

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your Solid Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue of Warrants should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Company No.11324-H), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF have also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

The approval from our shareholders for the Rights Issue of Warrants was obtained at our EGM held on 3 November 2015. The approval from Bursa Securities has also been obtained vide its letter dated 23 September 2015 for the admission of the Warrants to the Official List and the listing of and quotation for the Warrants and the new Solid Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. Admission of the Warrants to the Official List and the listing of and quotation for the Warrants and the new Solid Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Warrants. The admission of the Warrants to the Official List and the listing of and quotation for the Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus.

Our Board has seen and approved all the documentation relating to the Rights Issue of Warrants, including this Abridged Prospectus, together with the NPA and the RSF (collectively, the "Documents"). They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in the Documents false or misleading.

The Documents are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on Tuesday, 24 November 2015. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue of Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHBIB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation made by the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHBIB, being our Principal Adviser for the Rights Issue of Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



SOLID AUTOMOTIVE BERHAD

(Company No.: 1016725-P)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 82,500,000 WARRANTS IN SOLID AUTOMOTIVE BERHAD ("SOLID") ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN SOLID AS AT 5.00 P.M. ON TUESDAY, 24 NOVEMBER 2015 AT AN ISSUE PRICE OF RM0.20 PER WARRANT ("RIGHTS ISSUE OF WARRANTS")

Principal Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Tuesday, 24 November 2015 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Tuesday, 1 December 2015 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Friday, 4 December 2015 at 4.00 p.m.
Last date and time for acceptance and payment	: Wednesday, 9 December 2015 at 5.00 p.m.*
Last date and time for excess application and payment	: Wednesday, 9 December 2015 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time

This Abridged Prospectus is dated 24 November 2015

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE REGISTRATION OF THIS ABRIDGED PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE OF WARRANTS OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS ABRIDGED PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES, THE LISTING OF THE WARRANTS AND ALL THE NEW SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF WARRANTS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE OF WARRANTS AND INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, (SUCH AS OUR DIRECTORS AND ADVISERS), ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Abridged Prospectus"	: This abridged prospectus dated 24 November 2015
"Act"	: The Companies Act, 1965 of Malaysia as may be amended from time to time and any re-enactment thereof
"Amendments"	: The amendments to the Memorandum and Articles of Association of Solid
"Board"	: Board of Directors of Solid
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"By-Laws"	: Rules, terms and conditions of the ESOS (as may be amended, varied or supplemented from time to time in accordance to the By-Laws)
"CDS"	: Central Depository System
"CDS Account"	: A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 as may be amended from time to time and any re-enactment thereof and the Rules of Bursa Depository, including any amendments made in respect thereof from time to time for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	: Capital Markets and Services Act, 2007 of Malaysia as may be amended from time to time and any re-enactment thereof
"Corporate Exercises"	: The Rights Issue of Warrants, the ESOS, the Increase in Authorised Share Capital and the Amendments, collectively
"Deed Poll"	: The deed poll dated 11 November 2015, constituting the Warrants
"Director(s)"	: The director(s) of our Company and shall have the meaning given in Section 2(1) of the CMSA
"EGM"	: Extraordinary General Meeting
"Entitled Shareholder(s)"	: The shareholders of our Company who are registered as a member and whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	: At 5.00 p.m. on Tuesday, 24 November 2015, being the time and date on which shareholders of our Company must be registered as a member and whose names appear in our Record of Depositors provided by Bursa Depository in order to participate in the Rights Issue of Warrants
"EPS"	: Earnings per Share
"ESOS"	: Employees' share option scheme

DEFINITIONS (CONT'D)

"ESOS Option(s)"	: The right of a Grantee to subscribe for new Solid Shares pursuant to the contract constituted by the acceptance of an Offer as set out in the By-Laws. The exercise price of such ESOS Options will be determined by our Board based on the higher of the following:-
	i. the five (5)-day WAMP of Solid Shares, as quoted on Bursa Securities, immediately preceding the date of Offer of the option with a discount of not more than 10%, if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
	ii. the par value of Solid Shares.
"Excess Warrants"	: Warrants which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) prior to excess application pursuant to the Rights Issue of Warrants
"Foreign Entitled Shareholder(s)"	: Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue of Warrants
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"Grantee(s)"	: An Eligible Person who has accepted an Offer in the manner as indicated in the By-Laws
"GST"	: Goods and Services Tax
"Increase in Authorised Share Capital"	: The increase in authorised share capital of Solid from RM100,000,000 comprising 200,000,000 Solid Shares to RM500,000,000 comprising 1,000,000,000 Solid Shares
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
"LPD"	: 26 October 2015, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"Market Day(s)"	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	: The Rights Issue of Warrants is undertaken on a maximum subscription level basis
"Minimum Scenario"	: The Rights Issue of Warrants is undertaken on a Minimum Subscription Level basis
"Minimum Subscription Level"	: A minimum level of subscription of 44,960,357 Warrants pursuant to the Rights Issue of Warrants as determined by our Board, based on the Undertakings
"NA"	: Net assets

DEFINITIONS (CONT'D)

"NPA"	:	Notice of provisional allotment of the Warrants pursuant to the Rights Issue of Warrants
"Offer"	:	Written offer made by the options committee from time to time to an eligible employee to participate in the ESOS and in the manner set out in the By-Laws
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PBT"	:	Profit before taxation
"Provisional Allotment"	:	Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of Warrants
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RHBIB" or the "Principal Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue of Warrants"	:	The renounceable rights issue of up to 82,500,000 Warrants on the basis of one (1) Warrant for every two (2) existing Solid Shares held on the Entitlement Date at an issue price of RM0.20 per Warrant
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form for the Rights Issue of Warrants
"SC"	:	Securities Commission Malaysia
"SGD"	:	Singapore Dollar
"Solid" or "our Company"	:	Solid Automotive Berhad (1016725-P)
"Solid Group" or "our Group"	:	Our Company and our subsidiaries, collectively
"Solid Share(s)" or "Share(s)"	:	Ordinary shares(s) of RM0.50 each in our Company
"TERP"	:	Theoretical ex-rights price
"Undertakings"	:	Irrevocable undertakings from Ker Min Choo, Ker Mong Keng, Ker Soo Ha and Ker Meng Oi to fully subscribe for their entitlements under the Rights Issue of Warrants based on their respective shareholdings in our Company
"USD"	:	United States of America Dollar
"WAMP"	:	Weighted average market price
"Warrant(s)"	:	Up to 82,500,000 Warrants in our Company to be issued pursuant to the Rights Issue of Warrants

DEFINITIONS (CONT'D)

All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders and/ or where the context otherwise requires, their renounee(s) and/ or transferee(s).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Occupation
Kek Kok Swee <i>(Independent Non-Executive Chairman)</i>	29, Jalan Tasek Taman Tasek 80200 Johor Bahru Johor Darul Takzim	Malaysian	Company Director
Ker Min Choo <i>(Managing Director)</i>	3, Jalan Saujana 2 Horizon Hills 79100 Nusajaya Johor Darul Takzim	Malaysian	Company Director
Ker Mong Keng <i>(Executive Director)</i>	74, Jalan Danau Taman Tasek 80200 Johor Bahru Johor Darul Takzim	Malaysian	Company Director
Ker Meng Oi <i>(Executive Director)</i>	B-37-1 9 Bukit Utama No. 9, Persiaran Bukit Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Ong Kheng Swee <i>(Executive Director)</i>	12, Jalan Jingga 3 Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	Malaysian	Company Director
Azahar bin Baharudin <i>(Independent Non-Executive Director)</i>	Lot 11253 Jalan Melor Dua Sungai Kantan 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director
Tan Lay Beng <i>(Independent Non-Executive Director)</i>	51, Taman Rambah 82000 Pontian Johor Darul Takzim	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Azahar bin Baharudin	Chairman	Independent Non-Executive Director
Kek Kok Swee	Member	Independent Non-Executive Chairman
Tan Lay Beng	Member	Independent Non-Executive Director

COMPANY SECRETARIES

Ang Mui Kiow (LS0001886)
Chen Yew Ting (MAICSA 0869733)

Suite 7E, Level 7
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Tel. No.: 07 – 224 1035
Fax. No.: 07 – 221 0891

CORPORATE DIRECTORY (CONT'D)

REGISTERED OFFICE	:	Suite 7E, Level 7 Menara Ansar 65, Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07 – 224 1035 Fax. No.: 07 – 221 0891
HEAD OFFICE	:	5, Jalan Dataran 5 Taman Kempas 81200 Johor Bahru Johor Darul Takzim Tel. No.: 07 - 238 1782 Fax. No.: 07 - 238 9073 Website: www.solidautomotive.com Email: ir@solidautomotive.com
SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8 Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: 03 – 2783 9299 Fax. No.: 03 – 2283 9222
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs Crowe Horwath (AF1018) E-2-3, Pusat Komersial Bayu Tasek Persiaran Southkey 1, Kota Southkey 80150 Johor Bahru Johor Darul Takzim Tel. No.: 07 – 288 6627 Fax. No.: 1700 813 460
PRINCIPAL BANKERS	:	AmBank (M) Berhad (8515-D) Level 31, Metropolis Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel. No.: 07 – 333 2309 Fax. No.: 07 – 334 3899 Hong Leong Bank Berhad (97141-X) 2 nd Floor, No 12-16 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel. No.: 07 – 224 1700 Fax. No.: 07 – 226 9131 OCBC Bank (Malaysia) Berhad (295400-W) 47 & 49 Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel. No.: 07 – 356 4355 Fax. No.: 07 – 353 5281

CORPORATE DIRECTORY (CONT'D)

DUE DILIGENCE SOLICITORS	:	Azman Davidson & Co Suite 13.03, 13 th floor Menara Tan & Tan 207, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 2164 0200 Fax. No.: 03 - 2164 0280
PRINCIPAL ADVISER	:	RHB Investment Bank Berhad (19663-P) Level 9, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 9287 3888 Fax. No.: 03 - 9287 4770
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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SOLID AUTOMOTIVE BERHAD
(Company No.: 1016725-P)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Suite 7E, Level 7
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim

24 November 2015

Board of Directors

Kek Kok Swee (*Independent Non-Executive Chairman*)
Ker Min Choo (*Managing Director*)
Ker Mong Keng (*Executive Director*)
Ker Meng Oi (*Executive Director*)
Ong Kheng Swee (*Executive Director*)
Azahar bin Baharudin (*Independent Non-Executive Director*)
Tan Lay Beng (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 82,500,000 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING SOLID SHARES HELD AS AT 5.00 P.M. ON TUESDAY, 24 NOVEMBER 2015 AT AN ISSUE PRICE OF RM0.20 PER WARRANT

1. INTRODUCTION

On 30 July 2015, RHBIB had, on behalf of our Board, announced, amongst others, that our Company proposed to undertake a renounceable rights issue of up to 82,500,000 Warrants on the basis of one (1) Warrant for every two (2) existing Solid Shares held on the entitlement date to be determined later at an issue price of RM0.20 per Warrant ("Initial Announcement").

On 23 September 2015, RHBIB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 23 September 2015, approved the following:-

- i. Admission to the official list of Bursa Securities and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue of Warrants; and
- ii. Listing of the new Solid Shares to be issued arising from the exercise of the Warrants

on the Main Market of Bursa Securities, subject to the following conditions:-

Conditions	Status of compliance
(1) Solid and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of Warrants;	To be complied
(2) Solid and RHBIB to inform Bursa Securities upon the completion of the Rights Issue of Warrants;	To be complied
(3) Solid to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Warrants is completed; and	To be complied
(4) Solid to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 3 November 2015, our shareholders had approved the Corporate Exercises at our EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises which were passed at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 9 November 2015, RHBIB had, on behalf of our Board, announced the Entitlement Date and other important relevant dates pertaining to the Rights Issue of Warrants.

The admission of the Warrants to the Official List and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue of Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue of Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHBIB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE OF WARRANTS

2.1 Rights Issue of Warrants

The Rights Issue of Warrants entails an issuance of up to 82,500,000 Warrants at an issue price of RM0.20 per Warrant on a renounceable basis of one (1) Warrant for every two (2) existing Solid Shares held on the Entitlement Date.

The aforesaid basis of one (1) Warrant for every two (2) existing Solid Shares held was arrived at after taking into consideration the funding requirements of the Company as set out in Section 4 of this Abridged Prospectus based on the issue price of RM0.20 per Warrant.

Based on the issued and paid-up share capital of Solid as at the LPD of RM82,500,000 comprising 165,000,000 Solid Shares, a total of up to 82,500,000 Warrants may be issued pursuant to the Rights Issue of Warrants. Assuming that the Warrants are exercised in full, a maximum of 82,500,000 new Solid Shares may be issued.

The Rights Issue of Warrants has been structured on a Minimum Subscription Level basis based on the Undertakings as further detailed in Section 5 of this Abridged Prospectus and there will be no underwriting procured for the remaining open portion. The actual number of Warrants to be issued pursuant to the Rights Issue of Warrants will depend on the acceptance by the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable).

The Entitled Shareholders can fully or partially renounce their entitlements to the Warrants. Any unsubscribed Warrants shall be offered to other Entitled Shareholders under excess applications. It is the intention of our Board to allocate excess Warrants in a fair and equitable manner, and on the basis as set out in Section 10.8 of this Abridged Prospectus.

Fractional entitlements of the Warrants arising from the Rights Issue of Warrants, if any, shall be disregarded and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company.

As you are an Entitled Shareholder, your CDS Accounts will be duly credited with the Provisional Allotment, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment as well as to apply for the Excess Warrants if you choose to do so.

Any dealings in our securities will be subject to the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Warrants will be credited directly into the respective CDS Accounts of the successful applicants. However, no physical warrant certificates will be issued. Notices of allotment will be despatched to the successful applicants.

We will allot and issue the Warrants, despatch notices of allotment to the successful applicants and make an application for the quotation for the Warrants within eight (8) Market Days from the last date for acceptance and payment for the Warrants or such period as may be prescribed by Bursa Securities. The Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining and justification for the issue price and exercise price of the Warrants

The issue price of RM0.20 per Warrant was determined after taking into consideration the minimum level of funds that our Company wishes to raise given the Undertakings as detailed in Section 5 of this Abridged Prospectus.

It is the intention of our Board to enhance the attractiveness of the Rights Issue of Warrants to entice the Entitled Shareholders to subscribe for their respective entitlements to enable our Company to raise more funds in addition to the amounts to be raised under the Minimum Subscription Level. Our Board is of the view that the issue price of RM0.20 per Warrant is sufficiently attractive to achieve the aforementioned intention.

The exercise price of RM0.50 per Warrant was determined and fixed by our Board after taking into consideration the following:-

- i. the par value of Solid Shares of RM0.50;

- ii. TERP of Solid Shares of RM1.31, calculated based on the five (5)-day WAMP of Solid Shares up to and including 15 July 2015, being the latest practicable date for the Initial Announcement, of RM1.62; and
- iii. the aggregate of the issue price and the exercise price per Warrant of RM0.70 which translates into a discount of RM0.61 or approximately 46.56% to the TERP.

The exercise price of RM0.50 per Warrant is in line with our Board's intention to provide incentive to the warrant holders to exercise the Warrants which could potentially raise additional working capital for Solid as and when the Warrants are exercised.

For informational purpose, the TERP of Solid Shares, calculated based on the five (5)-day WAMP of Solid Shares up to and including the LPD of RM1.79, is RM1.43. Whereas the aggregate of the issue price and the exercise price per Warrant of RM0.70 translates into a discount of RM0.73 or approximately 51.05% to the TERP.

2.3 Ranking of the Warrants and new Solid Shares to be issued arising from the exercise of the Warrants

The holders of the Warrants will not be entitled to any voting right or participate in any form of distribution and/ or offer of further securities in Solid until and unless such holders of Warrants exercise their Warrants into new Solid Shares.

The new Solid Shares to be issued arising from the exercise of the Warrants will, upon issuance and allotment, rank *pari passu* in all respects with the existing Solid Shares, save and except that the new Solid Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution ("Distribution") that may be declared, made or paid to shareholders, for which the entitlement date for the Distribution precedes the date of issuance and allotment of the new Solid Shares.

2.4 Principal terms of the Warrants

The principal terms of the Warrants are set out below:-

Issue size	:	Up to 82,500,000 Warrants.
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Exercise rights	:	Each Warrant entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new Solid Share at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise period	:	The Warrants may be exercised at any time during the period of five (5) years commencing on and including the date of issuance of the Warrants until 5.00pm, on the expiry date. Warrants which have not been exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise Price	:	The exercise price of the Warrants has been fixed by our Board at RM0.50 each.
Expiry Date	:	The day falling immediately before the 5th anniversary of the date of issuance of the Warrants and if such date is not a market day, then on the preceding market day.

