of the IPO Shares and Listing would be extended accordingly. **Late Applications will not be accepted.**

17.2 METHODS OF APPLICATION

Applications for the IPO Shares may be made using any of the following ways:

- (a) Application Forms; or
- (b) Electronic Share Applications; or
- (c) Internet Share Applications.

17.3 PROCEDURES FOR APPLICATION

The Applications shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.

FULL INSTRUCTIONS FOR THE APPLICATION OF THE IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

17.3.1 Application by the Public

Applications for the 7,500,000 IPO Shares made available for the Public must be made on the **White Application Forms** provided OR by way of Electronic Share Application OR Internet Share Application. A corporation or institution cannot apply for shares by way of Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.56 per IPO Share.

17.3.2 Application by eligible Directors, employees and persons who have contributed to the success of our Group

Applications for the 9,847,500 IPO Shares made available for eligible Directors, employees and persons who have contributed to our success must be made on the **Pink Application Forms** provided only and not by way of other Application Forms or by way of Electronic Share Application or Internet Share Application. Applicants who are eligible for the Pink Application Forms may still apply for the IPO Shares offered to the Malaysian Public using the **White Application Form** or Electronic Share Application or Internet Share Application. The amount payable in full on application is RM0.56 per IPO Share.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.3.3 Application by placees under the private placement

Selected investors being allocated the IPO Shares and/or Offer Shares under this method will be contacted directly by the Placement Agent. Selected investors may still apply for the IPO Shares offered to the Malaysian Public using the **White Application Form**, Electronic Share Application or Internet Share Application.

You must have a CDS Account before you can submit your application by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application.

YOU CAN SUBMIT ONLY ONE (1) APPLICATION FOR THE IPO SHARES OFFERED TO THE MALAYSIAN PUBLIC. For example, if you submit an application using the White Application Form, you cannot submit any application by way of an Electronic Share Application or Internet Share Application and vice versa. A corporation or institution cannot apply for the shares by way of Electronic Share Application or Internet Share Application.

Directors and employees of Equiniti and their immediate families are strictly prohibited from applying for the IPO Shares in this exercise.

17.4 APPLICATIONS USING APPLICATION FORMS

17.4.1 Types of Application Forms

The following relevant Application Forms issued with their notes and instructions enclosed with this Prospectus are deemed to form an integral part hereof:

- (i) **White** Application Forms for application by the Malaysian Public; and
- (ii) **Pink** Application Forms for applications by our eligible Directors, employees and persons who have contributed to the success of our Group.

White Application Forms together with copies of this Prospectus may be obtained, subject to availability, from Alliance, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and Equiniti.

Pink Application Forms together with copies of this Prospectus will be sent out to eligible Directors, employees and the business associates of our Group.

The submission of an Application Form does not necessarily mean that your application will be successful.

You may submit only one (1) Application Form and your application must be for 100 Shares or multiples thereof. Multiple applications will not be accepted. We wish to caution you that if you submit multiple applications in your own name or by using the name of others, with or without their consent, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to ten (10) years under Section 182 of the CMSA.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Your application for the Public IPO Shares must be made on the respective Application Form accompanying this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and on this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed therein shall constitute an integral part of this Prospectus. Our Directors may at their absolute discretion reserve the right not to accept applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible.

IF YOU ARE AN INDIVIDUAL OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND NATIONAL REGISTRATION IDENTITY CARD ("NRIC") NUMBER MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) YOUR NRIC;
 - (b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
 - (c) YOUR RESIT PENGENALAN SEMENTARA ("KPPK 09") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

IF YOU ARE A MEMBER OF THE ARMED FORCES OR POLICE, YOUR NAME AND YOUR ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, MUST BE EXACTLY THE SAME AS THAT STATED IN YOUR AUTHORITY CARD AND YOUR ADDRESS MUST BE THE ADDRESS OF YOUR RESPECTIVE CAMP, BASE OR STATION.

IF YOU ARE A CORPORATION OR INSTITUTION, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER MUST BE EXACTLY THE SAME AS THAT STATED IN THE CORPORATION'S OR INSTITUTION'S CERTIFICATE OF INCORPORATION AND THE ADDRESS MUST BE THE REGISTERED ADDRESS.

We, together with Equiniti will not issue any acknowledgement of the receipt of your Application Form or application monies.

17.4.2 Terms and conditions for application using Application Forms

Your applications by way of Application Forms shall be made on, and subject to, the following terms and conditions:

- (i) If you are an individual, you must be a Malaysian citizen residing in Malaysia, with a CDS Account and a Malaysian address (White Application Forms only).
If you are an individual, you must have a CDS Account and a correspondence address in Malaysia (Pink Application Forms only).
- (ii) If you are a corporation or institution incorporated in Malaysia, you must have a CDS Account and be subject to the following:

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (a) if you have a share capital, more than half of the issued share capital (excluding preference share capital) is held by Malaysian citizens; and
- (b) there is a majority of Malaysian citizens on the board of directors or trustee.

If you are a corporation or institution incorporated outside Malaysia, you must have a CDS Account and provide a correspondence address in Malaysia (Pink Application Forms only).

- (iii) If you are a superannuation, co-operative, foundation, provident or pension fund, you must be established or operating in Malaysia and must have a CDS Account.
- (iv) Applications will not be accepted from trustees, any person under eighteen (18) years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations or institutions referred to in **Section 17.4.2 (ii)** and **Section 17.4.2 (iii)** above or the trustees thereof.
- (v) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:
 - (a) BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
 - (b) MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - (c) GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD; OR
 - (d) ATM STATEMENT OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:
 - AFFIN BANK BERHAD;
 - ALLIANCE BANK MALAYSIA BERHAD;
 - CIMB BANK BERHAD;
 - HONG LEONG BANK BERHAD;
 - MALAYAN BANKING BERHAD; OR
 - RHB BANK BERHAD.

AND MUST BE MADE OUT IN FAVOUR OF "EQSB SHARE ISSUE ACCOUNT NUMBER 651" AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFTS, CASHIER'S ORDERS, MONEY ORDERS OR POSTAL ORDER, ATM STATEMENT OR GGO WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED IN THE APPLICATION FORMS.

- (vi) YOU MUST STATE YOUR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND YOU SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO YOUR CDS ACCOUNT TO EQUINITI AND/OR OUR COMPANY. IF YOU DO NOT PRESENTLY HAVE A CDS ACCOUNT, YOU MAY OPEN ONE BY CONTACTING ANY ONE OF THE ADAs LISTED IN SECTION 17.11 OF THIS PROSPECTUS.
- (vii) YOUR NAME AND ADDRESS MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER OR POSTAL ORDER, OR GGO FROM BANK SIMPANAN MALAYSIA BERHAD.
- (viii) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of Equiniti within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (ix) Equiniti, acting on the authority of our Directors reserves the right to reject your Application if it does not conform to these instructions or if it is illegible or if it is accompanied by remittances improperly drawn.
- (x) Equiniti, acting on the authority of our Directors reserves the right not to accept your Application or to accept it in whole or in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (xi) Where your Application is not accepted or accepted in part only, the full amount or the balance of the Application monies, as the case may be, will be returned without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application lists by registered post or ordinary post at your address last maintained with Bursa Depository or where the application is not accepted because you have not provided a CDS Account, to the address per the National Registration Identity Card or "Resit Pengenalan Sementara ("KPPK 09")" or any valid temporary identity document as issued by the National Registration Department from time to time or the Authority Card in the case of armed forces or police personnel, at your own risk.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (xii) You shall ensure that your personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your registered or correspondence address registered with Bursa Depository.

Equiniti, acting on the authority of our Directors and Offerors reserves the right to bank in all Application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest and shall be despatched to you within ten (10) Market Days from the date of the final ballot of the Application Lists by registered post or ordinary post at your address registered with Bursa Depository, at your own risk.

- (xiii) Your completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents, must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Equiniti Services Sdn Bhd (11324-H)
Level 8, Menara MIDF
82, Jalan Raja Chulan
50200 Kuala Lumpur
Tel : (603) 2166 0933
Fax: (603) 2166 0688

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the Ground Floor of Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur so as to arrive not later than 5.00 p.m. on 30 August 2013, or such other later date or dates as our Directors, Promoters and Offerors together with our Principal Adviser and Underwriter in their absolute discretion may mutually decide.

- (xiv) **PLEASE DIRECT ALL YOUR ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO EQUINITI.**

17.5 APPLICATIONS USING ELECTRONIC SHARE APPLICATION

17.5.1 Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (i) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (ii) You must have a CDS Account.
- (iii) You are to apply for the IPO Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in **Section 17.5.3** of this Prospectus under the Terms and Conditions for Electronic Share Application. You are to enter at least the following information through the ATM where the instructions on the ATM screen at which you enter your Electronic Share Application requires you to do so:

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- Your Personal Identification Number (“PIN”);
- EQSB Share Issue Account Number 651;
- Your CDS Account Number;
- Number of IPO Shares applied for and/or the Ringgit Malaysia amount to be debited from the account; and
- You are to confirm several mandatory statements.

17.5.2 Participating Financial Institutions

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:

- AFFIN BANK BERHAD; OR
- AMBANK (M) BERHAD; OR
- CIMB BANK BERHAD; OR
- HSBC BANK MALAYSIA BERHAD; OR
- MALAYAN BANKING BERHAD; OR
- PUBLIC BANK BERHAD; OR
- RHB BANK BERHAD; OR
- STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).

17.5.3 Terms and conditions for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the “Steps”). For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in **Section 17.5.1** of this Prospectus. The Steps set out the actions that you must take at the ATM to complete an Electronic Share Application. You are advised to read and understand the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

You must be an individual with a CDS Account to make an Electronic Share Application. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted.

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for the IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip (“Transaction Record”), confirming the details of your Electronic Share Application. The Transaction Record is only a record that you have completed a transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by us or Equiniti. The Transaction Record is for your retention and should not be submitted with any Application Form.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Upon the closing of the offer for the Application for the IPO Shares, on 30 August 2013 at 5.00 p.m. (“Closing Date and Time”), the Participating Financial Institution shall submit a magnetic tape containing its respective customers’ applications for the IPO Shares to Equiniti as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You will be allowed to make an Electronic Share Application for the IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which you have an account and its branches, subject to you making only one (1) Application. If you have a bank account with a Participating Financial Institution and have been issued an ATM card, you will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only one (1) Application.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING CONDITIONS.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions set out below:

- (i) Your Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and our Memorandum and Articles of Association.
- (ii) You are required to confirm the following statement (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:
 - You have attained eighteen (18) years of age as at the Closing Date of the Share Application;
 - You are a Malaysian citizen residing in Malaysia;
 - You have read the relevant Prospectus and understood and agreed with the terms and conditions of this Application;
 - This is the only Application that you are submitting; and
 - You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to Equiniti and other relevant authorities.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the Steps required by the Participating Financial Institution. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to Equiniti or any other relevant regulatory bodies.