- Mode of exercise : The registered holder of the Warrant is required to lodge a subscription form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment for the aggregate exercise price payable when subscribing for new Solid Shares by way of bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
- Board lot : For the purpose of trading on Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Solid Shares at any time during the exercise period, or such denomination as determined by Bursa Securities.
- Participating rights of the holders of Warrants in any distribution and/ or offer of further securities : The holders of the Warrants are not entitled to vote in any general meeting or to participate in any dividends, rights, allotments and/ or any other forms of distribution other than on winding-up, compromise or arrangement of Solid and/ or offer of further securities in our Company unless and until the holder of the Warrants becomes a shareholder of Solid by exercising his Warrants into new Solid Shares.
- Rights in the event of winding-up, liquidation, compromise and/ or arrangement : Where a resolution is passed for a members' voluntary winding up of our Company, or where there is a compromise or arrangement, whether or not is for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies then:-
- i. If such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) has been approved by a special resolution of the warrant holders, or some person designated by them for such purpose by special resolution, the terms of such winding-up, compromise or arrangement shall be binding on all the warrant holders; and
 - ii. in any other case, every warrant holder shall be entitled (subject to provisions of the Deed Poll) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of our Company or six (6) weeks after the granting of the court order approving the compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation), by the irrevocable surrender of his Warrants to our Company, by the exercise notice(s) duly completed, together with payment of the relevant exercise price, to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the exercise rights represented by his Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Solid Shares to which he would have become entitled pursuant to such exercise.

Subject to the above, if our Company is wound up, all exercise rights which have not been exercised within six (6) weeks of the passing of such resolution or after the granting of the court order approving the winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), shall lapse and the Warrants will cease to be valid for any purpose.

- Adjustments in the exercise price and/ or number of Warrants : The exercise price and/ or the number of Warrants in issue may be subject to adjustments in the event of any alteration in the share capital of our Company at any time during the tenure of the Warrants, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll.
- Modifications : Any modification to the Deed Poll (including the form and content of the Warrant Certificate) may be effected only by deed executed by our Company and expressed to be supplemental to the Deed Poll and subject to the relevant provisions of the deed poll being complied with.
- Constitution : The Warrants will be constituted by the Deed Poll.
- Governing law : Laws of Malaysia.

2.5 Details of other corporate exercise

Save for the Corporate Exercises, our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion as at the LPD.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE OF WARRANTS

After due consideration, our Board is of the view that the Rights Issue of Warrants is the most appropriate avenue for raising funds as the Rights Issue of Warrants will:-

- i. Enable our Company to raise funds without incurring interests expense as compared to bank borrowings;
- ii. Provide shareholders of our Company with an opportunity to further increase their equity participation in our Company at a pre-determined price over the tenure of the Warrants;
- iii. Enable shareholders of our Company to benefit from the upside potential from capital appreciation of the Warrants and Solid Shares arising from the exercise of the Warrants, depending on the future performance of Solid; and
- iv. Potentially serve as a financial instrument for our Company to raise additional funds for its working capital in the future, as and when the Warrants are exercised. Further, the issuance of Warrants as an instrument to raise funds will allow the Company to mitigate any form of immediate dilution to the EPS of the Company. However, the exercise of the Warrants into new Solid Shares will result in dilution to the EPS of the Company.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.20 per Warrant, the Rights Issue of Warrants is expected to raise gross proceeds of up to RM16.50 million and the intended utilisation are set out below:-

	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Working capital ^{*1}	Within 24 months from completion of the Rights Issue of Warrants	8,407	15,915
Estimated expenses in relation to the Corporate Exercises ^{*2}	Upon completion of the Rights Issue of Warrants	585	585
Total		8,992	16,500

Notes:-

*1 The proceeds for working capital will be utilised mainly for the purchase of inventories for our Group's business activities and defrayment of operating expenses, which is required to support our Group's existing business operations and to cater for the increasing demand for our in-house branded automotive electrical parts and components and automotive engine and mechanical parts and components from our Group's existing customers due to the organic growth of our existing businesses. The revenue of Solid Group registered a compound annual growth rate of approximately 7.03% between the FYE 30 April 2013 and the FYE 30 April 2015. In order to cope with increasing customers demand, our Group would require keeping higher stocks of trading goods and key raw materials as well as to maintain appropriate level of inventory of other raw materials as safety stock in anticipation of the increasing needs for our in-house branded products.

In addition, the proceeds for working capital will also be channelled towards our Group's operating expenses for market penetration in overseas market such as Vietnam, Myanmar, India, South Africa, Mexico, Brazil, Chile and Argentina which we currently have very minimal market share ("Identified Countries"). While our Group has yet to identify any specific potential target customers in the Identified Countries as at the LPD, we are constantly looking out for potential distributors which can complement our Group's existing product portfolio, create synergy with our Group's existing business and have successful trading histories with proven track records. We intend to increase promotional activities in the Identified Countries so as to enhance the international brand awareness and presence of our in-house brands, which includes but is not limited to participation in trade shows and exhibitions and deployment of dedicated marketing personnel to the Identified Countries to provide personalised services to our potential international customers.

Further breakdown on the intended utilisation of proceeds for working capital is set out in the following manner:-

		Minimum Scenario RM'000	Maximum Scenario RM'000
Purchase of inventories for our Group's business activities	(a)	4,000	8,000
Increase in headcount and employee costs	(b)	400	600
Defrayment of operating expenses	(c)	4,007	7,315
Total		8,407	15,915

- a) Inventories for our Group's automotive electrical parts and components trading business such as alternators, starters, bearings, ignition coils, plug cables, light-emitting diode lamps, headlamps, bulbs, horn and wiper motors

Inventories for our Group's automotive engine and mechanical parts and components trading business such as absorber, filters, gasket, valve and clutch servo, brake shoe and brake drums

Components for our Group's assembly of automotive alternators and starters business such as housing, rotor, stator, field coil armatures and brushes

The breakdown of the utilisation of proceeds for purchase of each of the inventories has yet to be determined at this juncture

- b) Increase in headcount for our Group's sales and marketing division as well as in our Group's supporting functions such as finance, human resource, procurement and warehousing.

For informational purpose, the headcount for our Group as at the LPD was 249 employees. In line with the increase in our Group's revenue over the years and expansion of business of our Group, the increase in headcount is to cater for the additional manpower to be recruited for the following division/ function:-

Division/ function	Headcount
Sales & marketing	13
Warehouse and supporting function	5
Total	18

- c) Defrayment of operating expenses mainly for carriage, transport, selling expenses, exhibitions, sales and marketing promotion activities, travelling and accommodation as well as other expenses is expected to be utilised as follows:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Carriage and transport	1,000	2,000
Selling expenses	1,000	2,000
Sales and marketing promotion activities	600	1,000
Travelling and accommodation	400	700
Other expenses including handling, packaging and general administrative costs	1,007	1,615
Total	4,007	7,315

- *2 The proceeds earmarked for estimated expenses in relation to the Corporate Exercises shall be utilised in the following manner:-

	RM'000
Professional fees (i.e. adviser, reporting accountants and solicitors)	425
Regulatory fees	82
Other incidental expenses in relation to the Corporate Exercises	78
Total	585

Pending utilisation of the proceeds from the Rights Issue of Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. The maximum gross proceeds that are expected to be raised upon the full exercise of Warrants are RM41.25 million based on the exercise price of RM0.50 per Warrant (under the Maximum Scenario). The gross proceeds to be raised from the exercise of Warrants will be utilised as additional working capital to finance our Group's day to day operations. The proceeds may be utilised to finance, amongst others, employee remuneration, payment to trade creditors as well as carriage, transport, selling expenses, exhibitions, sales and marketing promotion activities, travelling and accommodation as well as utilities.

5. IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

Our Board has determined to undertake the Rights Issue of Warrants on the Minimum Subscription Level basis. The Minimum Subscription Level has been determined by our Board after taking into consideration the minimum level of funds that we wish to raise from the Rights Issue of Warrants which will be channelled towards the proposed utilisation of proceeds as set out in Section 4 of this Abridged Prospectus. In this regard, our Board intends to raise minimum gross proceeds of RM8.99 million.

Certain shareholders of our Company, namely Ker Min Choo, Ker Mong Keng, Ker Soo Ha and Ker Meng Oi (collectively referred to as the "Undertaking Shareholders") had on 30 July 2015, provided their respective irrevocable undertakings to subscribe in full for their entitlements under the Rights Issue of Warrants based on their shareholdings.

A summary of the irrevocable undertaking is set out below:-

Undertaking Shareholders	Shareholdings as at the LPD		Entitlement and Undertakings under the Rights Issue of Warrants		Funding requirements ³ RM
	No. of Shares	% ^{*1}	No. of Warrants	% ^{*2}	
Ker Min Choo	40,450,113	24.52	20,225,056	24.52	4,045,011
Ker Mong Keng	36,725,075	22.26	18,362,537	22.26	3,672,507
Ker Soo Ha	7,214,988	4.37	3,607,494	4.37	721,499
Ker Meng Oi	5,530,541	3.35	2,765,270	3.35	553,054
Total	89,920,717	54.50	44,960,357	54.50	8,992,071

Notes:-

- *1 Computed based on the issued and paid-up share capital of Solid of 165,000,000 Solid Shares of RM0.50 each as at the LPD
- *2 Based on a total of up to 82,500,000 Warrants available for subscription
- *3 Computed based on the issue price of RM0.20 per Warrant

Accordingly, for illustrative purposes only, based on the issue price of RM0.20 per Warrant, the funding requirements for the Undertaking Shareholders pursuant to their Undertakings are approximately RM8.99 million. The Undertaking Shareholders had, on 30 July 2015, provided confirmation that they have sufficient financial resources to take up their respective entitlements as mentioned above. The said confirmation has been verified by RHBIB, as the Principal Adviser for the Rights Issue of Warrants.

As the Rights Issue of Warrants will be undertaken on a Minimum Subscription Level basis, we have not procured any underwriting arrangement for the balance of up to 37,539,643 Warrants, representing approximately 45.50% of the total Warrants available for subscription under the Maximum Scenario.

For informational purpose, as at the LPD, our Company's public shareholding spread is 35.05%. Assuming that the Rights Issue of Warrants is implemented under the Minimum Subscription Level and assuming full exercise of the Warrants by the Undertaking Shareholders, the public spread is expected to decrease to 27.55%.

Further, the Undertaking Shareholders will take cognisance of the level of public shareholding spread prior to exercising their Warrants, such that the public shareholdings spread will not fall below 25%.

The subscription of the Warrants and the subsequent exercise of the Warrants by the Undertaking Shareholders, based on their shareholdings as at the LPD, pursuant to the Rights Issue of Warrants, are not expected to trigger any mandatory take-over offer obligation under Part III of the Malaysian Code on Take-Overs and Mergers, 2010.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renouces and/ or transferee (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue of Warrants.

6.1 Risks relating to the industry we operate in

6.1.1 Political, economic and regulatory risks

Given that our Group purchases and sells our products in both the local and overseas markets, any adverse development in the political, economic and regulatory environment in the countries involved may adversely affect the financial and operational conditions as well as the overall profitability of our Group.

Political, economic and regulatory uncertainties include but are not limited to changes in general economic and business conditions, government legislations and policies affecting our industry, inflation, fluctuations in foreign exchange rates and interest rates, political or social development, risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts, methods of taxation and currency exchange controls.

In addition, our operations in Malaysia are subject to various local laws and regulations such as Factories and Machinery Act 1967 including any amendments made in respect thereof from time to time, Industrial Co-ordination Act 1975 including any amendments made in respect thereof from time to time, Goods and Services Tax Act 2014 including any amendments made in respect thereof from time to time and Contracts Act 1950 including any amendments made in respect thereof from time to time. Our Group cannot predict what regulatory and statutory requirements will be enacted in the future and how existing or future laws and regulations will be administered or interpreted. The compliance expenses if required can be significant and any violations of the existing and future regulatory and statutory requirements may result in substantial fines and/ or penalties which may include the suspension of our Group's licences.

6.1.2 Competition

The automotive industry is a competitive industry comprising a diversified group of industry players ranging from large multinational companies to small and medium-sized enterprises. Our Group's future success will depend upon our ability to increase our market share, to maintain or increase revenues from sales to existing customers as well as to sell additional products to existing and new customers.

Furthermore, we expect competition to intensify in the near future due to new and more competitive automotive products being introduced by the market players on top of their existing products, and as new market entrants introduce new range of products into our markets. Increased competition may result in pricing pressures and reduced profit margins and may impede our ability to continue to increase the sales of our products or cause us to lose market share, any of which could substantially harm our business and results of operations.

6.2 Risks relating to our Group

6.2.1 Rapid technology changes

Existing automotive parts and components are constantly being improved or innovated from the advancement in automotive technologies while new materials are also being explored for their potential usages in the manufacture of automotive parts and components that can offer cost savings and better performance. The remanufactured alternators and starters produced by our Group may also be substituted by other different automotive parts and components that can offer similar or better functionalities and/ or performance.

As such, the automotive parts and components industry that our Group participates in requires us 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. Our Group's business and operating results could be materially and adversely affected if we fail to identify and introduce new products for the automotive aftermarket on a timely basis.

6.2.2 Lack of long-term contracts

Our Group does not have long-term contracts with our customers as our sales are mainly based on purchase orders and occasionally other forms of confirmed orders. Our business relationships with customers were established and have continued in the absence of any formal long-term contracts. This is considered a norm in the industry that we are participating in. The absence of long-term contracts may result in the fluctuation of our Group's sales and overall business performance. In addition, if our competitors develop and commercialise products that are safer, more effective, less costly or otherwise more attractive than our products, our ability to retain our existing customers may be reduced or adversely affected.

6.2.3 Risk relating to distributorship

Our distributorships of third party branded products are granted by our suppliers without any formal contracts, save for Mercedes-Benz Malaysia Sdn Bhd which grants a non-exclusive dealership agreement to our subsidiary, Twinco Far East Sdn Bhd for the supply of automotive engine and mechanical parts. Sales from Mercedes-Benz Malaysia Sdn Bhd's products constitute less than 0.50% of our Group's revenue for FYE 30 April 2015.

In our industry, it is essential to have a wide distribution network and constant monitoring over the network to make our products available to the consumer at right time and price. If any of our distributors were to reduce their efforts to promote our products or cease to do business with us, our sales could be adversely affected. In such a situation, we may need to seek alternative direct sales employees, independent sales agencies or distributors or increase our reliance on our existing direct sales employees, which we may be unable to do in a timely and efficient manner, if at all.

6.2.4 Dependence on key management personnel

We believe that our Group's continuous success will depend, to a significant extent, upon the abilities and continued efforts of our Directors as well as our key management. The loss of any of our Directors or key management may adversely affect our continued ability to compete and grow in the industry.

Our Group's success also depends on our ability to hire, train and retain qualified and competent personnel. The process of locating personnel with the combination of skills and attributes required to execute our Group's strategies can be difficult, time-consuming and expensive.

6.2.5 Product warranty claim

Due to the nature of our business, our Group is exposed to the risk of product warranty claims for manufacturing defects. The automotive parts and components that we distribute and supply must meet our customer's requirements in terms of specifications and functionalities. Generally, we give a product warranty period from three (3) to 12 months from the date of invoice of our in-house branded products. For third party branded products that we sell, a product warranty is given to our customers provided that a warranty is obtained on a back-to-back basis from our suppliers. For the FYE 30 April 2015, our product warranty claims for in-house branded products is approximately 0.53% of our Group's total revenue. Any substantial claim relating to our products will adversely impact our Group's business operations and financial performance.

6.2.6 Foreign exchange risks

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, Pound Sterling and SGD. For FYE 30 April 2015, approximately 78.93% of our total purchases and 49.39% of our total sales involved foreign currencies. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates which may materially affect our Group's financial position and operating results.

6.2.7 Risk of shipping disruptions

As some of our products are imported/ exported, directly and indirectly, from/ to overseas, there is reliance on marine transportation for this purpose. Hence, we may be subject to shipping disruptions arising from adverse weather conditions, political turmoil, pirate attacks, social unrest, port strikes, oil spills, delayed and lost shipments, which may have an adverse impact on our business.

Any future shipping disruptions, major fluctuation in charter and freight rates may have substantial impact on our cost. If we are unable to pass on such costs to our customers, our profitability may be adversely affected.