- (iii) YOU CONFIRM THAT YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT YOU MAKE IS MADE BY YOU AS THE BENEFICIAL OWNER. YOU SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE IPO SHARES, WHETHER AT THE ATMS OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS OR VIA INTERNET SHARE APPLICATION.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of the IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key or button on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles of Association.
- (vi) Equiniti, on the authority of our Board reserves the right to reject or accept any Electronic Share Application in whole or in part only on a non-discriminatory basis without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (vii) Equiniti shall inform the relevant Participating Financial Institution of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. Where your Electronic Share Application is unsuccessful, the relevant Participating Financial Institution will credit the full amount of the Application monies, in Ringgit Malaysia (without interest or any share of revenue or benefit arising therefrom) into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Equiniti. You may check your accounts on the fifth (5th) Market Day from the balloting day.
- (viii) If your Electronic Share Application is successful in part only, the relevant Participating Financial Institution will credit the balance of the application monies (without interest or any share or revenue of benefit arising therefrom) into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Equiniti. We will, however, hold in reserve a number of Applications to replace any successfully balloted Applications that are subsequently rejected. If your Application held in reserve, is subsequently rejected, your Application monies without interest will be refunded (without interest or any share revenue or benefit arising therefrom) to you by Equiniti by crediting into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Equiniti. Should you encounter any problems in your Applications, you may refer to the Participating Financial Institution.
- (ix) You request and authorise us:
- to credit the IPO Shares allotted or allocated to you into your CDS Account; and
 - to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (x) Acknowledging that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond our control and the control of Equiniti or the Participating Financial Institutions or Bursa Depository, irrevocably agree that if:
- we or Equiniti do/ does not receive your Electronic Share Application; or
 - data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to us or Equiniti,

you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against us, Equiniti, the Participating Financial Institutions or Bursa Depository for the IPO Shares applied for or for any compensation, loss or damage.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xi) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct and we, Equiniti and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (xii) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository.
- (xiii) By making and completing an Electronic Share Application, you agree that:
- in consideration of us agreeing to allow and accept the making of any Application for IPO Shares via the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - we, the Participating Financial Institutions, Bursa Depository and Equiniti shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/ their control;
 - notwithstanding the receipt of any payment by us or on our behalf, the acceptance of your offer to subscribe for and purchase the IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the IPO Shares;
 - you irrevocably authorises Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the IPO Shares allotted or allocated to you; and
 - you agree that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (xiv) Our Board reserves the right to require you, if your Application is successful, to appear in person at the registered office of Equiniti within fourteen (14) days of the date of the notice issued to you to ascertain the regularity or propriety of your Application. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.
- (xv) Equiniti, acting on the authority of our Board reserves the right to reject your Application, if it does not conform to these instructions.

I7. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xvi) The following processing fee per Electronic Share Application will be charged by the respective Participating Financial Institutions:
- Affin Bank Berhad – No fee will be charged for application by their account holders;
 - AmBank (M) Berhad – RMI.00;
 - CIMB Bank Berhad – RM2.50
 - HSBC Bank Malaysia Berhad – RM2.50;
 - Malayan Banking Berhad – RMI.00;
 - Public Bank Berhad – RM2.00;
 - RHB Bank Berhad – RM2.50; or
 - Standard Chartered Bank Malaysia Berhad (as selected branches only) – RM2.50

I7.6 APPLICATIONS USING INTERNET SHARE APPLICATION**I7.6.I Steps for Internet Share Application**

The exact steps for Internet Share Application in respect of the IPO Shares are as set out on the internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, we have set out below possible steps for an application for the IPO Shares via Internet Share Application. The steps set out the actions that you must take at the Internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

PLEASE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (i) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (ii) Login to the internet financial services facility by entering your user identification and PIN/ password.
- (iii) Navigate to the section of the website on applications in respect of initial public offerings.
- (iv) Select the counter in respect of the IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (v) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (vi) At the next screen, complete the online application form.
- (vii) Check that the information contained in the online application form such as the share counter, NRIC number, CDS Account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.
- (viii) By confirming such information, you will undertake that the following mandatory statements are true and correct:
 - you have attained eighteen (18) years of age as at the closing date of the share application;
 - you are a Malaysian citizen residing in Malaysia;
 - you have, prior to making the Internet Share Application, received and/or had access to a printed/ electronic copy of this Prospectus, the contents of which you have read and understood;
 - you agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares;
 - the Internet Share Application is the only application that you are submitting for the IPO Shares;
 - you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - you give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to Equiniti and the Authorised Financial Institution, the SC and any other relevant authority;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME, AS THE BENEFICIAL OWNER AND SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND
 - you authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Applications services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (ix) Upon submission of the online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of the application money for the Public Issue.
- (x) As soon as the transaction is completed, a message from the Authorised Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment of the application of the Public Issue is being made.
- (xi) Subsequent to the above, the Internet Participating Financial Institution shall confirm that the Internet Share Application has been completed, via the Confirmation Screen on its website.
- (xii) You are advised to print out the Confirmation Screen for reference and retention.

17.6.2 Terms and Conditions for Internet Share Application

Your application for the IPO Shares may be made through the internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR THE IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Institution

Internet Share Applications may be made through the internet financial services websites of the following Internet Participating Financial Institutions:

- Malayan Banking Berhad at www.maybank2u.com.my; or

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- CIMB Investment Bank Berhad at www.eipocimb.com; or
- CIMB Bank Berhad at www.cimbclicks.com.my; or
- Affin Bank Berhad at www.affinOnline.com; or
- RHB Bank Berhad at www.rhb.com.my; or
- Public Bank Berhad at www.pbebank.com.