6.2.8 Trade liberalisation in the regional automotive industry

The Association of South East Asian Nations ("ASEAN") automotive industry, which includes the Malaysian automotive industry, had also experienced trade liberalisation among ASEAN member countries for its products. This development is expected to lead to the entry of more big regional market players into the field, not only automotive manufactures, but also their suppliers who provide the necessary parts and components. The competition in the local and ASEAN automotive industry is anticipated to increase significantly with the liberalisation trend and global automotive players are poised to position themselves strategically in this region. These global automotive players are likely to invite their suppliers from other regions for automotive parts and components to participate as well and they may not source their raw materials like automotive parts and components from local manufacturers or suppliers.

Member countries are working towards the total elimination of import duties on all products to achieve the ultimate objective of a free trade area. The ASEAN Free Trade Area Council has agreed that the target dates to achieve this objective will be in 2015 for the six (6) original ASEAN Member Countries and 2018 for the newer Members. This move is expected to create an integrated market where there is free flow of goods within the region. Total elimination of import duties shall achieve a maximum impact in enhancing the ASEAN region's economic competitiveness vis-à-vis the rest of the world.

6.3 Risks relating to the Rights Issue of Warrants

6.3.1 Market risks for the Warrants

The value of the Warrants is dependent on the market price of our Shares, exercise price for the Warrants, remaining tenure of the Warrants, volatility of our share price and the perceived risk-free rates applicable in the relevant market. In view of this, there can be no assurance that the Warrants will be "in-the-money" during the tenure of the Warrants. There can also be no assurance that an active market for the Warrants will develop upon or subsequent to the listing of the Warrants on Bursa Securities or if developed, that such market can be sustained.

There is no assurance that the Warrants will trade at or above the issue price of RM0.20, or that our Shares will trade at or above the exercise price of RM0.50 upon listing of the Warrants on the Main Market of Bursa Securities. Furthermore, you are reminded that should the outstanding Warrants expire at the end of its tenure, it will cease thereafter to be valid for any purposes and hence, will no longer have any value.

6.3.2 Delay in or abortion of the Rights Issue of Warrants

The Rights Issue of Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances such as changes in political leadership and unfavourable changes in the governments' policies as well as other force majeure events, which are beyond the control of our Company and RHBIB, arising prior to or during the implementation of the Rights Issue of Warrants.

In the event the Rights Issue of Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Warrants pursuant to the Rights Issue of Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

6.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions made by our management and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by us on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 5.3% in the first half of 2015, driven by resilient domestic demand. Private sector expenditure contributed 5.3% to growth. Private investment and consumption remained robust growing by 7.5% and 7.6%, respectively. On the supply side, growth was mainly driven by the services and manufacturing sectors contributing 3% and 1.1%, respectively.

On the external front, Malaysia continues to be impacted by slower global growth and regional trade. Hence, the trade performance remained subdued during the first eight months of 2015 with exports and imports contracting by 1.4% and 2%, respectively (January – August 2014: 9.5%, 6.1%). Although weighed down by weak commodity prices, the steady demand for electrical and electronic products saw exports of manufactured goods registering positive growth during the period. The current account posted a surplus of RM17.6 billion or 3.2% of Gross National Income ("GNI") in the first half of the year (January – June 2014: RM34.5 billion, 6.6%).

With strong economic fundamentals, including resilient domestic demand, diversified sources of growth, low unemployment rate and benign inflation coupled with pro-growth fiscal and accommodative monetary policies, real GDP is projected to grow between 4.5% - 5.5% in 2015 (2014: 6%). Nominal GNI is estimated to increase by 5.5% to RM1.13 trillion with income per capita rising by 4.2% to RM36,397 (2014: 8.6%, RM1.07 trillion; 7.2%; RM34,945).

The Malaysian economy is expected to remain steady in 2016, with real GDP growth between 4% - 5% led by domestic demand. Private sector expenditure will remain the main driver of growth with private consumption and investment expected to grow by 6.4% and 6.7%, respectively. Meanwhile, Government expenditure is forecast to expand, albeit at a moderate pace, in line with efforts to strengthen the fiscal position. On the supply side, growth is expected to be broad-based, with all the sectors registering positive growth. Malaysia's external position is forecast to remain positive supported by better prospects for global growth and trade.

The economy will continue to operate under conditions of full employment with the unemployment rate remaining below 4%. Despite a weak Ringgit, inflation is expected to remain benign attributed to low oil prices and the waning impact of GST. For 2016, inflation is expected to range between 2% - 3%. The Government remains committed to fiscal consolidation. The fiscal deficit is expected to further decline to 3.1% of GDP in 2016 (2015: 3.2%) while the Federal Government debt level will remain manageable within the prudent limit of 55% of GDP.

However, the challenges confronting the economy in 2015 are expected to persist in 2016. In particular, heightened volatility in financial markets; declining commodity prices; strengthening of the US Dollar; and the slowdown in China, are anticipated to have direct and indirect impact on the Malaysian economy, primarily through trade and financial channels. Given these developments, the challenge for Malaysia is to further enhance the resilience of the domestic economy while ensuring the sustainability of public finances.

(Source: Chapter 1 – Economic Performance and Prospects, Economic Report 2015/ 2016, Ministry of Finance Malaysia)

7.2 Overview and outlook of the automotive industry in Malaysia

Output of transport equipment grew by 7.6% (January – July 2014: 22.8%), mainly supported by production of parts and accessories for motor vehicles and motorcycles which increased by 34.9% and 8.7%, respectively (January – July 2014: 10.2%; - 0.9%). Total production of passenger and commercial vehicles increased by 3.7% to 417,654 units during the first eight months of 2015 (January – August 2014: 4.4%; 402,688 units).

(Source: Chapter 3 – Economic Performances and Prospects, Economic Report 2015/ 2016, Ministry of Finance Malaysia)

7.3 Future prospects of our Group

The existing principal activities of our Company are investment holding and provision of management services. Our subsidiaries are mainly involved in trading and distribution of automotive electrical part and components as well as trading and distribution of engine and mechanical parts and components.

Our Group has a diversified clientele base of approximately 3,000 customers located both in Malaysia and overseas. For informational purposes, the geographical locations of our Group's customers are as follows:-

Country	No. of customers	%
Domestic (Malaysia and Singapore) ^{*1}	2,948	97.17
Middle East & Africa ^{*2}	48	1.58
Other countries ^{*3}	38	1.25
Total	3,034	100.00

Notes:-

- *1 There are only 18 customers in Singapore as at the LPD
- *2 Middle East & Africa countries includes, among others, Saudi Arabia, UAE, Qatar, Yemen, Algeria, Libya and Mauritius
- *3 Other countries include, among others, Columbia, Ecuador, Peru, Sri Lanka, Taiwan, Indonesia, Philippines and Thailand

Moving forward, our Group will continue to participate in automotive trade shows and exhibitions as a means to promote our Group's brands and products to potential customers. Such participation enables our Group to keep abreast with the latest industry development particularly on the competitive landscape which helps to shape our Group's marketing strategies. In addition, these automotive trade shows and exhibitions are another avenue for our Group to gather valuable feedback from our customers and increase awareness of our brands and product offerings.

Our Group will also leverage on the market acceptance of our in-house brands to widen our product range in engine and mechanical parts and components for the commercial vehicle segment. Further, our Group will continue to enhance the reputation of our in-house brands in Malaysia and overseas by ensuring that our products provide reliable quality at competitive prices.

Our Group will also continue to focus on improving operational efficiencies and productivity, strengthening our supply chain management and tighten cost management to remain competitive.

Barring any unforeseen circumstances and premised on the outlook as set out above together with thorough planning and careful implementation of strategies shall augur well for the performance of our Group in the medium to long term.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF WARRANTS

8.1 Issued and paid-up share capital

The pro forma effects of the Rights Issue of Warrants on our issued and paid-up share capital as at the LPD are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	165,000,000	82,500,000	165,000,000	82,500,000
Shares to be issued upon full exercise of the Warrants	44,960,357	22,480,179	82,500,000	41,250,000
Enlarged issued and paid-up share capital	209,960,357	104,980,179	247,500,000	123,750,000

8.2 NA per Share and gearing

Based on the audited consolidated statements of financial position of our Group as at 30 April 2015, the pro forma effects of the Rights Issue of Warrants on the NA per Share and gearing of our Group are set out below:-

Minimum Scenario

	Audited as at 30 April 2015 RM'000	I Subsequent adjustments up to and including the LPD ² RM'000	II After I and the Rights Issue of Warrants RM'000	III After II and assuming full exercise of the Warrants RM'000
Share capital	75,000	82,500	82,500	104,980
Share premium	1,307	13,787	13,787	22,354 ⁶
Merger deficit ¹	(43,361)	(43,361)	(43,361)	(43,361)
Translation reserve	1,113	1,113	1,113	1,113
Retained earnings	63,199	58,399	58,239 ⁴	58,239
Warrants reserve	-	-	8,567 ⁵	-
Shareholders' equity/ NA	97,258	112,438	120,845	143,325
No. of Shares outstanding (000)	150,000	165,000	165,000	209,960
NA per Share (RM)	0.65	0.68	0.73	0.68
Borrowings (RM'000)	24,024	14,024 ³	14,024	14,024
Gearing ratio (times)	0.25	0.12	0.12	0.10

Notes:-

- *1 The merger deficit arose from the acquisition of subsidiaries of Solid (i.e. Solid Corporation Sdn Bhd, Twinco Far East Sdn Bhd and Auto Empire Impex Pte Ltd) using the merger method of accounting which was completed on 13 June 2013.
- *2 After the following adjustments:-
 - a. Based on 15,000,000 placement shares issued at the issue price of RM1.34 per Share and after deducting the expenses of approximately RM0.12 million incurred in relation to the Private Placement. The Private Placement was completed on 9 June 2015;
 - b. Payment of an interim single tier tax-exempt dividend of 1.00 sen per Share amounting to RM1.50 million in respect of FYE 30 April 2015, on 17 June 2015; and
 - c. Payment of final single tier tax-exempt dividend of 2.00 sen per Share amounting to RM3.30 million in respect of FYE 30 April 2015, expected to be made on 3 December 2015.
- *3 Assuming that the proceeds amounting to RM10.00 million is utilised for partial repayment of short-term borrowings, the total borrowings of the Group shall be reduced to RM14.02 million after such partial repayment via proceeds raised from the Private Placement. As at the LPD, RM7.20 million has been utilised for partial repayment of borrowings. The remaining of RM2.80 million is expected to be repaid within next three (3) months from 9 October 2015
- *4 After deducting the partial estimated expenses of RM0.16 million (out of a total of RM0.59 million) in relation to the Corporate Exercises
- *5 After recognition of 44,960,357 Warrants based on the issue price of RM0.20 per Warrant and deducting the remaining estimated expenses of RM0.43 million (out of a total of RM0.59 million) in relation to the Corporate Exercises
- *6 After adjusting for the full exercise of 44,960,357 Warrants at the exercise price of RM0.50 per Warrant and reversal of warrants reserve upon exercise of 44,960,357 Warrants

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Maximum Scenario

	Audited as at 30 April 2015 RM'000	I Subsequent adjustments up to and including the LPD ^{*2} RM'000	II After I and the Rights Issue of Warrants RM'000	III After II and assuming full exercise of the Warrants RM'000
Share capital	75,000	82,500	82,500	123,750
Share premium	1,307	13,787	13,787	29,862 ^{*6}
Merger deficit ^{*1}	(43,361)	(43,361)	(43,361)	(43,361)
Translation reserve	1,113	1,113	1,113	1,113
Retained earnings	63,199	58,399	58,239 ^{*4}	58,239
Warrants reserve	-	-	16,075 ^{*5}	-
Shareholders' equity/ NA	97,258	112,438	128,353	169,603
No. of Shares outstanding (000)	150,000	165,000	165,000	247,500
NA per Share (RM)	0.65	0.68	0.78	0.69
Borrowings (RM'000)	24,024	14,024 ^{*3}	14,024	14,024
Gearing ratio (times)	0.25	0.12	0.11	0.08

Notes:-

- *1 The merger deficit arose from the acquisition of subsidiaries of Solid (i.e. Solid Corporation Sdn Bhd, Twinco Far East Sdn Bhd and Auto Empire Impex Pte Ltd) using the merger method of accounting which was completed on 13 June 2013.
- *2 After the following adjustments:-
- Based on 15,000,000 placement shares issued at the issue price of RM1.34 per Share and after deducting the expenses of approximately RM0.12 million incurred in relation to the Private Placement. The Private Placement was completed on 9 June 2015;
 - Payment of an interim single tier tax-exempt dividend of 1.00 sen per Share amounting to RM1.50 million in respect of FYE 30 April 2015, on 17 June 2015; and
 - Payment of final single tier tax-exempt dividend of 2.00 sen per Share amounting to RM3.30 million in respect of FYE 30 April 2015, expected to be made on 3 December 2015.
- *3 Assuming that the proceeds amounting to RM10.00 million is utilised for partial repayment of short-term borrowings, the total borrowings of the Group shall be reduced to RM14.02 million after such partial repayment via proceeds raised from the Private Placement. As at the LPD, RM7.20 million has been utilised for partial repayment of borrowings. The remaining of RM2.80 million is expected to be repaid within next three (3) months from 9 October 2015
- *4 After deducting the partial estimated expenses of RM0.16 million (out of a total of RM0.59 million) in relation to the Corporate Exercises

- *5 After recognition of 82,500,000 Warrants based on the issue price of RM0.20 per Warrant and deducting the remaining estimated expenses of RM0.43 million (out of a total of RM0.59 million) in relation to the Corporate Exercises
- *6 After adjusting for the full exercise of 82,500,000 Warrants at the exercise price of RM0.50 per Warrant and reversal of warrants reserve upon exercise of 82,500,000 Warrants

8.3 Earnings and EPS

The Rights Issue of Warrants is not expected to have any material effect on the earnings of our Group for the FYE 30 April 2016.

However, the EPS of our Group may be diluted as a result of the increase in the number of Solid Shares as and when the Warrants are exercised into new Solid Shares.

	Audited FYE 30 April 2015	After the Rights Issue of Warrants and full exercise of the Warrants	
		Minimum Scenario	Maximum Scenario
PAT attributable to the equity holders of the Company (RM'000)	9,546	9,546	9,546
Weighted average number of shares in issue (000)	150,000	209,960 ^{*1}	247,500 ^{*1}
Basic EPS (sen) ^{*2}	6.36	4.55	3.86

Note:-

- *1 Being the pro forma enlarged issue and paid-up share capital after the Rights Issue of Warrants and full exercise of the Warrants under the Minimum Scenario and Maximum Scenario, respectively, as set out in Section 8.1 of this Abridged Prospectus
- *2 Computed by dividing the PAT attributable to the equity holders of the Company by the weighted average number of Solid Shares in issue

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue of Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM12.76 million. All the borrowings are interest-bearing and comprise the following:-

	Currency		Total
	USD'000	RM'000	RM'000
Short term borrowings:-			
• Bankers' acceptances	-	1,366	1,366
• Term loans	-	603	603
• Hire purchase payables	-	185	185
• Revolving credit	684	-	2,890 ^{*1}
Long term borrowings:-			
• Term loans	-	1,179	1,179
• Hire purchase payables	-	55	55
• Revolving credit	1,534	-	6,481 ^{*1}
Total borrowings			12,759

Note:-

- *1 Converted at RM4.2250/USD, being the closing foreign exchange rate as at the LPD from Bank Negara Malaysia

There has been no default on payments of either interest and/ or principal sums in respect of any borrowings for the FYE 30 April 2015 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

9.4 Material commitments

As at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Warrants. You will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Warrants if you choose to do so.

10.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Allotment will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. You and/ or your renounee(s) and/ or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Warrants is at **5.00 p.m.** on **Wednesday, 9 December 2015**, or such later date and time as our Board may, at its absolute discretion, determine and announce not less than two (2) Market Days before the stipulated date and time.

10.4 Procedure for full acceptance and payment

Acceptance and payment for the Provisional Allotment must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, APPLICATION FOR THE EXCESS WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTION CONTAINED THEREIN.

YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided therein. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST, COURIER or DELIVERED BY HAND** at the address as set out below:-

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Tel. No.: 03 – 2783 9299
Fax. No.: 03 – 2783 9222

so as to arrive **not later than 5.00 p.m.** on **Wednesday, 9 December 2015**, being the last date and time for acceptance and payment for the Warrants, or such later date and time as our Board may, at its absolute discretion, determine and announce not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotment standing to the credit of more than one (1) CDS Account(s). If successful, the Warrants subscribed for will be credited into your CDS Account(s) where the Provisional Allotment is standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/ or your renouncee(s) and/ or transferee(s) (if applicable) should take note that a trading board lot for the Warrants comprises 100 Warrants. The minimum number of securities that can be subscribed for or accepted is one (1) Warrant. Fractions of the Warrants, if any, will be disregarded, and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance and payment for the Provisional Allotment (whether in full or in part, as the case may be) is not received by our Share Registrar by **5.00 p.m.** on **Wednesday, 9 December 2015**, being the last date and time and for acceptance and payment, or such later date and time as may be determined and announced by our Board at its absolute discretion not less than two (2) Market Days before the stipulated date and time, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Warrants are not fully taken up by such applicants, our Board will then have the right to allot such securities to the applicants who have applied for the Excess Warrants in the manner as set out in Section 10.8 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If you or your renouncee(s) and/ or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "SOLID - RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS. CHEQUES OR ANY OTHER MODE(S) OF PAYMENT ARE NOT ACCEPTABLE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR WARRANTS, AND NOTICES OF ALLOTMENT WILL BE DESPACHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES AND/ OR TRANSFEREE (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS 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 DESPACHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

10.5 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotment provided always that the minimum number of Warrants that can be subscribed for or accepted is one (1) Warrant.

You must complete both Parts I(A) and II of the RSF by specifying the number of the Warrants which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.4 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotment that has not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotment.

10.6 Procedure for sale or transfer of the Provisional Allotment

As the Provisional Allotment are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotment to one (1) or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotment, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Allotment, you may still accept the balance of the Provisional Allotment by completing the RSF. Please refer to Sections 10.4 and 10.5 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Allotment, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at <http://www.bursamalaysia.com>.

10.7 Procedure for acceptance by renouncee(s) and/ or transferee(s)

Renouncee(s) and/ or transferee(s) who wish to accept the Provisional Allotment must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at <http://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.4 of this Abridged Prospectus also applies to renouncees and/ or transferees who wish to accept the Provisional Allotment.

RENOUNCEES AND/ OR TRANSFEREE ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedure for application of Excess Warrants

You and/ or your renouncee(s) and/ or transferee(s) (if applicable) may apply for the Warrants in excess of your entitlement by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the Excess Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on Wednesday, 9 December 2015**, being the last date and time for application and payment, or such later date and time as may be determined and announced by our Board at its absolute discretion not less than two (2) Market Days before the stipulated date and time.

PAYMENT FOR THE EXCESS WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "SOLID - EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR. CHEQUES OR ANY OTHER MODE(S) OF PAYMENT ARE NOT ACCEPTABLE.

It is the intention of our Board to allot the Excess Warrants, if any, on a fair and equitable basis and in the following priority:-

- i. Firstly, to minimise the incidence of odd lots;
- ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Warrants applied for; and

- iv. Finally, for allocation to renounees and/ or transferees who have applied for the Excess Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Warrants applied for.

Nevertheless, our Board reserves the right to allot any Excess Warrants applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i), (ii), (iii) and (iv) above is achieved.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THE WARRANTS, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS WARRANTS.

WHERE AN APPLICATION FOR THE EXCESS WARRANTS IS NOT ACCEPTED OR IS 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 DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

10.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository shall apply to the dealings in the Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical warrant certificates shall be issued to you under the Rights Issue of Warrants. Instead, the Warrants will be credited directly into your CDS Account.

The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date for acceptance and payment for the Warrants.

10.9.1 Subscription for the Warrants by Entitled Shareholders

Where the Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing Solid Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Allotment shall mean that you consent to receive such Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

10.9.2 Subscription of Warrants by renounees and/ or transferees

Any person who has purchased the Provisional Allotment or to whom the Provisional Allotment has been transferred and intends to subscribe for the Warrants must state his CDS Account number in the space provided in the RSF. The Warrants will be credited directly as prescribed or deposited securities into his CDS Account upon allotment and issuance.

10.9.3 Application for the Excess Warrants by an Entitled Shareholder and/ or his renounee(s) and/ or transferee(s) (if applicable)

The Excess Warrants, if allotted to the successful applicant who applies for the Excess Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Warrants will be made on a fair and equitable basis as disclosed in Section 10.8 of this Abridged Prospectus.

10.10 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue of Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Warrants only to the extent that it would be lawful to do so.

RHBIB, other experts, our Company, our Directors and officers would not, in connection with the Rights Issue of Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. RHBIB, other experts, our Company, our Directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renounee(s) and/ or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or RHBIB in respect of their rights and entitlements under the Rights Issue of Warrants. Such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Warrants.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHBIB, other experts, our Company, our Directors and officers that:-

- i. we would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renounee(s) and/ or transferee(s) (if applicable) are or may be subject to;
- ii. they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;
- iii. they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- iv. they are aware that the Warrants can only be transferred, sold or otherwise disposed, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- v. they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Warrants; and
- vi. they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Warrants.

Persons receiving this Abridged Prospectus, the NPA and the RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, the NPA and the RSF to any foreign jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Warrants from any such application by Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

11. TERMS AND CONDITIONS

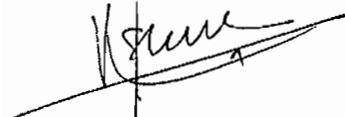
The issuance of the Warrants pursuant to the Rights Issue of Warrants is governed by the terms and conditions set out in this Abridged Prospectus, the Deed Poll, and the NPA and the RSF enclosed herewith.

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12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
SOLID AUTOMOTIVE BERHAD



KEK KOK SWEE
Independent Non-Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 3 NOVEMBER 2015

SOLID AUTOMOTIVE BERHAD
(Company No. 1016725-P)
(Incorporated in Malaysia)

EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY DULY CONVENED AND HELD AT JUPITER FUNCTION HALL, STARHILL GOLF & COUNTRY CLUB, KM 6.5, JALAN KAMPUNG MAJU JAYA, KEMPAS LAMA, SKUDAI, 81300 JOHOR BAHRU, JOHOR, MALAYSIA ON TUESDAY, 3 NOVEMBER 2015 AT 10.00 A.M.

CERTIFIED TRUE COPY

RESOLVED:


.....
ANG MUI KIEW
Company Secretary
(LS 0001886)

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 82,500,000 WARRANTS IN SOLID ("WARRANT(S)") AT AN ISSUE PRICE OF RM0.20 PER WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY TWO (2) EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN SOLID ("SOLID SHARE(S)" OR "SHARE(S)") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER

"**THAT**, subject to the passing of Ordinary Resolution 11, the Special Resolution and the approvals of all relevant authorities or parties being obtained, where required, approval be and is hereby given to the Board of Directors of the Company ("Board") for the following:-

- i. to provisionally allot and issue by way of a renounceable rights issue of up to 82,500,000 Warrants at an issue price of RM0.20 per Warrant on the basis of one (1) Warrant for every two (2) existing Solid Shares held by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitlement Date");
- ii. wherein each of the Warrant will carry the right to subscribe, subject to any adjustment in accordance with a deed poll ("Deed Poll") to be executed, at any time during the exercise period, for one (1) new Solid Share at an exercise price of RM0.50;
- iii. to allot and issue such number of new Solid Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants in accordance with the provisions of the Deed Poll;
- iv. to allot and issue such further Warrants and new Solid Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and
- v. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the admission of the Warrants to the official list of Bursa Securities as well as the listing of and quotation for the Warrants and new Solid Shares which may from time to time be allotted and issued upon exercise of the Warrants.

THAT fractional entitlements of Warrants arising from the Proposed Rights Issue of Warrants shall be dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company;

SOLID AUTOMOTIVE BERHAD

(Company No. 1016725-P)

(Incorporated in Malaysia)

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ORDINARY RESOLUTION 1 – cont.

THAT the proceeds of the Proposed Rights Issue of Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 9 October 2015 ("Circular"), and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject to the approvals of the relevant authorities, where required;

THAT the new Solid Shares arising from the exercise of the Warrants will, upon issuance and allotment, rank *pari passu* in all respects with the existing Solid Shares, save and except that the new Solid Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or other forms of distribution ("Distribution") that may be declared, made or paid to shareholders, for which the entitlement date for the Distribution precedes the date of issuance and allotment of the new Solid Share;

AND THAT the Board be and is hereby authorised to sign and execute all documents, including but not limited to the Deed Poll, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue of Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of Warrants."

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF SOLID ("PROPOSED ESOS")

"THAT, subject to and conditional upon the approvals of all relevant authorities, the Board be and is hereby authorised to establish, implement and administer an ESOS for the benefit of eligible employees and executive Directors of Solid and its subsidiary companies, which are not dormant, who meet the criteria of eligibility for participation in the Proposed ESOS ("Eligible Person(s)") under which options will be granted to the Eligible Persons to subscribe for new Solid Shares in accordance with the draft by-laws of the Proposed ESOS ("By-Laws") as set out in Appendix II of the Circular, and to adopt and approve the By-Laws;

SOLID AUTOMOTIVE BERHAD
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ORDINARY RESOLUTION 2 – cont.

THAT, the Board be and is hereby authorised to issue and allot from time to time such number of new Solid Shares as may be required pursuant to the exercise of the options under the Proposed ESOS ("ESOS Option(s)") provided that the aggregate number of new Solid Shares to be issued and allotted and/ or transferred shall not exceed 15% of the total issued and paid-up share capital of Solid at any point in time throughout the duration of the Proposed ESOS and that such new Solid Shares arising from the exercise of the ESOS Options shall, upon issuance and allotment, rank *pari passu* in all respects with the existing issued and paid-up Solid Shares, except that the new Solid Shares will not be entitled to any Distribution that may be declared, made or paid to shareholders, for which the entitlement date for the Distribution precedes the date of which the new Solid Shares are credited into the Central Depository System account with Bursa Malaysia Depository Sdn Bhd of the Eligible Persons who have accepted the offer, and such new Solid Shares will be subject to the Articles of Association of the Company relating to transfer, transmission and otherwise of Solid Shares;

THAT, the Board be and is hereby authorised to amend and/ or modify the Proposed ESOS from time to time as may be required/ permitted by the authorities or deemed to be necessary by the Board provided that such amendments and/ or modifications are effected in accordance with the provisions in the By-Laws relating to amendments and/ or modifications and to take all such acts and steps and to enter into such transactions, agreements, arrangements, undertakings, indemnities, transfers, assignments, deeds and/ or guarantees with any party or parties, to deliver and/ or cause to be delivered all such documents and to make such rules or regulations, or impose such terms and conditions or delegate part of its powers as may be necessary or expedient to implement, finalise and to give full effect to the Proposed ESOS."

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER MIN CHOO, THE MANAGING DIRECTOR OF THE COMPANY

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Min Choo, the Managing Director of the Company, ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares of the Company available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

SOLID AUTOMOTIVE BERHAD
(Company No. 1016725-P)
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ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER MONG KENG, THE EXECUTIVE DIRECTOR OF THE COMPANY

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Mong Keng, the Executive Director of the Company, ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER MENG OI, THE EXECUTIVE DIRECTOR OF THE COMPANY

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Meng Oi, the Executive Director of the Company, ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

SOLID AUTOMOTIVE BERHAD
(Company No. 1016725-P)
(Incorporated in Malaysia)

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ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS TO ONG KHENG SWEE, THE EXECUTIVE DIRECTOR OF THE COMPANY

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ong Kheng Swee, the Executive Director of the Company, ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER SOO HA, A PERSON CONNECTED TO KER MIN CHOO, KER MONG KENG AND KER MENG OI

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Soo Ha, the Executive Director of Uni Point Marketing Sdn Bhd (an indirect subsidiary of the Company), ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with her, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

SOLID AUTOMOTIVE BERHAD
(Company No. 1016725-P)
(Incorporated in Malaysia)

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ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER HONG, A PERSON CONNECTED TO KER MIN CHOO

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Hong, the Executive Director of Auto Empire Impex Pte Ltd (a wholly-owned subsidiary of the Company) and JBS Auto-Tech Sdn Bhd (an indirect subsidiary of the Company), ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 9

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER YUN, A PERSON CONNECTED TO KER MIN CHOO

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Yun, the Executive Director of Solid Autotech Sdn Bhd (formerly known as CMKS (Malaysia) Sdn Bhd) (a wholly-owned subsidiary of the Company), ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

SOLID AUTOMOTIVE BERHAD
(Company No. 1016725-P)
(Incorporated in Malaysia)

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ORDINARY RESOLUTION 10

PROPOSED ALLOCATION OF ESOS OPTIONS TO KER SHILOONG, A PERSON CONNECTED TO KER MONG KENG

"**THAT**, subject to the passing of Ordinary Resolution 2 as well as the approvals of all relevant authorities, and for so long as this approval remains in force, approval be and is hereby given to the Board to offer and if such offer is accepted, to grant at any time and from time to time to Ker Shilong, the Executive Director of Auto Empire Impex Pte Ltd (a wholly-owned subsidiary of the Company) and Twinco Far East Sdn Bhd (a wholly-owned subsidiary of the Company), ESOS Options to subscribe for such number of new Solid Shares under the Proposed ESOS provided not more than 10 per centum of the new Solid Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds 20 per centum or more of the issued and paid-up share capital of the Company (excluding treasury shares, if any);

AND THAT subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS."

ORDINARY RESOLUTION 11

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF SOLID FROM RM100,000,000 COMPRISING 200,000,000 SOLID SHARES TO RM500,000,000 COMPRISING 1,000,000,000 SOLID SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"**THAT**, subject to and conditional upon the passing of Ordinary Resolution 1 and the Special Resolution and the approvals of all relevant authorities being obtained, the authorised share capital of the Company be and is hereby increased from RM100,000,000 comprising 200,000,000 Solid Shares to RM500,000,000 comprising 1,000,000,000 Solid Shares by the creation of additional 800,000,000 new Solid Shares."

SOLID AUTOMOTIVE BERHAD
(Company No. 1016725-P)
(Incorporated in Malaysia)

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SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF SOLID ("PROPOSED AMENDMENTS")

"THAT, subject to and conditional upon the passing of the Ordinary Resolutions 1 and 11 as well as the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Company to alter, modify, vary and delete the Memorandum and Articles of Association of Solid in the following manner:-

Existing Article 3

The authorized capital of the Company is Ringgit Malaysia RM100,000,000.00 divided into 200,000,000.00 ordinary shares of RM0.50 each.

Existing Clause 6

The capital of the Company is RM100,000,000.00 divided into 200,000,000 ordinary shares of RM0.50 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or other special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, any preference shares may be issued on the terms that is, to be redeemed.

Proposed amendment to Article 3

The authorized capital of the Company is Ringgit Malaysia RM500,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.50 each.

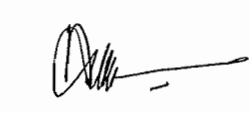
Proposed amendment to Clause 6

The capital of the Company is RM500,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.50 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or other special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, any preference shares may be issued on the terms that is, to be redeemed.

CERTIFIED TRUE COPY:


KEK KOK SWEE
Chairman

Dated : 3 November 2015


ANG MUI KIW
Company Secretary

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Solid was incorporated in Malaysia under the Act as a public limited company on 12 September 2012 under the name Solid Automotive Berhad. We were listed on the Main Market of Bursa Securities on 12 September 2013.

We are principally engaged in investment holding. Our subsidiary companies are principally involved in trading and distribution of automotive electrical part and components as well as trading and distribution of engine and mechanical parts and components.

The breakdown of the revenue of our Group by domestic and overseas market for the FYE 30 April 2015 is set out below:-

	Revenue RM'000	%
Domestic market		
Malaysia and Singapore	80,064	60.02
Overseas market		
Middle East & Africa	47,640	35.71
Other countries	5,695	4.27
Total	133,399	100.00

Further details on the principal activities of our subsidiary companies are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

	No. of Shares	Par value RM	Total RM
Authorised	200,000,000	0.50	100,000,000
Issued and paid-up	165,000,000	0.50	82,500,000

There are no changes in our authorised share capital for the past three (3) years preceding the LPD.