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND ITS SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF THE IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATION CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITES OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions as set out below:

- (i) In order to make an Internet Share Application, you must:
 - be an individual with a CDS account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;
 - have an existing account with access to internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification ("User ID") and Personal Identification Numbers ("PIN")/ password for the relevant internet financial services facilities; and
 - be a Malaysian citizen and have a Malaysian address.

You are advised to note that a User ID and PIN/ password issued by one of the Internet Participating Financial Institutions cannot be used to apply for the IPO Shares at internet financial service websites of other Internet Participating Financial Institutions.

- (ii) An Internet Share Application shall be made on and shall be subject to the terms of this Prospectus and our Memorandum and Articles of Association.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given is true and correct:
- you have attained eighteen (18) years of age as at the date of the application for the IPO Shares;
 - you are a Malaysian citizen residing in Malaysia;
 - you have, prior to making the Internet Share Application, received and/or have had access to a printed/ electronic copy of this Prospectus, the contents of which you have read and understood;
 - you agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for the IPO Shares;
 - the Internet Share Application is the only application that you are submitting for the IPO Shares;
 - you authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for the IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - you give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 99 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of information pertaining to you, the Internet Share Application made by you or your account with the Internet Participating Financial Institution, to Equiniti and the Authorised Financial Institution, the SC and any other relevant authority;
 - YOU ARE NOT APPLYING FOR THE IPO SHARES AS A NOMINEE OF ANY OTHER PERSON AND THE APPLICATION IS MADE IN YOUR OWN NAME, AS THE BENEFICIAL OWNER AND SUBJECT TO THE RISKS REFERRED TO IN THIS PROSPECTUS; AND

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- you authorise the Internet Participating Financial Institution to disclose transfer to any person, including any government or regulatory authority in any jurisdiction, us, Bursa Securities or other relevant parties in connection with the Public Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Share Application services or if such disclosure is requested or required in connection with the Public Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information relating to you furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (iv) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the internet financial services website displaying the Confirmation Screen.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the internet financial services website, which confirms that the Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which can be printed out by you for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in **Section 17.6.2(iii)** of this Prospectus.

- (v) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making the Internet Share Application, to cover and pay for the IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which the Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the internet financial services website through which the Internet Share Application is made shall be rejected.
- (vi) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of the Internet Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept our decision as final.

In the course of completing the Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
 - your agreement to be bound by our Memorandum and Articles of Association.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for the IPO Shares will be rejected. Equiniti on the authority of our Board reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefor. We will give due consideration to the desirability of allotting or allocating the IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (viii) If your Internet Share Application is unsuccessful or successful in part only, Equiniti shall inform the relevant Internet Participating Financial Institution of the unsuccessful or partially successful Internet Share Application within two (2) Market Days after the balloting date. Where your Internet Share Application is unsuccessful, the relevant Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of the application monies, in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from Equiniti.

If your Internet Share Application is successful in part only, the relevant Internet Participating Financial Institution will credit the balance of the application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) Market Days after receipt of written confirmation from Equiniti. We will, however, hold in reserve a number of applications to replace any successfully allotted applications that are subsequently rejected. If your application held in reserve is subsequently rejected, your application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by Equiniti by crediting into your account with the Internet Participating Financial Institution within two (2) Market Days after receipt of confirmation from Equiniti.

For applications that are held in reserve and which are subsequently unsuccessful (or partly successful), the Internet Participating Financial Institution will credit into your account the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within two (2) Market Days after the receipt of confirmation from Equiniti.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Except where Equiniti is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which the application was made in respect of the mode or procedure of enquiring on the status of the Internet Share Application in order to determine the status or exact number of IPO Shares allotted or allocated, if any, before trading of our IPO Shares on Bursa Securities.

- (ix) Internet Share Applications will be closed at 5.00 p.m. on 30 August 2013 or such other date(s) as our Directors, Promoters, Offerors and Alliance may in their absolute discretion mutually decide. An Internet Share Application is deemed to be received only upon its completion that is when the Confirmation Screen is displayed on the internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.
- (x) You irrevocably agree and acknowledge that the Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond our control and the control of Equiniti or the Internet Participating Financial Institutions and the Authorised Financial Institution. If, in any such event, we, Equiniti and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefor, or in the event that any data relating to the Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an Internet Share Application and you shall have no claim whatsoever against us, Equiniti or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to the IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (xi) All your particulars in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Share Application shall be deemed to be true and correct, and we, Equiniti, the relevant Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You shall ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allotment or allocation will be sent to your registered address last maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (xii) By making and completing an Internet Share Application, you are deemed to have agreed that:
- in consideration of us making available the Internet Share Application facility to you through the Internet Participating Institution acting as our agents, the Internet Share Application is irrevocable;
 - you have irrevocably requested and authorised us to register the IPO Shares allotted or allocated to you for deposit into your CDS Account;
 - neither us nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to the Internet Share Application to Equiniti or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in **Section 17.6.2(x)** of this Prospectus or to any cause beyond their control;
 - you shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by Equiniti, us and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;
 - the acceptance of your offer to subscribe for the IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
 - you are not entitled to exercise any remedy of rescission for misrepresentation at any time after we have accepted your Internet Share Application;
 - in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, Alliance and any other person involved in the Public Issue shall not be liable for any information not contained in this Prospectus which you may have relied on in making the Internet Share Application; and
 - the acceptance of your Internet Share Application and the contract resulting therefrom under the Public Issue shall be governed by and construed in accordance with the laws of Malaysia, and the applicant irrevocably submits to the jurisdiction of the courts of Malaysia.
- (xiii) The following processing fee per Internet Share Application will be charged by the respective Internet Participating Financial Institution:
- Affin Bank Berhad (www.affinOnline.com) - No fee will be charged for application by their account holders;

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or via Malayan Banking Berhad;
- CIMB Bank Berhad (www.cimbclicks.com.my) – RM 2.00 for applicants with CDS Accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS Accounts with other ADAs;
- Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- RHB Bank Berhad (www.rhb.com.my) – RM2.50; and
- Public Bank Berhad (www.pbebank.com) – RM2.00.