The details of the changes in our issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:-

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
12.09.2012	2	0.50	Cash	1
13.06.2013	114,615,998	0.50	Consideration for acquisition	57,308,000
10.09.2013	35,384,000	0.50	Cash	75,000,000
09.06.2015	15,000,000	0.50	Cash (Private Placement)	82,500,000

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue of Warrants are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				I After the Rights Issue of Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ker Min Choo	40,450,113	24.52	37,546 ^{*1}	0.02	40,450,113	24.52	37,546 ^{*1}	0.02
Ker Mong Keng	36,725,075	22.26	24,000 ^{*2}	0.01	36,725,075	22.26	24,000 ^{*2}	0.01

	II After I and assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Ker Min Choo	60,675,169	28.90	37,546 ^{*1}	0.02
Ker Mong Keng	55,087,612	26.24	24,000 ^{*2}	0.01

Notes:-

*1 Deemed interest in shares held by his spouse and children

*2 Deemed interest in shares held by his child

Maximum Scenario

	Shareholdings as at the LPD				I After the Rights Issue of Warrants			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ker Min Choo	40,450,113	24.52	37,546 ^{*1}	0.02	40,450,113	24.52	37,546 ^{*1}	0.02
Ker Mong Keng	36,725,075	22.26	24,000 ^{*2}	0.01	36,725,075	22.26	24,000 ^{*2}	0.01

	II After I and assuming full exercise of the Warrants			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Ker Min Choo	60,675,169	24.52	56,319 ^{*1}	0.02
Ker Mong Keng	55,087,612	22.26	36,000 ^{*2}	0.01

Notes:-

*1 Deemed interest in shares held by his spouse and children

*2 Deemed interest in shares held by his child

4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Kek Kok Swee	29, Jalan Tasek Taman Tasek 80200 Johor Bahru Johor Darul Takzim	61	Malaysian	Company Director	Independent Non-Executive Chairman
Ker Min Choo	3, Jalan Saujana 2 Horizon Hills 79100 Nusajaya Johor Darul Takzim	53	Malaysian	Company Director	Managing Director
Ker Mong Keng	74, Jalan Danau Taman Tasek 80200 Johor Bahru Johor Darul Takzim	60	Malaysian	Company Director	Executive Director
Ker Meng Oi	B-37-1 9 Bukit Utama No. 9, Persiaran Bukit Utama 47800 Petaling Jaya Selangor Darul Ehsan	51	Malaysian	Company Director	Executive Director
Ong Kheng Swee	12, Jalan Jingga 3 Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	57	Malaysian	Company Director	Executive Director
Azahar bin Baharudin	Lot 11253 Jalan Melor Dua Sungai Kantan 43000 Kajang Selangor Darul Ehsan	59	Malaysian	Company Director	Independent Non-Executive Director
Tan Lay Beng	51, Taman Rambah 82000 Pontian Johor Darul Takzim	61	Malaysian	Company Director	Independent Non-Executive Director

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The shareholdings of our Directors as at the LPD and after the Rights Issue of Warrants are set out below:-

Minimum Scenario

Directors	Shareholdings as at the LPD			I After the Rights Issue of Warrants			II After I and assuming full exercise of the Warrants			
	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	
Kek Kok Swee	1,500,000	0.91	4,500,000 ^{*1}	1,500,000	0.91	4,500,000 ^{*1}	1,500,000	0.71	4,500,000 ^{*1}	2.14
Ker Min Choo	40,450,113	24.52	37,546 ^{*2}	40,450,113	24.52	37,546 ^{*2}	60,675,169	28.90	37,546 ^{*2}	0.02
Ker Mong Keng	36,725,075	22.26	24,000 ^{*1}	36,725,075	22.26	24,000 ^{*1}	55,087,612	26.24	24,000 ^{*1}	0.01
Ker Meng Oi	5,530,541	3.35	-	5,530,541	3.35	-	8,295,811	3.95	-	-
Ong Kheng Swee	2,064,486	1.25	1,050,000 ^{*3}	2,064,486	1.25	1,050,000 ^{*3}	2,064,486	0.98	1,050,000 ^{*3}	0.50
Azahar bin Baharudin	-	-	-	-	-	-	-	-	-	-
Tan Lay Beng	-	-	-	-	-	-	-	-	-	-

Notes:-

- *1 Deemed interest in shares held by his child
- *2 Deemed interest in shares held by his spouse and children
- *3 Deemed interest in shares held by his spouse

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Maximum Scenario

Directors	I Shareholdings as at the LPD				II After I and assuming full exercise of the Warrants							
	Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%				
Kek Kok Swee	1,500,000	0.91	4,500,000 ^{*1}	2.73	1,500,000	0.91	4,500,000 ^{*1}	2.73	2,250,000	0.91	6,750,000	2.73
Ker Min Choo	40,450,113	24.52	37,546 ^{*2}	0.02	40,450,113	24.52	37,546 ^{*2}	0.02	60,675,169	24.52	56,319	0.02
Ker Mong Keng	36,725,075	22.26	24,000 ^{*1}	0.01	36,725,075	22.26	24,000 ^{*1}	0.01	55,087,612	22.26	36,000	0.01
Ker Meng Oi	5,530,541	3.35	-	-	5,530,541	3.35	-	-	8,295,811	3.35	-	-
Ong Kheng Swee	2,064,486	1.25	1,050,000 ^{*3}	0.64	2,064,486	1.25	1,050,000 ^{*3}	0.64	3,096,729	1.25	1,575,000	0.64
Azahar bin Baharudin	-	-	-	-	-	-	-	-	-	-	-	-
Tan Lay Beng	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

- *1 Deemed interest in shares held by his child
- *2 Deemed interest in shares held by his spouse and children
- *3 Deemed interest in shares held by his spouse

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5. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Subsidiary companies	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Solid Corporation Sdn Bhd	05.08.1982 Malaysia	4,650,903	99.99	Trading and distribution of automotive electrical parts and components
Twincos Far East Sdn Bhd	24.11.1994 Malaysia	1,878,417	100.00	Trading and distribution of automotive engine and mechanical parts and components
Solid Autotech Sdn Bhd (<i>formerly known as CMKS (Malaysia) Sdn Bhd</i>)	22.11.1989 Malaysia	168,000,000	100.00	Investment and property holding
Auto Empire Impex Pte Ltd	3.11.1987 Singapore	SGD 1,900,000	100.00	Wholesale of parts and accessories for vehicles and retail sale of spare parts and accessories for motor vehicles
Held through Solid Corporation Sdn Bhd				
JBS Auto-Tech Sdn Bhd	17.03.2003 Malaysia	1,000,000	80.00	Remanufacturing of automotive alternators and starters
Uni Point Marketing (M) Sdn Bhd	24.06.1981 Malaysia	410,000	100.00	Trading and distribution of automotive electrical parts and components
HKT Auto Electrical Parts Sdn Bhd	09.09.1997 Malaysia	200,000	100.00	Trading and distribution of automotive electrical parts and components

As at the LPD, we do not have any associate company.

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6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 30 April 2015 and the latest unaudited quarterly report of our Group for the three (3)-month FPE 31 July 2015:-

	<-----Audited----->			Unaudited Three (3)-month	
	<-----FYE 30 April----->			FPE	
	2013	2014	2015	31 July 2014	31 July 2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	108,794	118,081	133,399	31,484	28,326
Cost of sales	(76,488)	(83,267)	(95,769)	(22,554)	(20,165)
Gross profit	32,306	34,814	37,630	8,930	8,161
Other income	1,073	1,080	1,701	292	950
Administrative expenses	(9,454)	(11,380)	(14,205)	(2,929)	(3,857)
Selling and distribution expenses	(10,583)	(11,603)	(11,121)	(3,174)	(2,920)
Profit/ (loss) from operations	13,342	12,911	14,005	3,119	2,334
Finance cost	(680)	(1,987)	(713)	(114)	(304)
Profit/ (loss) before tax	12,662	10,924	13,292	3,005	2,030
Income tax expense	(3,259)	(3,479)	(3,798)	(788)	(573)
Profit/ (loss) for the year	9,403	7,445	9,494	2,217	1,457
Other comprehensive income					
Foreign currency translation difference	7	562	411	(148)	361
Total comprehensive income for the financial year	9,410	8,009	9,905	2,069	1,818
Profit attributable to:					
Owners of our Company	9,386	7,455	9,546	2,234	1,459
Non-controlling interest	17	(9)	(52)	(17)	(2)
Net profit/ (loss) for the year	9,403	7,446	9,494	2,217	1,457
Weighted average number of shares in issue ('000)	114,616	137,010	150,000	150,000	158,315
Earnings before interest, taxation, depreciation and amortisation	14,771	12,905	16,081	3,539	2,890
Gross profit margin (%)	29.69	29.48	28.21	28.36	28.81
Profit margin (%)	8.64	6.31	7.12	7.04	5.14
Earnings per Share (sen)					
- Basic	8.19	5.44	6.36	1.49	0.92
- Diluted	NA ^{*1}	NA ^{*1}	NA ^{*1}	NA ^{*1}	NA ^{*1}
Dividends paid (per Share) (sen)	-	2.6	3.0	-	-

Note:-

- *1 Our Company does not have any dilutive potential ordinary shares in issue for the current year/ period

Commentary on past performance:-

FYE 30 April 2013

For the FYE 30 April 2013, our Group recorded revenue of approximately RM108.79 million which represents an increase of approximately RM4.64 million or 4.45% as compared to the preceding financial year. The increase in revenue was mainly attributable to an increase in revenue derived from the Middle East and African market which recorded an increase of approximately RM7.12 million which was partially offset by the marginal decrease in sales for the domestic market of RM2.17 million as compared to the preceding financial year.

The gross profit margin for the financial year under review was approximately 29.69%, representing a decrease of approximately 0.23% as compared to the gross profit margin of the preceding financial year of approximately 29.92%. The decrease in gross profit margin was mainly due to competitive pricing offered by our Group to certain major customers from the Middle East and African region.

Administrative expenses for the financial year under review were relatively well controlled and decreased by approximately RM0.08 million or 0.83% as compared to the preceding financial year.

Selling and distribution expenses for the financial year under review increased by approximately RM1.43 million as compared to the preceding financial year mainly due to the following:-

- i. An increase in payroll cost by approximately RM1.05 million arising from the setting up of two (2) new branches of Solid Corporation Sdn Bhd which were in operation for their first full 12 months for the FYE 30 April 2013;
- ii. An increase in transportation cost for export sales by approximately RM0.40 million due to an increase in ocean freight rates; and
- iii. An increase in payroll cost by approximately RM0.11 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).

Despite the increase in revenue, our Group recorded PBT of approximately RM12.66 million for the FYE 30 April 2013 as compared to the PBT of approximately RM12.91 million for the preceding financial year. The decline in PBT was mainly attributable to higher selling and distribution expenses for the FYE 30 April 2013 as compared to the preceding financial year due to the reasons as set out above.

FYE 30 April 2014

For the FYE 30 April 2014, our Group recorded revenue of approximately RM118.08 million which represents an increase of approximately RM9.29 million or 8.54% as compared to the preceding financial year. The increase in revenue was mainly attributable to an increase in revenue derived from both the domestic and overseas market, which recorded a growth of approximately 8.24% and 8.99% respectively.

The gross profit margin for the financial year under review was approximately 29.48%, representing a decrease of approximately 0.21% as compared to the gross profit margin of the preceding financial year of approximately 29.69%. The decrease in gross profit margin was mainly due to competitive pricing offered by our Group to certain major customers from the Middle East and African region.

Administrative expenses for the financial year under review increased by approximately RM1.93 million as compared to the preceding financial year mainly due to the following:-

- i. Loss on foreign exchange for the FYE 30 April 2014 of approximately RM0.543 million;
- ii. An increase in payroll cost by approximately RM0.39 million due to general upward adjustment to the staff's salary; and
- iii. An increase in rental and upkeep of vehicle expenses by approximately RM0.21 million.

Selling and distribution expenses for the financial year under review increased by approximately RM1.02 million as compared to the preceding financial year mainly due to higher sales commission paid to sales personnel which was in line with the increase in the Group's revenue.

Despite the increase in revenue, our Group recorded PBT of approximately RM10.93 million for the FYE 30 April 2014 as compared to the PBT of approximately RM12.66 million for the preceding financial year. The decline in PBT was mainly attributable to higher administrative expenses and selling and distribution expenses for the FYE 30 April 2014 as compared to the preceding financial year due to the reasons as set out above.

FYE 30 April 2015

For the FYE 30 April 2015, our Group recorded revenue of approximately RM133.40 million which represents an increase of approximately RM15.32 million or 12.97% as compared to the preceding financial year. The increase in revenue was mainly attributable to an increase in revenue derived from both the domestic and overseas market, which recorded a growth of approximately 12.83% and 13.19% respectively.

The gross profit margin for the financial year under review was approximately 28.21%, representing a decrease of approximately 1.27% as compared to the gross profit margin of the preceding financial year of approximately 29.48%. The decrease in gross profit margin was mainly due to competitive pricing offered by our Group to certain major customers from both the domestic and overseas market.

Administrative expenses for the financial year under review increased by approximately RM2.83 million as compared to the preceding financial year mainly due to the following:-

- i. Higher depreciation costs on property, plant and equipment and investment properties of approximately RM0.54 million mainly due to increased acquisitions during the financial year under review; and
- ii. Higher expenses such as upkeep of premises, GST consultation and implementation fees and new bank facilities fees totalling approximately RM0.51 million.

Selling and distribution expenses for the financial year under review decreased by approximately RM0.48 million as compared to the preceding financial year mainly due to the reclassification of certain staff costs between administrative expenses and selling and distribution expenses for the FYE 30 April 2015.

Our Group recorded PBT of approximately RM13.29 million for the FYE 30 April 2015 as compared to the PBT of approximately RM10.93 million for the preceding financial year. The profit was mainly attributable to the increase in our Group's total revenue as well as an increase in other income amounting to approximately RM0.62 million as compared to the previous financial year. The increase in other income was mainly attributable to gain on foreign exchange of approximately RM0.62 million.

Unaudited three (3)-month FPE 31 July 2015

For the three (3)-month FPE 31 July 2015, our Group recorded revenue of approximately RM28.33 million which represents a decrease of approximately RM3.16 million or 10.03% as compared to the corresponding period in the preceding financial year. The decrease in revenue was mainly attributable to lower revenue derived from both the domestic and overseas market, which recorded a decrease of approximately 13.10% and 5.27% respectively. The decrease in revenue derived from domestic market was mainly attributable to lower sales of automotive engine and mechanical parts and components from our local customers servicing the oil palm and timber sectors which were affected by the low commodity prices during the financial period under review.

The gross profit margin for the financial period under review was approximately 28.81%, representing a decrease of approximately 0.45% as compared to the gross profit margin of the corresponding period in the preceding financial year of approximately 28.36%. The decrease in gross profit margin was mainly due to competitive pricing offered by our Group to certain major customers from overseas market.

Administrative expenses for the financial period under review increased by approximately RM0.93 million as compared to the corresponding period in the preceding financial year mainly due to the following:-

- i. Higher expenses in maintenance costs of our new Pasir Gudang factory for utilities, security, upkeep of premises, quit rent & assessment of approximately RM0.27 million;
- ii. Higher company trip and training expenses of approximately RM0.22 million;
- iii. Higher expenses such GST consultation and implementation fees, new bank facilities legal fees totalling approximately RM0.14 million; and
- iv. Higher depreciation costs on property, plant and equipment and investment properties of approximately RM0.13 million mainly due to increased acquisitions during the financial period under review.

Selling and distribution expenses for the financial period under review decreased by approximately RM0.25 million as compared to the corresponding period in the preceding financial year mainly due to lower sales commission paid to sales personnel which was in line with the decrease in the Group's revenue.

Our Group recorded PBT of approximately RM2.03 million for the three (3)-month FPE 31 July 2015 as compared to the PBT of approximately RM3.01 million for the corresponding period in the preceding financial year. The decrease in PBT was in line with the decrease in revenue for the financial period under review and higher administrative expenses incurred due to the reasons as set out above.

7. HISTORICAL PRICES

The monthly high and low transacted market prices of Solid Shares for the past 12 months from November 2014 to October 2015 are as follows:-

	High RM	Low RM
2014		
November	1.41	1.06
December	1.57	1.34
2015		
January	1.74	1.53
February	1.68	1.62
March	1.66	1.56
April	1.63	1.46
May	1.61	1.46
June	1.71	1.58
July	1.86	1.58
August	1.73	1.52
September	1.73	1.56
October	1.91	1.73

The last transacted price of Solid Shares on 29 July 2015, being the day prior to the date of announcement on the Corporate Exercises, was RM1.73.

The last transacted price of Solid Shares on 26 October 2015, being the LPD, was RM1.79.

The last transacted price of Solid Shares on 19 November 2015, being the day prior to the ex-date of the Rights Issue of Warrants, was RM1.90.

(Source: Bloomberg Finance LP)

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 APRIL 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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**The Board of Directors
Solid Automotive Berhad**

No. 5, Jalan Dataran 5
Taman Kempas
81200 Johor Bahru
Johor

Dear Sirs

**SOLID AUTOMOTIVE BERHAD (“SOLID” or the “Company”)
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION INCLUDED IN THE ABRIDGED PROSPECTUS TO THE ENTITLED
SHAREHOLDERS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of SOLID prepared by the Board of Directors of the Company. The pro forma consolidated statements of financial position consists of the Consolidated Financial Position as at 30 April 2015 together with the accompanying notes thereon, for which we have stamped for the purpose of identification.