17.7 OVER / UNDER-SUBSCRIPTION

In the event of an over-subscription, our Issuing House will conduct a ballot in a manner as approved by our Directors to determine acceptance of applications. In determining the manner of balloting, our Directors will consider the desirability of distributing our IPO Shares in a fair and equitable manner to a reasonable number of applicants for the purpose of broadening our shareholding base and establishing an adequate market in the trading of our Shares.

Pursuant to the Listing Requirements, we are required to have at least 25% of our enlarged issued and paid-up share capital to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon our Listing and completion of this IPO. We expect to achieve this at the point of our Listing. However, in the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned without interest.

In the event of an under-subscription for our IPO Shares reserved for application by the Public, all such IPO Shares not applied for will be subscribed by our Underwriter pursuant to the Underwriting Agreement.

In the event of an under-subscription of IPO Shares by our eligible Directors, employees and persons who have contributed to the success of our Group, such IPO Shares will be made available for Application by the Malaysian Public. Likewise, in the event of an under-subscription of IPO Shares by the Malaysian Public, such IPO Shares will be made available for Application by our eligible Directors, employees and persons who have contributed to our success.

Our IPO Shares reserved for subscription by identified investors will not be underwritten as written irrevocable undertakings to subscribe for such IPO Shares have been procured from the respective identified investors.

Where your successfully balloted application under White Application Form is subsequently rejected, the full amount of your application monies, will be refunded without interest to you within ten (10) Market Days from the date of the final ballot of the application list to your address registered with the Bursa Depository.

Where your successfully balloted application under Electronic Share Application or Internet Share Application is subsequently rejected, the full amount of your application monies, will be refunded without interest to you by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution respectively.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

17.8 APPLICATIONS AND ACCEPTANCES

Equiniti, acting on the authority of our Board reserves the right not to accept your Application, if it does not strictly comply with the instructions, or to accept your Application in part only without assigning any reason therefor.

The submission of an Application Form does not necessarily mean that the Application will be successful.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

IF YOUR APPLICATION IS REJECTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED BY REGISTERED POST OR ORDINARY POST TO YOU WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT YOUR ADDRESS LAST MAINTAINED WITH BURSA DEPOSITORY AT YOUR OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

17.9 CDS ACCOUNTS

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the Shares as Prescribed Securities. In consequence thereof, the share issued/ offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depository) Act, 1991 and Rules of Bursa Depository.

Following the above, in accordance with Section 29 of the Securities Industry (Central Depositories) Act 1991, all dealings in our Shares will be by book entries through CDS Accounts. Thus, we will not issue any share certificates to you.

Only if you have a CDS Account can you make an Application by way of an Application Form. If you apply using an Application Form, you should state your CDS Account number in the space provided in the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS Account to Equiniti or us and any relevant regulatory bodies, as the case may be. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an Application for our Shares.

Only if you have a CDS Account can you make an Application by way of an Electronic Share Application. If you apply using an Electronic Share Application, you shall furnish your CDS Account number to the Participating Financial Institution by way of keying in your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so.

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Only if you have a CDS Account can you make an Application by way of an Internet Share Application. In certain cases, you can only make an Internet Share Application if you have a CDS Account opened with the Internet Participating Financial Institution. Arising therewith, your CDS Account number would automatically appear in the e-IPO online application form.

If you fail to comply with these specific instructions or there are inaccuracies in the CDS Account number, arising from use of invalid, third party or nominee accounts, your application may be rejected. If you are successful in your Application but fail to state your CDS Account number, Equiniti, acting on the authority of our Board, reserves the right to reject your Application. Equiniti, acting on the authority of our Board also reserves the right to reject any incomplete and inaccurate Application. We may also reject your Application if your particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application, differ from those in Bursa Depository's records, such as your identity card number, name and nationality.

17.10 NOTICE OF ALLOTMENT

If your Application is successful or partially successful, we will credit our Shares allotted to you to your CDS accounts. We will despatch a notice of allotment to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. For Electronic Share Applications or Internet Share Applications, the notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your Application as we will not be issuing any share certificate to you.

You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulation of Bursa Depository, failing which we shall send the notification letter on your allotment to your address last maintained with Bursa Depository.

You may also check the status of your application by logging on to Equiniti website at <https://www.equiniti.com.my/> or by calling your ADA at the telephone number as stated in Section 17.11 of this Prospectus or Equiniti at (03)-2166 0933 or (03)-2166 0811, between five (5) to ten (10) Market Days (during office hours only) after the balloting date.