The pro forma consolidated statements of financial position has been prepared for inclusion in the Abridged Prospectus of SOLID in connection with the renounceable rights issue of up to 82,500,000 warrants (“Warrant(s)”) on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM0.50 each held in SOLID on an entitlement date to be announced later at an issue price of RM0.20 per Warrant (“Rights Issues of Warrants”). The applicable criteria on the basis of which the Board of Directors has compiled the pro forma consolidated statements of financial position are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia.

The pro forma consolidated statements of financial position has been compiled by the Board of Directors to illustrate the impact of the transactions as set out in Note 1 of the pro forma consolidated statements of financial position, on the statements of financial position as at 30 April 2015. As part of this process, information about the statements of financial position has been extracted by the Board of Directors from the audited consolidated financial statements for the financial year ended 30 April 2015.

THE BOARD OF DIRECTORS’ RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the pro forma consolidated statements of financial position on the basis as described in Note 1 of the pro forma consolidated statements of financial position.

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REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by the Prospectus Guidelines issued by the Securities Commission Malaysia, about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in Note 1 of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with the **International Standard on Assurance Engagement (ISAE) 3420, Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus**, issued and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the pro forma consolidated statements of financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated statements of financial position involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of SOLID, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

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OPINION

- (i) the pro forma consolidated statements of financial position have been properly compiled in all material respects, on the basis set out in the accompanying notes using financial statements prepared in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by SOLID; and
- (ii) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

OTHER MATTER

This letter has been prepared solely for the purpose stated above, in connection with the Rights Issue of Warrants. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

A handwritten signature in cursive script that reads "Crowe Horwath".

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

6 November 2015

Johor Bahru

A handwritten signature in cursive script that reads "Fong Kiat Keong".

Fong Kiat Keong
Approval No: 3048/06/17(J)
Chartered Accountant

SOLID AUTOMOTIVE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

MINIMUM SCENARIO

	Note	Audited as at 30-Apr-15 RM'000	Pro Forma I After Subsequent Events RM'000	Proforma II After Pro Forma I and Rights Issue of Warrants RM'000	Pro Forma III After Pro Forma II and full exercise of the Warrants RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment		37,116	37,116	37,116	37,116
Investment properties		11,358	11,358	11,358	11,358
Deferred tax assets		183	183	183	183
Other investments		103	103	103	103
		<u>48,760</u>	<u>48,760</u>	<u>48,760</u>	<u>48,760</u>
CURRENT ASSETS					
Inventories		44,633	44,633	44,633	44,633
Trade receivables		31,428	31,428	31,428	31,428
Other receivables, deposits and prepayments		2,803	2,803	2,803	2,803
Tax recoverable		192	192	192	192
Cash and bank balances	3	9,064	14,244	22,651	45,131
		<u>88,120</u>	<u>93,300</u>	<u>101,707</u>	<u>124,187</u>
TOTAL ASSETS		<u>136,880</u>	<u>142,060</u>	<u>150,467</u>	<u>172,947</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	4	75,000	82,500	82,500	104,980
Share premium	5	1,307	13,787	13,787	22,354
Warrant reserves	6	-	-	8,567	-
Translation reserve		1,113	1,113	1,113	1,113
Merger Deficit		(43,361)	(43,361)	(43,361)	(43,361)
Retained profits	7	63,199	58,399	58,239	58,239
SHAREHOLDERS' EQUITY		<u>97,258</u>	<u>112,438</u>	<u>120,845</u>	<u>143,325</u>
Non-controlling interests		410	410	410	410
TOTAL EQUITY		<u>97,668</u>	<u>112,848</u>	<u>121,255</u>	<u>143,735</u>

SOLID AUTOMOTIVE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

MINIMUM SCENARIO

	Note	Audited as at 30-Apr-15 RM'000	Pro Forma I After Subsequent Events RM'000	Proforma II After Pro Forma I and Rights Issue of Warrants RM'000	Pro Forma III After Pro Forma II and full exercise of the Warrants RM'000
NON-CURRENT LIABILITIES					
Hire purchase payables		117	117	117	117
Term loans		8,378	8,378	8,378	8,378
		8,495	8,495	8,495	8,495
CURRENT LIABILITIES					
Trade payables		9,061	9,061	9,061	9,061
Other payables and accruals		4,618	4,618	4,618	4,618
Banker acceptance	8	12,121	2,121	2,121	2,121
Hire purchase payables		305	305	305	305
Term loans		3,103	3,103	3,103	3,103
Tax payable		649	649	649	649
Provision for warranty		860	860	860	860
		30,717	20,717	20,717	20,717
TOTAL LIABILITIES		39,212	29,212	29,212	29,212
TOTAL EQUITY AND LIABILITIES		136,880	142,060	150,467	172,947
Ratios					
Number of SOLID shares		150,000	165,000	165,000	209,960
Net assets per share (RM)		0.65	0.68	0.73	0.68
Total interest-bearing borrowings		24,024	14,024	14,024	14,024
Gearing (times)		0.25	0.12	0.12	0.10

SOLID AUTOMOTIVE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

MAXIMUM SCENARIO

	Note	Audited as at 30-Apr-15 RM'000	Pro Forma I After Subsequent Events RM'000	Proforma II After Pro Forma I and Rights Issue of Warrants RM'000	Pro Forma III After Pro Forma II and full exercise of the Warrants RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment		37,116	37,116	37,116	37,116
Investment properties		11,358	11,358	11,358	11,358
Deferred tax assets		183	183	183	183
Other investments		103	103	103	103
		<u>48,760</u>	<u>48,760</u>	<u>48,760</u>	<u>48,760</u>
CURRENT ASSETS					
Inventories		44,633	44,633	44,633	44,633
Trade receivables		31,428	31,428	31,428	31,428
Other receivables, deposits and prepayments		2,803	2,803	2,803	2,803
Tax recoverable		192	192	192	192
Cash and bank balances	3	9,064	14,244	30,159	71,409
		<u>88,120</u>	<u>93,300</u>	<u>109,215</u>	<u>150,465</u>
TOTAL ASSETS		<u>136,880</u>	<u>142,060</u>	<u>157,975</u>	<u>199,225</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	4	75,000	82,500	82,500	123,750
Share premium	5	1,307	13,787	13,787	29,862
Warrant reserves	6	-	-	16,075	-
Translation reserve		1,113	1,113	1,113	1,113
Merger Deficit		(43,361)	(43,361)	(43,361)	(43,361)
Retained profits	7	63,199	58,399	58,239	58,239
SHAREHOLDERS' EQUITY		<u>97,258</u>	<u>112,438</u>	<u>128,353</u>	<u>169,603</u>
Non-controlling interests		410	410	410	410
TOTAL EQUITY		<u>97,668</u>	<u>112,848</u>	<u>128,763</u>	<u>170,013</u>

SOLID AUTOMOTIVE BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

MAXIMUM SCENARIO

	Note	Audited as at 30-Apr-15 RM'000	Pro Forma I After Subsequent Events RM'000	Proforma II After Pro Forma I and Rights Issue of Warrants RM'000	Pro Forma III After Pro Forma II and full exercise of the Warrants RM'000
NON-CURRENT LIABILITIES					
Hire purchase payables		117	117	117	117
Term loans		8,378	8,378	8,378	8,378
		8,495	8,495	8,495	8,495
CURRENT LIABILITIES					
Trade payables		9,061	9,061	9,061	9,061
Other payables and accruals		4,618	4,618	4,618	4,618
Banker acceptance	8	12,121	2,121	2,121	2,121
Hire purchase payables		305	305	305	305
Term loans		3,103	3,103	3,103	3,103
Tax payable		649	649	649	649
Provision for warranty		860	860	860	860
		30,717	20,717	20,717	20,717
TOTAL LIABILITIES		39,212	29,212	29,212	29,212
TOTAL EQUITY AND LIABILITIES		136,880	142,060	157,975	199,225
Ratios					
Number of SOLID shares		150,000	165,000	165,000	247,500
Net assets per share (RM)		0.65	0.68	0.78	0.69
Total interest-bearing borrowings		24,024	14,024	14,024	14,024
Gearing (times)		0.25	0.12	0.11	0.08

SOLID AUTOMOTIVE BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

1. Basis Of Preparation

The Pro Forma Consolidated Statements of Financial Position of SOLID have been prepared based on the Audited Consolidated Statements of Financial Position of SOLID as at 30 April 2015. The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to show the effects of the following:-

- (a) The 15,000,000 placement shares at the issue price of RM1.34 per Share; and
- (b) The renounceable rights issue of up to 82,500,000 warrants ("Warrant(s)") on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM0.50 each held in SOLID.

The Rights Issue of Warrants has been structured on two subscription basis based on the followings:-

Minimum scenario : Full subscription and issuance of 44,960,357 Warrants.

Maximum scenario : Full subscription and issuance of 82,500,000 Warrants.

The financial statements used in the preparation of the Pro Forma Consolidated Statements of Financial Position have been prepared in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards in Malaysia and the auditors' report on the said financial statements was not qualified.

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the accounting policies and bases consistent with those adopted by SOLID in the preparation of its audited consolidated financial statements.

The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to present the effects of Rights Issues of Warrants to raise gross proceeds of RM8.99 million for Minimum Scenario (assuming that only the Undertakings Shareholders subscribe in full for their entitlement pursuant to their Undertakings) and RM16.50 million for Maximum Scenario (assuming that all entitled shareholders subscribe in full for their entitlement under the Rights Issue of Warrants).

2. Effects Of The Proposal On The Pro Forma Consolidated Financial Position

2.1 Pro Forma I

- (a) Private Placement Shares

Pro Forma I incorporates the effects whereby 15,000,000 Placement Shares are subscribed for at the issue price of RM1.34 per Share.

SOLID AUTOMOTIVE BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

2. Effects Of The Proposal On The Pro Forma Consolidated Financial Position (Cont'd)

2.1 Pro Forma I (Cont'd)

(a) Private Placement Shares (Cont'd)

The proceeds from the Private Placement Shares are expected to be utilised in the following manner:-

	RM'000
Repayment of short-term bank borrowings	10,000
General working capital of SOLID and its subsidiaries	9,980
Expenses in relation to the Private Placement Shares	120
	<hr/>
	20,100
	<hr/>

(b) Subsequent events

Below are the details of the subsequent events between the date of the last audited financial statements used in the preparation of this pro forma and the date of this report.

- (i) Payment of an interim single tier tax-exempt dividend of 1.0 sen per ordinary share amounting to RM1.5 million in respect of financial year ended 30 April 2015, on 17 June 2015; and
- (ii) Proposed final single tier tax-exempt dividend of 2.0 sen per ordinary share amounting to RM3.3 million in respect of financial year ended 30 April 2015, which had been approved by the shareholders at the Annual General Meeting held on 22 September 2015 and will be paid on 3 December 2015.

2.2 Pro Forma II

Minimum scenario

Pro Forma II incorporates the effects whereby 44,960,357 Warrants are subscribed for at the issue price of RM0.20 per Warrant and estimated expenses of RM585,000 in relation to the Rights Issue of Warrants.

Maximum scenario

Pro Forma II incorporates the effects whereby 82,500,000 Warrants are subscribed for at the issue price of RM0.20 per Warrant and estimated expenses of RM585,000 in relation to the Rights Issue of Warrants.

SOLID AUTOMOTIVE BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

2. Effects Of The Proposal On The Pro Forma Consolidated Financial Position (Cont'd)

2.3 Pro Forma III

Minimum scenario

Pro Forma III incorporates the effects of Pro Forma II and assuming full exercise of 44,960,357 Warrants at the exercise price of RM0.50 per Warrant to SOLID Share.

Maximum scenario

Pro Forma III incorporates the effects of Pro Forma II and assuming full exercise of 82,500,000 Warrants at the exercise price of RM0.50 per Warrant to SOLID Share.

3. Cash and Bank Balances

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 30.04.2015 (audited)	9,064	9,064
Proceeds from Private Placement Shares	20,100	20,100
Expenses relating to the Private Placement Shares	(120)	(120)
Repayment of Bankers' acceptance	(10,000)	(10,000)
Dividends paid	(4,800)	(4,800)
	<hr/>	<hr/>
As per Pro Forma I	14,244	14,244
Proceeds from Rights Issue of Warrants	8,992	16,500
Estimated expenses relating to the Rights Issue of Warrants	(585)	(585)
	<hr/>	<hr/>
As per Pro Forma II	22,651	30,159
Exercise of Warrants to ordinary shares	22,480	41,250
	<hr/>	<hr/>
As per Pro Forma III	45,131	71,409
	<hr/>	<hr/>

4. Share Capital

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 30.04.2015 (audited)	75,000	75,000
Issuance of Private Placement Shares	7,500	7,500
	<hr/>	<hr/>
As per Pro Forma I and II	82,500	82,500
Exercise of Warrants to ordinary shares	22,480	41,250
	<hr/>	<hr/>
As per Pro Forma III	104,980	123,750
	<hr/>	<hr/>

SOLID AUTOMOTIVE BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

5. Share Premium Reserve

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 30.04.2015 (audited)	1,307	1,307
Issuance of Private Placement Shares	12,600	12,600
Expenses relating to the Private Placement Shares	(120)	(120)
	<hr/>	<hr/>
As per Pro Forma I and II	13,787	13,787
Exercise of Warrants to ordinary shares	8,567	16,075
	<hr/>	<hr/>
As per Pro Forma III	<u>22,354</u>	<u>29,862</u>

6. Warrants Reserve

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 30.04.2015 (audited) and as per Pro Forma I	-	-
Issuance of Warrants *	8,567	16,075
	<hr/>	<hr/>
As per Pro Forma II	8,567	16,075
Exercise of Warrants to ordinary shares	(8,567)	(16,075)
	<hr/>	<hr/>
As per Pro Forma III	<u>-</u>	<u>-</u>

* - The amount is based on the issuance of Warrants at an issue price of RM0.20 per Warrant and after deducting estimated expenses of RM425,000. The estimated expenses of RM425,000 represented 73% of the total estimated expenses of RM585,000 for the Corporate Exercises.

SOLID AUTOMOTIVE BERHAD
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

7. Retained Earnings

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 30.04.2015 (audited)	63,199	63,199
Dividends paid	(4,800)	(4,800)
As per Pro Forma I	58,399	58,399
Estimated expenses relating to the Rights Issue of Warrants *	(160)	(160)
As per Pro Forma II and III	<u>58,239</u>	<u>58,239</u>


* - The estimated expenses of RM160,000 represented 27% of the total estimated expenses of RM585,000 for the Corporate Exercises. The basis of 27% is derived by the amount of estimated expenses charged against the retained earnings, which is based on the recommended practice stated in FRSIC Consensus 13.

8. Bankers' acceptance

	Minimum Scenario RM'000	Maximum Scenario RM'000
As at 30.04.2015 (audited)	12,121	12,121
Repayment of Bankers' acceptance	(10,000)	(10,000)
As per Pro Forma I, II and III	<u>2,121</u>	<u>2,121</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 APRIL 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON

Certified True Copy



Crowe Horwath (AF 1018)
Chartered Accountants
FONG KIAT KEONG
PARTNER

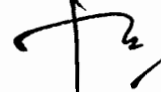
SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 - P

FINANCIAL REPORT
for the financial year ended 30 April 2015

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SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**Certified True Copy****DIRECTORS' REPORT****Crowe Horwath (AF 1018)****Chartered Accountants****FONG KIAT KEONG
PARTNER**

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	<u>9,494,111</u>	<u>8,627,673</u>
Attributable to:-		
Owners of the Company	9,546,535	8,627,673
Non-controlling interests	<u>(52,424)</u>	<u>-</u>
	<u>9,494,111</u>	<u>8,627,673</u>

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:-

	RM
In respect of previous financial year:	
A final single tier tax-exempt dividend of 2.0 sen per ordinary share paid on 2 December 2014	<u>3,000,000</u>

Subsequent to the financial year ended, an interim single tier tax-exempt dividend of 1.0 sen per ordinary share amounting to RM1,500,000 in respect of the current financial year was paid on 17 June 2015.