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17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**17.11 LIST OF ADAS**

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KUALA LUMPUR			
UOB KAY HIAN SECURITIES (M) SDN BHD N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62011155	078-004	CIMB INVESTMENT BANK BERHAD 9 th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : 03-20849999	065-001
AFFIN INVESTMENT BANK BERHAD Ground Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	028-001	KENANGA INVESTMENT BANK BERHAD ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20891888	073-021
AFFIN INVESTMENT BANK BERHAD 38A & 40A Taman Midah Cheras 56000 Kuala Lumpur Tel No : 03-91308803	028-005	KENANGA INVESTMENT BANK BERHAD 1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781133	073-029
ALLIANCE INVESTMENT BANK BERHAD Level 17, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03- 26976333	076-001	HONG LEONG INVESTMENT BANK BERHAD Level 6, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21681168	066-001
AMINVESTMENT BANK BERHAD 15 th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788	086-001	HWANGDBS INVESTMENT BANK BERHAD 2 nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009
BIMB SECURITIES SDN BHD 32 nd Floor, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26918887	024-001	HWANGDBS INVESTMENT BANK BERHAD 7th, 22 nd , 23 rd & 23A Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-27116888	068-014

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
HWANGDBS INVESTMENT BANK BERHAD No. 57-10 Level 10 The Boulevard, Mid Valley City Lingkar Syed Putra 59000 Kuala Lumpur Tel No : 03-22872273	068-017	M & A SECURITIES SDN BHD Level 1-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkar Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002
INTER-PACIFIC SECURITIES SDN BHD West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001	MAYBANK INVESTMENT BANK BERHAD 5-13 Floor, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001
INTER-PACIFIC SECURITIES SDN BHD Ground Floor, 7-0-8 Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003	MERCURY SECURITIES SDN BHD L-7-2, No. 2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002
INTER-PACIFIC SECURITIES SDN BHD Stesyen Minyak SHELL Jalan 1/116B, Off Jalan Kuchai Lama Kuchai Entrepreneur Park 58200 Kuala Lumpur Tel No : 03-79818811	054-005	MIDF AMANAH INVESTMENT BANK BERHAD 11 th & 12 th Floor, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001
JUPITER SECURITIES SDN BHD 7 th -9 th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Level 18, Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-26910200	066-006
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD 11 th -14 th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21688800	053-001	RHB INVESTMENT BANK BERHAD 20 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-23338333	087-018
KENANGA INVESTMENT BANK BERHAD 8 th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001	RHB INVESTMENT BANK BERHAD No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	087-028
RHB INVESTMENT BANK BERHAD Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	087-054	PUBLIC INVESTMENT BANK BERHAD 27 th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground, 1 st , 2 nd & 3 rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	087-058	RHB INVESTMENT BANK BERHAD Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92873888	087-001
PM SECURITIES SDN BHD Ground, Mezzanine, 1 st & 10 th Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001	TA SECURITIES HOLDINGS BERHAD Floor 13, 16, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003
SELANGOR DARUL EHSAN			
AFFIN INVESTMENT BANK BERHAD 2 nd , 3 rd & 4 th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	028-002	AMINVESTMENT BANK BERHAD 4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-003
AFFIN INVESTMENT BANK BERHAD Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	028-003	CIMB INVESTMENT BANK BERHAD Level G & Level 1, Tropicana City Office Tower No 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 - 77173388	065-009
AFFIN INVESTMENT BANK BERHAD 1 st Floor, 20-22 Jalan 21/22 SEA Park 46300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78776229	028-006	KENANGA INVESTMENT BANK BERHAD 35 (Ground & 1 st Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33488080	073-035
AFFIN INVESTMENT BANK BERHAD No.79-1 & 79-C Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221999	028-007	KENANGA INVESTMENT BANK BERHAD Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56212118	073-030

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
HONG LEONG INVESTMENT BANK BERHAD Level 10, First Avenue Persiaran Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77246888	066-002	HWANGDBS INVESTMENT BANK BERHAD East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
HWANGDBS INVESTMENT BANK BERHAD 16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002	RHB INVESTMENT BANK BERHAD 24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	087-011
JF APEX SECURITIES BERHAD 6 th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001	RHB INVESTMENT BANK BERHAD No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	087-045
JF APEX SECURITIES BERHAD 15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002	RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	087-047
KENANGA INVESTMENT BANK BERHAD Ground – Fifth Floor East Wing, Quattro West 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78626200	073-005	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	087-048
KENANGA INVESTMENT BANK BERHAD 1 st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : 03-80241682	073-006	RHB INVESTMENT BANK BERHAD 3 rd Floor, 1A-D Jalan USJ 10/1A Pusat Perniagaan USJ 10 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80236518	087-059