The directors now recommend the payment of a final single tier tax-exempt dividend of 2.0 sen per ordinary share amounting to RM3,300,000 in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

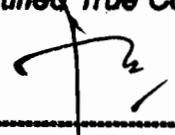
All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

DIRECTORS' REPORT

Certified True Copy



Crowe Horwath (AF 1018)
Chartered Accountants
FONG KIAT KEONG
PARTNER

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the making of additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

KER MIN CHOO
ONG KHENG SWEE
AZAHAR BIN BAHARUDIN
KEK KOK SWEE
KER MENG OI
KER MONG KENG
TAN LAY BENG

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

DIRECTORS' REPORT**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	AT 1.5.2014	BOUGHT	TRANSFERRED/ SOLD	AT 30.4.2015
<i>Direct Interests In The Company</i>				
KER MIN CHOO	40,450,113	-	-	40,450,113
ONG KHENG SWEE	2,964,486	-	(900,000)	2,064,486
KEK KOK SWEE	7,405,391	-	(5,905,391)	1,500,000
KER MENG OI	7,530,541	-	(2,000,000)	5,530,541
KER MONG KENG	36,725,075	-	-	36,725,075
<i>Indirect Interests In The Company*</i>				
KER MIN CHOO	37,546	-	-	37,546
ONG KHENG SWEE	-	900,000	-	900,000
KEK KOK SWEE	-	4,500,000	-	4,500,000
KER MONG KENG	24,000	-	-	24,000

Note:-

* - Held through spouse or children

By virtue of their shareholdings in the Company, Ker Min Choo and Ker Mong Keng are deemed to have an interest in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year did not have any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 36 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 18 August 2015.



Ker Min Choo



Ong Kheng Swee

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

STATEMENT BY DIRECTORS

We, Ker Min Choo and Ong Kheng Swee, being two of the directors of Solid Automotive Berhad, state that, in the opinion of the directors, the financial statements set out on pages 9 to 69 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 at 30 April 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 38, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 18 August 2015.



Ker Min Choo



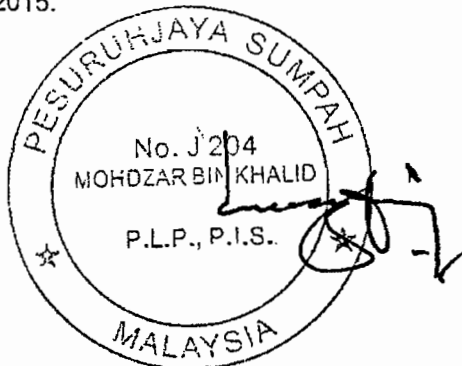
Ong Kheng Swee

STATUTORY DECLARATION

I, Ong Kheng Swee, being the director primarily responsible for the financial management of Solid Automotive Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 69 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
the abovenamed Ong Kheng Swee
at Johor Bahru in the state of Johor
on this 18 August 2015.

Before me



No. 89, Jalan Trus,
80000 Johor Bahru



Ong Kheng Swee

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 the statements of financial position as at 30 April 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flow 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 69.

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, International 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 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 Group and of the Company as of 30 April 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLID AUTOMOTIVE BERHAD (CONT'D)

(Incorporated in Malaysia)
Company No.: 1016725 – P

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 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' report of a subsidiary 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.
- (d) 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.

Other Reporting Responsibilities

The supplementary information set out in Note 38 on page 70 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

18 August 2015

Johor Bahru

A handwritten signature in black ink, appearing to read "Wong Tak Mun".

Wong Tak Mun
Approval No: 1793/09/16 (J)
Chartered Accountant

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**Certified True Copy****STATEMENTS OF FINANCIAL POSITION AT 30 APRIL 2015****Crews Horwath (AF 1018)**
Chartered Accountants
FONG KIAT KEONG
PARTNER

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	76,448,363	57,398,363
Property, plant and equipment	6	37,116,430	22,614,073	-	-
Investment properties	7	11,358,017	690,310	-	-
Defered tax assets	8	183,155	-	-	-
Other investments	9	102,610	102,600	-	-
		<u>48,760,212</u>	<u>23,406,983</u>	<u>76,448,363</u>	<u>57,398,363</u>
CURRENT ASSETS					
Inventories	10	44,633,411	41,940,796	-	-
Trade receivables	11	31,428,479	30,215,388	-	-
Other receivables, deposits and prepayments	12	2,802,549	1,576,959	3,000	92,000
Amount owing by subsidiaries	13	-	-	5,837,027	6,772,952
Tax recoverable		192,409	103,274	-	-
Fixed deposits with licensed banks	14	-	12,235,825	-	12,235,825
Cash and bank balances		9,063,788	4,551,046	8,234	29,514
		<u>88,120,636</u>	<u>90,623,288</u>	<u>5,848,261</u>	<u>19,130,291</u>
TOTAL ASSETS		<u>136,880,848</u>	<u>114,030,271</u>	<u>82,296,624</u>	<u>76,528,654</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	75,000,000	75,000,000	75,000,000	75,000,000
Reserves	16	22,258,510	15,300,973	6,968,710	1,341,037
Equity attributable to owners of the Company		97,258,510	90,300,973	81,968,710	76,341,037
Non-controlling interests		409,765	494,456	-	-
TOTAL EQUITY		<u>97,668,275</u>	<u>90,795,429</u>	<u>81,968,710</u>	<u>76,341,037</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	17	8,495,381	2,395,126	-	-
Deferred tax liabilities	8	-	35,266	-	-
		<u>8,495,381</u>	<u>2,430,392</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Trade payables	18	9,061,122	10,946,587	-	-
Other payables and accruals	19	4,618,076	3,614,607	327,914	145,742
Short-term borrowings	20	15,529,252	5,136,531	-	-
Tax payable		648,909	534,792	-	41,875
Provision for warranty	23	859,833	571,933	-	-
		<u>30,717,192</u>	<u>20,804,450</u>	<u>327,914</u>	<u>187,617</u>
TOTAL LIABILITIES		<u>39,212,573</u>	<u>23,234,842</u>	<u>327,914</u>	<u>187,617</u>
TOTAL EQUITY AND LIABILITIES		<u>136,880,848</u>	<u>114,030,271</u>	<u>82,296,624</u>	<u>76,528,654</u>

The annexed notes form an integral part of these financial statements.

Page 9

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**Certified True Copy****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****Crowe Horwath (AF 1018)
Chartered Accountants**FONG KIAT KEONG
PARTNER

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
REVENUE	24	133,398,745	118,081,184	9,087,008	2,788,408
COST OF SALES		(95,768,706)	(83,266,583)	-	-
GROSS PROFIT		37,630,039	34,814,601	9,087,008	2,788,408
OTHER INCOME		1,700,763	1,080,382	268,738	259,083
		39,330,802	35,894,983	9,355,746	3,047,491
ADMINISTRATIVE EXPENSES		(14,205,073)	(11,380,290)	(680,160)	(442,256)
SELLING AND DISTRIBUTION EXPENSES		(11,120,990)	(11,602,549)	-	-
FINANCE COSTS		(712,537)	(1,986,531)	-	(1,548,231)
PROFIT BEFORE TAX	25	13,292,202	10,925,613	8,675,586	1,057,004
INCOME TAX EXPENSE	26	(3,798,091)	(3,479,400)	(47,913)	(62,000)
PROFIT AFTER TAX		9,494,111	7,446,213	8,627,673	995,004
OTHER COMPREHENSIVE INCOME					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		411,002	562,326	-	-
		411,002	562,326	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,905,113	8,008,539	8,627,673	995,004

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**Certified True Copy****STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015 (CONT'D)****Crowe Horwath (AF 1018)
Chartered Accountants**FONG KIAT KEONG
PARTNER

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
PROFIT AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company		9,546,535	7,455,638	8,627,673	995,004
Non-controlling interests		(52,424)	(9,425)	-	-
		<u>9,494,111</u>	<u>7,446,213</u>	<u>8,627,673</u>	<u>995,004</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		9,957,537	8,017,964	8,627,673	995,004
Non-controlling interests		(52,424)	(9,425)	-	-
		<u>9,905,113</u>	<u>8,008,539</u>	<u>8,627,673</u>	<u>995,004</u>
EARNINGS PER SHARE (SEN)					
Basic	27	6.36	5.44		
Diluted		Not applicable	Not applicable		

SOLID AUTOMOTIVE BERHAD


(Incorporated in Malaysia)

Company No.: 1016725 - P

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****Certified True Copy****Crowe Horwath (AF 1018)****Chartered Accountants**FONG KIAT KEONG
PARTNER

The Group	Note	Non-Distributable				<Distributable>		Attributable To Owners Of The Company RM	Non-Controlling Interests RM	Total RM
		Share Capital RM	Share Premium RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM				
Balance at 1.5.2013		57,308,000	-	(43,360,988)	139,775	51,398,979	65,485,766	517,445	66,003,211	
Profit after tax for the financial year		-	-	-	-	7,455,638	7,455,638	(9,425)	7,446,213	
Other comprehensive income for the financial year:		-	-	-	562,326	-	562,326	-	562,326	
- Foreign currency translation differences		-	-	-	562,326	-	562,326	(9,425)	8,008,539	
Contributions by and distributions to owners of the Company:-										
- Issuance of shares pursuant to public issue	15 & 16	17,692,000	2,123,040	-	-	-	19,815,040	-	19,815,040	
- Dividends:										
- by the Company	28	-	-	-	-	(900,000)	(900,000)	-	(900,000)	
- by a subsidiary to non-controlling interests		-	-	-	-	-	-	(13,564)	(13,564)	
- by subsidiaries to previous owners		-	-	-	-	(1,301,754)	(1,301,754)	-	(1,301,754)	
Total transactions with owners		17,692,000	2,123,040	-	-	(2,201,754)	17,613,286	(13,564)	17,599,722	
Listing expenses	16.1	-	(816,043)	-	-	-	(816,043)	-	(816,043)	
Balance at 30.4.2014/1.5.2014		75,000,000	1,306,997	(43,360,988)	702,101	56,652,863	90,300,973	494,456	90,795,429	

The annexed notes form an integral part of these financial statements.

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 - P**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015 (CONT'D)****Certified True Copy**


Crowe Horwath (AF 1018)
Chartered Accountants
FONG KIAT KEONG
PARTNER

The Group	Note	<----- Non-Distributable ----->				<Distributable>		Attributable To Owners Of The Company RM	Non-Controlling Interests RM	Total RM
		Share Capital RM	Share Premium RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM				
Balance at 30.4.2014/1.5.2014		75,000,000	1,306,997	(43,360,988)	702,101	56,652,863	90,300,973	494,456	90,795,429	
Profit after tax for the financial year		-	-	-	-	9,546,535	9,546,535	(52,424)	9,494,111	
Other comprehensive income for the financial year:										
- Foreign currency translation differences		-	-	-	411,002	-	411,002	-	411,002	
Contributions by and distributions to owners of the Company:-										
- Dividends:	28									
- by the Company		-	-	-	-	(3,000,000)	(3,000,000)	-	(3,000,000)	
- by a subsidiary to non-controlling interests		-	-	-	-	-	-	(32,267)	(32,267)	
Total transactions with owners		-	-	-	-	(3,000,000)	(3,000,000)	(32,267)	(3,032,267)	
Balance at 30.4.2015		<u>75,000,000</u>	<u>1,306,997</u>	<u>(43,360,988)</u>	<u>1,113,103</u>	<u>63,199,398</u>	<u>97,258,510</u>	<u>409,765</u>	<u>97,668,275</u>	

The annexed notes form an integral part of these financial statements.

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**Certified True Copy****STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015 (CONT'D)****Crowe Horwath (AF 1018)
Chartered Accountants****FONG KIAT KEONG
PARTNER**

The Company	Note	Share Capital RM	Share Premium RM	(Accumulated Loss)/Retained Profit RM	Total RM
Balance at 1.5.2013		1	-	(60,964)	(60,963)
Profit after tax/Total comprehensive income for the financial year		-	-	995,004	995,004
Contributions by and distribution to owners of the Company:					
- Issuance of new shares pursuant to:	15 & 16				
- acquisition of subsidiaries		57,307,999	-	-	57,307,999
- public issue		17,692,000	2,123,040	-	19,815,040
- Dividend	28	-	-	(900,000)	(900,000)
Total transactions with owners		74,999,999	2,123,040	(900,000)	76,223,039
Listing expenses	16.1	-	(816,043)	-	(816,043)
Balance at 30.4.2014/1.5.2014		75,000,000	1,306,997	34,040	76,341,037
Profit after tax/Total comprehensive income for the financial year		-	-	8,627,673	8,627,673
Distribution to owners of the Company:					
- Dividend	28	-	-	(3,000,000)	(3,000,000)
Balance at 30.4.2015		75,000,000	1,306,997	5,661,713	81,968,710

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)

Company No.: 1016725 – P

STATEMENTS OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****Certified True Copy****Crowe Horwath (AF 1018)****Chartered Accountants****FONG KIAT KEONG
PARTNER**

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		13,292,202	10,925,613	8,675,586	1,057,004
Adjustments for:-					
Allowance for impairment losses on trade receivables		579,785	90,116	-	-
Bad debts written off		-	1,105	-	-
Depreciation of investment properties		103,196	17,461	-	-
Depreciation of property, plant and equipment		2,039,064	1,582,074	-	-
Dividend income		-	-	(9,087,008)	(2,788,408)
Gain on disposal of property, plant and equipment		(42,166)	(71,654)	-	-
Interest expense		646,879	379,650	-	-
Interest income		(358,592)	(379,191)	(268,738)	(259,083)
Listing expenses	16.1	-	1,548,231	-	1,548,231
(Gain)/Loss on foreign exchange - unrealised		(29,178)	11,952	-	-
Property, plant and equipment written off		104	10,584	-	-
Provision for warranty		1,113,900	730,081	-	-
Rental income		-	(29,129)	-	-
Reversal of impairment losses on trade receivables		(132,308)	(311,152)	-	-
Utilisation of warranty		(826,000)	(158,148)	-	-
Operating profit/(loss) before working capital changes		16,386,886	14,347,593	(680,160)	(442,256)
Increase in inventories		(2,692,615)	(7,450,853)	-	-
(Increase)/Decrease in trade and other receivables		(1,419,763)	(4,841,969)	89,000	(92,000)
(Decrease)/Increase in trade and other payables		(1,896,750)	2,460,285	182,172	84,778
CASH FROM/(FOR) OPERATIONS		10,377,758	4,515,056	(408,988)	(449,478)
Income tax paid		(4,002,671)	(3,416,078)	(90,176)	(20,125)
Income tax refund		8,390	303,098	388	-
Interest paid		(646,879)	(379,650)	-	-
Interest received		98,450	120,108	8,596	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		5,835,048	1,142,534	(490,180)	(469,603)

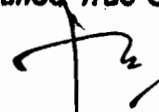
SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**Certified True Copy****STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015 (CONT'D)****Crowe Horwath (AF 1018)
Chartered Accountants**FONG KIAT KEONG
PARTNER

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of a subsidiary	30	(19,023,925)	-	(19,050,000)	(250,303)
Repayment from/(Advances to) subsidiaries		-	-	6,941,814	(6,772,952)
Dividend received		-	-	3,081,119	2,788,408
Fixed deposit interest income received		260,142	259,083	260,142	259,083
Purchase of property, plant and equipment	29	(8,243,414)	(4,683,399)	-	-
Proceeds from disposal of property, plant and equipment		51,500	82,875	-	-
Rental received		-	29,129	-	-
Repayment from a subsidiary for the acquisition of a sub- subsidiary		-	-	-	159,939
NET CASH FOR INVESTING ACTIVITIES		(26,955,697)	(4,312,312)	(8,766,925)	(3,815,825)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(3,018,908)	(2,215,318)	(3,000,000)	(900,000)
Payment of listing expenses		-	(1,285,545)	-	(1,285,545)
Proceeds from issuance of shares	15 & 16	-	19,815,040	-	19,815,040
Repayment of foreign currency loan		-	(5,721,094)	-	-
Net drawdown of term loans		8,699,821	2,353,365	-	-
Net drawdown of bankers' acceptance		8,049,000	946,000	-	-
Repayment to previous owners		-	(907,277)	-	-
Repayment of hire purchase obligations		(377,845)	(498,773)	-	-
Reimbursement of listing expenses paid on behalf by a subsidiary		-	-	-	(1,078,729)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		13,352,068	12,486,398	(3,000,000)	16,550,766

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)

Company No.: 1016725 – P

Certified True Copy

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015 (CONT'D)**
**Crowe Horwath (AF 1018)
Chartered Accountants**
**FONG KIAT KEONG
PARTNER**

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,768,581)	9,316,620	(12,257,105)	12,265,338
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		45,498	81,449	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		16,786,871	7,388,802	12,265,339	1
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	<u>9,063,788</u>	<u>16,786,871</u>	<u>8,234</u>	<u>12,265,339</u>

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Suite 7E, Level 7, Menara Ansar 65, Jalan Trus 80000 Johor Bahru
Principal place of business	:	No. 5, Jalan Dataran 5 Taman Kempas 81200 Johor Bahru

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 August 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

- 3.1 During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (including the Consequential Amendments)

MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)

Company No.: 1016725 – P

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****3. BASIS OF PREPARATION (CONT'D)**

- 3.2 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 Malaysian Accounting Standards Board ("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 (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above mentioned accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the Group's financial statements upon their initial application.

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)

Company No.: 1016725 – P

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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:-

(a) Depreciation for 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 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.