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD Suite 7.02, Level 7, Menara ING Intan Millenium Square No. 68, Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03-30057550	073-007	RHB INVESTMENT BANK BERHAD 11-1, Jalan PJU 5/12 Dataran Sunway Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No : 03-61483361	087-051
KENANGA INVESTMENT BANK BERHAD Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-016	SJ SECURITIES SDN BHD Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001
RHB INVESTMENT BANK BERHAD Ground Floor and First Floor No.13 Jalan Kenari 3 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80706899	087-049	TA SECURITIES HOLDINGS BERHAD No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80251880	058-005
PM SECURITIES SDN BHD No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003	TA SECURITIES HOLDINGS BERHAD Damansara Utama Branch 2 nd Floor Wisma TA 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77295713	058-007
PM SECURITIES SDN BHD No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007		
MELAKA			
CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-006	RHB INVESTMENT BANK BERHAD 579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	087-026
KENANGA INVESTMENT BANK BERHAD 71A&B & 73A&B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	073-028	PM SECURITIES SDN BHD No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD 22A & 22A -1 and 26 & 26 – 1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372550	073-034	MALACCA SECURITIES SDN BHD No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No : 06-3371533	012-001
RHB INVESTMENT BANK BERHAD Lot 7-13 & 15, Tingkat 1 Bangunan Tabung Haji Jalan Banda Kaba 75000 Melaka Tel No : 06-2833622	087-002	MERCURY SECURITIES SDN BHD No. 81-B & 83-B, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003
PERAK DARUL RIDZUAN			
UOB KAY HIAN SECURITIES (M) SDN BHD 29G, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6216010	078-009	CIMB INVESTMENT BANK BERHAD Ground, No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088688	065-010
KENANGA INVESTMENT BANK BERHAD No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	073-022	RHB INVESTMENT BANK BERHAD 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	087-023
KENANGA INVESTMENT BANK BERHAD No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6222828	073-026	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6939828	073-031
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	087-014	HWANGDBS INVESTMENT BANK BERHAD Ground, Level 1, 2 & 3 21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003
RHB INVESTMENT BANK BERHAD Ground, 1st Floor, No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	087-016	HWANGDBS INVESTMENT BANK BERHAD Ground, 1st Floor & 2nd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	087-034	M & A SECURITIES SDN BHD M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
RHB INVESTMENT BANK BERHAD 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	087-044	RHB INVESTMENT BANK BERHAD Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	087-073
HONG LEONG INVESTMENT BANK BERHAD 51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003	TA SECURITIES HOLDINGS BERHAD Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
MAYBANK INVESTMENT BANK BERHAD B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown I Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2453400	098-002		
PULAU PINANG			
UOB KAY HIAN SECURITIES (M) SDN BHD 1 st , 2 nd & 3 rd Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002	CIMB INVESTMENT BANK BERHAD Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2385900	065-003
UOB KAY HIAN SECURITIES (M) SDN BHD No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003	HWANGDBS INVESTMENT BANK BERHAD Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
ALLIANCE INVESTMENT BANK BERHAD Suite 2.1 & Suite 2.4, Level 2 Wisma Great Eastern No. 25, Leboh Light 10200 Pulau Pinang Tel No: 04-2611688	076-015	HWANGDBS INVESTMENT BANK BERHAD No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
AMINVESTMENT BANK BERHAD Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-004	INTER-PACIFIC SECURITIES SDN BHD Ground, Mezzanine & 8th Floor Sentral Tower No. 3, Penang Street 10200 Pulau Pinang Tel No : 04-2690888	054-002
AMINVESTMENT BANK BERHAD Level 3 No. 15, Lebu Pantai 10300 Pulau Pinang Tel No : 04-2618688	086-007	KENANGA INVESTMENT BANK BERHAD Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2106666	073-013
KENANGA INVESTMENT BANK BERHAD 7 th , 8 th & 16 th Floor, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	073-023	RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	087-042
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900022	087-005	RHB INVESTMENT BANK BERHAD 41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Pulau Pinang Tel No : 04-8352988	087-056
RHB INVESTMENT BANK BERHAD Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	087-015	PM SECURITIES SDN BHD Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004
RHB INVESTMENT BANK BERHAD 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	087-032	MERCURY SECURITIES SDN BHD Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Pulau Pinang Tel No : 04-3322123	093-001
RHB INVESTMENT BANK BERHAD 64& 64-D Tingkat Bawah-Tingkat 3 & Tingkat 5-Tingkat 8 Lebu Bishop 10200 Pulau Pinang Tel No : 04-2634222	087-033	MERCURY SECURITIES SDN BHD 2 nd Floor, Standard Chartered Bank Chambers 2 Lebu Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
		M & A SECURITIES SDN BHD 332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817611	057-005
PERLIS INDRA KAYANGAN			
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 39, Taman Suriani Persiaran Jubli Emas 01000 Kangar Perlis Indra Kayangan Tel No : 04-9793888	087-060		
KEDAH DARUL AMAN			
UOB KAY HIAN SECURITIES (M) SDN BHD Lot 4, 5 & 5A 1st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No: 04-7322111	078-007	HWANGDBS INVESTMENT BANK BERHAD No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011
ALLIANCE INVESTMENT BANK BERHAD 2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004	RHB INVESTMENT BANK BERHAD No. 112, Jalan Pengkalan Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	087-017
RHB INVESTMENT BANK BERHAD Ground & 1st Floor 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	087-021	RHB INVESTMENT BANK BERHAD 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	087-019
NEGERI SEMBILAN DARUL KHUSUS			
KENANGA INVESTMENT BANK BERHAD IC-1 & ID-1, First Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Tel No : 06-7655998	073-033	RHB INVESTMENT BANK BERHAD 1 st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	087-037

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
HWANGDBS INVESTMENT BANK BERHAD Ground & 1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007	RHB INVESTMENT BANK BERHAD 1 st & 2 nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553014	087-040
HWANGDBS INVESTMENT BANK BERHAD No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013	RHB INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	087-046
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	087-024	PM SECURITIES SDN BHD 1 st , 2 nd & 3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002
JOHOR DARUL TAKZIM			
UOB KAY HIAN SECURITIES (M) SDN BHD Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001	AMINVESTMENT BANK BERHAD 2 nd & 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002
UOB KAY HIAN SECURITIES (M) SDN BHD 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6637398	078-005	AMINVESTMENT BANK BERHAD 18 th & 31 st Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-006
UOB KAY HIAN SECURITIES (M) SDN BHD No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-006	KENANGA INVESTMENT BANK BERHAD Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07-4678885	073-025
UOB KAY HIAN SECURITIES (M) SDN BHD No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008	KENANGA INVESTMENT BANK BERHAD No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9532222	073-024

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
ALLIANCE INVESTMENT BANK BERHAD No. 73, Ground Floor & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006	KENANGA INVESTMENT BANK BERHAD No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010
HWANGDBS INVESTMENT BANK BERHAD Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004	M&A SECURITIES SDN BHD 26, Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No : 07-2366288	057-006
INTER-PACIFIC SECURITIES SDN BHD 95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) Suite 25.02, Level 25 Johor Bahru City Square (Office Tower) No. 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2227388	066-005
KENANGA INVESTMENT BANK BERHAD Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004	HONG LEONG INVESTMENT BANK BERHAD (formerly known as MIMB Investment Bank Berhad) 1st Floor, No. 9 Jalan Kundang Taman Bukit Pasir 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4313688	066-004
KENANGA INVESTMENT BANK BERHAD No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : 06-9542711	073-008	MERCURY SECURITIES SDN BHD Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005
KENANGA INVESTMENT BANK BERHAD Ground & Mezzanine Floor No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009	RHB INVESTMENT BANK BERHAD 6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	087-006

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
KENANGA INVESTMENT BANK BERHAD No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011	RHB INVESTMENT BANK BERHAD 53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	087-009
KENANGA INVESTMENT BANK BERHAD No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre Batu Pahat, 83000 Johor Darul Takzim Tel No : 07-4326963	073-017	RHB INVESTMENT BANK BERHAD No. 33-1, 1 st & 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	087-025
M&A SECURITIES SDN BHD Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381233	057-003	RHB INVESTMENT BANK BERHAD 1 st Floor, No. 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	087-039
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	087-029	RHB INVESTMENT BANK BERHAD Ground, 1st Floor & 2nd Floor Nos. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	087-043
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	087-030	PM SECURITIES SDN BHD No. 41, Jalan Molek 2/4 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513232	064-005
RHB INVESTMENT BANK BERHAD Ground, 1st & 2nd Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	087-031	PM SECURITIES SDN BHD Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-008
RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	087-035	RHB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	087-038

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
PAHANG DARUL MAKMUR			
ALLIANCE INVESTMENT BANK BERHAD A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Besarah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002	CIMB INVESTMENT BANK BERHAD Ground, 1 st & 2 nd No. A-27 (Aras G, 1 & 2) Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057800	065-007
KENANGA INVESTMENT BANK BERHAD A15, A17 & A19, Ground Floor Lorong Tun Ismail 2 Sri Dagangan 2 25000 Pahang Darul Makmur Tel No : 09-5171698	073-027	RHB INVESTMENT BANK BERHAD Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	087-041
RHB INVESTMENT BANK BERHAD Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	087-022	RHB INVESTMENT BANK BERHAD B2 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	087-007
KELANTAN DARUL NAIM			
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	087-020	TA SECURITIES HOLDINGS BERHAD 298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004
TERENGGANU DARUL IMAN			
ALLIANCE INVESTMENT BANK BERHAD No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jernih 20300 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009	FA SECURITIES SDN BHD No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001
RHB INVESTMENT BANK BERHAD Ground & 1 st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	087-027	RHB INVESTMENT BANK BERHAD 31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	087-055

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
SARAWAK			
AMINVESTMENT BANK BERHAD No. 164, 166 & 168 1st, 2nd & 3rd Floor Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-005	TA SECURITIES HOLDINGS BERHAD 2 nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No : 082-236333	058-006
CIMB INVESTMENT BANK BERHAD Level 1, Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No : 082-358606	065-004	KENANGA INVESTMENT BANK BERHAD Level 5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003
CIMB INVESTMENT BANK BERHAD No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : 084-367700	065-008	KENANGA INVESTMENT BANK BERHAD No. 11-12 (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	073-012
RHB INVESTMENT BANK BERHAD Lot 170 & 171 Section 49, K.T.L.D Jalan Chan Chin Ann 93100 Kuching Sarawak Tel No : 082-422252	087-008	HWANGDBS INVESTMENT BANK BERHAD Ground Floor & 1 st Floor No. 1, Jalan Pending 1 st Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341999	068-005
RHB INVESTMENT BANK BERHAD Lot 1268, 1 st & 2 nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	087-012	HWANGDBS INVESTMENT BANK BERHAD No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016
RHB INVESTMENT BANK BERHAD 101 & 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	087-013	KENANGA INVESTMENT BANK BERHAD Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002
TA SECURITIES HOLDINGS BERHAD 12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002	RHB INVESTMENT BANK BERHAD Ground Floor & 1 st Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No : 084-654100	087-050

17. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name, Address and Telephone Number	ADA Code	Name, Address and Telephone Number	ADA Code
RHB INVESTMENT BANK BERHAD Ground & 1st Floor No. 221, Park City Commercial Centre Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311770	087-053	RHB INVESTMENT BANK BERHAD Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel : 082- 250888	087-003
SABAH			
CIMB INVESTMENT BANK BERHAD 1 st & 2 nd Floor Central Building No.28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328878	065-005	UOB KAY HIAN SECURITIES (M) SDN BHD 11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	078-011
KENANGA INVESTMENT BANK BERHAD Aras 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	073-032	RHB INVESTMENT BANK BERHAD 5 th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	087-010
HWANGDBS INVESTMENT BANK BERHAD Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-311688	068-008	RHB INVESTMENT BANK BERHAD Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-229286	087-057
RHB INVESTMENT BANK BERHAD Lot 14-0, Ground Floor Lorong Lintas Plaza 2 Lintas Plaza, Off Jalan Lintas 88300 Kota Kinabalu Sabah Tel No : 088-258618	087-036		