(b) 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 year in which such determination is made.

(c) 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.

(d) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving 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.

SOLID AUTOMOTIVE BERHAD

(Incorporated in Malaysia)
Company No.: 1016725 – P

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) 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 administration 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.

(f) 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 concentrations, customer creditworthiness and changes in 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.

(g) 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.

(h) Provision for warranty

Judgement has been applied in determining the provision for warranty for products sold under warranty terms of one year from the date of sale. The provision is computed based on the return percentage on products sold with defects which cannot be claimed from suppliers. Based on the past experience, it is probable that certain claims will be made within the given warranty period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 transaction, 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.

(a) Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or business 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 come under the control of the controlling party or parties.

However, in the future, 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 fair value of the acquiree's identifiable net assets at the date of the acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Under merger accounting, the Group recognises 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 period 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(b) 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. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if the results in the non-controlling interests having a deficit balance.

At the end of the 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.

(c) Changes in Ownership Interests In Subsidiaries Without Change of Control

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 of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which 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.

Amount previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). 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 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(b) 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.

(c) 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. Revenue 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.

4.4 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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(i) 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.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) 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.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) 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 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets (Cont'd)

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

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured 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.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.5 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. The cost of the investments includes transaction costs.

On the disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes 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 the lease period of 50 to 99 years
Buildings	2% to 14%
Fixture, furniture and equipment	10% to 25%
Motor vehicles	20%
Plant and machinery	10% to 15%

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 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 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 accumulated depreciation and impairment losses, if any. Building portion of investment properties are depreciated on the straight-line method over its estimated useful life whereas 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 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.

Transfers made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.8 IMPAIRMENT

(a) 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 financial asset 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 IMPAIRMENT (CONT'D)

(b) 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 immediately.

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 amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.9 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.6 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.

4.10 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 of completion and costs necessary to make the sale.

4.11 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 reporting period 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INCOME TAXES (CONT'D)

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 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.

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.

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

4.13 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimate expenditure required to settle the obligation. The unwinding of the discount is recognised as an interest expense in profit or loss.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) 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.

4.15 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 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 Company. 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.

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.

4.17 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.18 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualified asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015**
4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.19 REVENUE AND OTHER INCOME****(a) Sale of Goods**

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Interest Income

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

(c) Dividend Income

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

(d) Rental Income

Rental income is recognised on an accrual basis.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2015	2014
	RM	RM
Unquoted shares, at cost		
- in Malaysia	66,936,863	47,886,863
- outside Malaysia	9,511,500	9,511,500
	76,448,363	57,398,363

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**NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name Of Subsidiary	Country Of Incorporation	Effective Equity Interest		Principal Activities
		2015 %	2014 %	
Solid Corporation Sdn. Bhd. ("Solid Corportaiion")	Malaysia	99.56	99.56	Trading and distribution of automotive electrical parts and components
Twincos Far East Sdn. Bhd.	Malaysia	100.00	100.00	Trading and distribution of automotive engine and mechanical parts and components
CMKS (Malaysia) Sdn. Bhd.	Malaysia	100.00	-	Investment and property holding
Auto Empire Impex Pte. Ltd.*	Singapore	100.00	100.00	Trading and distribution of automotive engine and mechanical parts and components
Subsidiaries of Solid Corporation				
JBS Auto-Tech Sdn. Bhd. ("JBS")	Malaysia	80.00	80.00	Remanufacture and assembly of automotive alternators and starters.
Uni Point Marketing (M) Sdn. Bhd.	Malaysia	100.00	100.00	Trading and distribution of automotive electrical parts and components
HKT Auto Electrical Parts Sdn. Bhd.	Malaysia	100.00	100.00	Dormant

Note:-

* - This subsidiary is audited by other firm of chartered accountants.

- (a) During the financial year, the Company acquired 100% equity interest in CMKS (Malaysia) Sdn. Bhd. for a cash consideration of RM19,050,000. The effects of the acquisition of the above subsidiary on the financial results and positions of the Group are reported in Note 30 to the financial statements.
- (b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2015 %	2014 %	2015 RM	2014 RM
Solid Corporation	0.44	0.44	235,214	233,034
JBS	20.00	20.00	174,551	261,422
			<u>409,765</u>	<u>494,456</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****6. PROPERTY, PLANT AND EQUIPMENT**

The Group	At 1.5.2014 RM	Additions RM	Acquisition of a subsidiary RM	Disposals RM	Written off RM	Translation differences RM	Depreciation charges RM	At 30.4.2015 RM
<i>Net Book Value</i>								
Freehold land	6,006,328	-	-	-	-	-	-	6,006,328
Leasehold land	5,116,848	5,666,719	3,767,706	-	-	-	(154,344)	14,396,929
Buildings	6,986,122	1,751,424	4,404,540	-	-	-	(522,308)	12,619,778
Fixtures, furniture and equipment	1,969,907	214,421	-	-	(104)	5,898	(466,003)	1,724,119
Motor vehicles	2,079,585	694,450	11	(9,334)	-	7,100	(832,167)	1,939,645
Plant and machinery	455,283	38,400	190	-	-	-	(64,242)	429,631
	22,614,073	8,365,414	8,172,447	(9,334)	(104)	12,998	(2,039,064)	37,116,430

The Group	At 1.5.2013 RM	Additions RM	Transfer to investment properties RM	Disposals RM	Written off RM	Translation differences RM	Depreciation charges RM	At 30.4.2014 RM
<i>Net Book Value</i>								
Freehold land	6,593,693	-	(587,365)	-	-	-	-	6,006,328
Leasehold land	2,321,104	2,916,672	-	-	-	-	(120,928)	5,116,848
Buildings	6,296,836	1,000,000	(120,406)	-	-	-	(190,308)	6,986,122
Fixtures, furniture and equipment	1,964,975	506,781	-	(11,221)	(10,584)	2,916	(482,960)	1,969,907
Motor vehicles	1,962,437	837,487	-	-	-	16,655	(736,994)	2,079,585
Plant and machinery	247,374	258,793	-	-	-	-	(50,884)	455,283
	19,386,419	5,519,733	(707,771)	(11,221)	(10,584)	19,571	(1,582,074)	22,614,073

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group	At cost RM	Accumulated impairment RM	Accumulated depreciation RM	Net book value RM
At 30.4.2015				
Freehold land	6,006,328	-	-	6,006,328
Leasehold land	15,453,979	-	(1,057,050)	14,396,929
Buildings	48,859,531	(19,077,919)	(17,161,834)	12,619,778
Fixtures, furniture and equipment	17,268,673	(1,105,232)	(14,439,322)	1,724,119
Motor vehicles	8,602,855	(77,558)	(6,585,652)	1,939,645
Plant and machinery	178,573,322	(4,325,847)	(173,817,844)	429,631
	<u>274,764,688</u>	<u>(24,586,556)</u>	<u>(213,061,702)</u>	<u>37,116,430</u>

	At cost RM	Accumulated depreciation RM	Net book value RM
At 30.4.2014			
Freehold land	6,006,328	-	6,006,328
Leasehold land	5,539,358	(422,510)	5,116,848
Buildings	7,701,269	(715,147)	6,986,122
Fixtures, furniture and equipment	5,453,814	(3,483,907)	1,969,907
Motor vehicles	6,063,904	(3,984,319)	2,079,585
Plant and machinery	935,331	(480,048)	455,283
	<u>31,700,004</u>	<u>(9,085,931)</u>	<u>22,614,073</u>

- (a) Included in the net book value of the property, plant and equipment of the Group are the following assets acquired under hire purchase terms:-

	The Group	
	2015 RM	2014 RM
Motor vehicles	<u>812,815</u>	<u>773,958</u>

- (b) The following assets have been pledged to financial institutions as security for banking facilities granted to the Group:-

	The Group	
	2015 RM	2014 RM
Freehold land	3,897,042	3,897,042
Leasehold land	9,452,949	3,882,177
Buildings	5,646,776	4,293,448
	<u>18,996,767</u>	<u>12,072,667</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****7. INVESTMENT PROPERTIES**

The Group	At 1.5.2014	Acquisition of a subsidiary	Depreciation charges	At 30.4.2015
<i>Net Book Value</i>	RM	RM	RM	RM
Freehold land	587,365	-	-	587,365
Leasehold land	-	5,012,294	(2,125)	5,010,169
Buildings	102,945	5,758,609	(101,071)	5,760,483
	<u>690,310</u>	<u>10,770,903</u>	<u>(103,196)</u>	<u>11,358,017</u>

The Group	At 1.5.2013	Transfer from Property, plant and equipment	Depreciation charges	At 30.4.2014
<i>Net Book Value</i>	RM	RM	RM	RM
Freehold land	-	587,365	-	587,365
Buildings	-	120,406	(17,461)	102,945
	<u>-</u>	<u>707,771</u>	<u>(17,461)</u>	<u>690,310</u>

The Group	At cost	Accumulated impairment	Accumulated depreciation	Net book value
At 30.4.2015	RM	RM	RM	RM
Freehold land	587,365	-	-	587,365
Leasehold land	5,977,718	-	(967,549)	5,010,169
Buildings	48,543,643	(22,949,434)	(19,833,726)	5,760,483
	<u>55,108,726</u>	<u>(22,949,434)</u>	<u>(20,801,275)</u>	<u>11,358,017</u>

At 30.4.2014

Freehold land	587,365	-	-	587,365
Buildings	293,353	-	(190,408)	102,945
	<u>880,718</u>	<u>-</u>	<u>(190,408)</u>	<u>690,310</u>

The fair value of the investment properties as at the end of the reporting period is approximately RM12,332,100. This estimated fair value is based on valuations performed by accredited independent valuers in 2013 and 2014 using the comparison method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****8. DEFERRED TAX ASSETS/(LIABILITIES)**

	The Group	
	2015	2014
	RM	RM
At 1 May 2014/2013	(35,266)	(14,739)
Recognised in profit or loss (Note 26)	218,421	(20,527)
At 30 April 2015/2014	<u>183,155</u>	<u>(35,266)</u>

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

	The Group	
	2015	2014
	RM	RM
Deferred tax liabilities:-		
- Accelerated capital allowances	(176,600)	(371,200)
- Unrealised foreign exchange gain	(106,500)	-
	<u>(283,100)</u>	<u>(371,200)</u>
Deferred tax assets:-		
- Unabsorbed capital allowances	4,800	-
- Impairment losses on trade receivables	133,600	24,800
- Inventories written down	166,600	67,800
- Unrealised foreign exchange loss	-	2,800
- Provision for warranty	88,100	140,300
- Others	73,155	100,234
	<u>466,255</u>	<u>335,934</u>
Net deferred tax assets/(liabilities)	<u>183,155</u>	<u>(35,266)</u>

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

	The Group	
	2015	2014
	RM	RM
Unabsorbed capital allowances	23,400	30,000
Unutilised tax losses	16,900	312,000
Impairment losses on trade receivables	14,700	-
Provision for warranty	118,200	-
	<u>173,200</u>	<u>342,000</u>

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****9. OTHER INVESTMENTS**

	The Group	
	2015 RM	2014 RM
Transferable golf club memberships, at cost	102,610	102,600

10. INVENTORIES

	The Group	
	2015 RM	2014 RM
At cost:-		
Raw materials	2,142,585	2,219,770
Work-in-progress	965,758	771,798
Finished goods	3,302,090	3,227,723
Goods-in-transit	2,477,965	4,653,130
Trading goods	33,863,667	29,459,130
	42,752,065	40,331,551
At net realisable value:-		
Raw materials	775,150	626,158
Finished goods	395,901	-
Trading goods	710,295	983,087
	44,633,411	41,940,796

The amount of inventories recognised as an expense in cost of sales was RM92,172,443 (2014: RM79,557,327).

11. TRADE RECEIVABLES

	The Group	
	2015 RM	2014 RM
Trade receivables	32,708,889	31,048,183
Less: Allowance for impairment losses	(1,280,410)	(832,795)
	31,428,479	30,215,388
Allowance for impairment losses:-		
At 1 May 2014/2013	832,795	1,147,693
Addition during the financial year	579,785	90,116
Reversal during the financial year	(132,308)	(311,152)
Written off during the financial year	-	(98,809)
Foreign exchange translation differences	138	4,947
At 30 April 2015/2014	1,280,410	832,795

The Group's normal trade credit terms range from 30 to 90 days.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	681,616	316,351	-	90,000
Deposits	1,749,014	464,336	3,000	2,000
Prepayments	371,919	796,272	-	-
	<u>2,802,549</u>	<u>1,576,959</u>	<u>3,000</u>	<u>92,000</u>

13. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2015 RM	2014 RM
Non-trade balances	<u>5,837,027</u>	<u>6,772,952</u>

The above represents unsecured interest-free advances and dividends receivable. The amounts owing are repayable on demand.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Company at the end of the previous financial year bore effective interest rates of 3.50% per annum. The fixed deposits had maturity periods of 3 months.

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SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
Company No.: 1016725 – P**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****15. SHARE CAPITAL**

	2015		The Company	
	2015	2014	2015	2014
	Number of shares		RM	RM
Authorised				
Ordinary shares of RM0.50 each	<u>200,000,000</u>	<u>200,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Issued And Fully Paid-Up				
<i>Ordinary shares of RM0.50 each</i>				
At 1 May 2014/2013	150,000,000	2	75,000,000	1
Issuance of shares pursuant to initial public offering:-				
- acquisition of subsidiaries*	-	114,615,998	-	57,307,999
- public issue	-	35,384,000	-	17,692,000
At 30 April 2015/2014	<u>150,000,000</u>	<u>150,000,000</u>	<u>75,000,000</u>	<u>75,000,000</u>

Note:-

* - In the previous financial year, the share capital of RM57,307,999 was presented based on the share capital in issue pursuant to the acquisitions of subsidiaries, which were consolidated using the merger method of accounting.

In the previous financial year, the Company increased its issued and paid-up share capital from RM1 to RM75,000,000 as part of its listing scheme on the Main Market of Bursa Malaysia Securities Berhad. The issued and paid-up share capital was increased in the following manner:-

- Acquisitions of subsidiaries by issuance of 114,615,998 new ordinary shares of RM0.50 each; and
- Public issue of 35,384,000 new ordinary shares of RM0.50 each at an issue price of RM0.56 per share.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****16. RESERVES**

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable reserves:-				
- Share premium	1,306,997	1,306,997	1,306,997	1,306,997
- Merger deficit	(43,360,988)	(43,360,988)	-	-
- Foreign exchange translation reserve	1,113,103	702,101	-	-
	<u>(40,940,888)</u>	<u>(41,351,890)</u>	<u>1,306,997</u>	<u>1,306,997</u>
Distributable reserve:-				
- Retained profits	63,199,398	56,652,863	5,661,713	34,040
	<u>22,258,510</u>	<u>15,300,973</u>	<u>6,968,710</u>	<u>1,341,037</u>

16.1 SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	The Group and The Company	
	2015 RM	2014 RM
At 1 May 2014/2013	1,306,997	-
Premium from public issue	-	2,123,040
Listing expenses	-	(816,043)
At 30 April 2015/2014	<u>1,306,997</u>	<u>1,306,997</u>

Share premium comprises the premium paid on subscription of shares in the Company and above the par value of the shares net of listing expenses. In the previous financial year, the total listing expenses for the Initial Public Offering exercise amounted to RM2,364,274 out of which RM816,043 were written off against share premium. The balance of the listing expenses of RM1,548,231 were recognised in the profit or loss as disclosed in Note 25 to the financial statements.

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.

16.2 MERGER DEFICIT

The merger deficit represents the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

16.3 FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****16. RESERVES (CONT'D)**

16.4 RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

17. LONG-TERM BORROWINGS

	The Group	
	2015 RM	2014 RM
Hire purchase payables (Note 21)	117,131	319,664
Term loans (Note 22)	8,378,250	2,075,462
	<u>8,495,381</u>	<u>2,395,126</u>

18. TRADE PAYABLES

The normal trade credit term granted to the Group is 30 to 90 days. Included in trade payables of the Group is an amount of RM40,247 (2014: RM Nil) represents amount owing to a company in which certain directors have substantial financial interests.

19. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	2,916,329	2,350,328	6,414	4,742
Accruals	1,467,927	1,097,588	321,500	141,000
Dividend payable	21,580	-	-	-
Payroll liabilities	212,240	166,691	-	-
	<u>4,618,076</u>	<u>3,614,607</u>	<u>327,914</u>	<u>145,742</u>

Included in other payables of the Group is an amount of RM7,924 (2014: RM12,083) represents amount owing to a company in which certain directors have substantial financial interests.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****20. SHORT-TERM BORROWINGS**

	The Group	
	2015	2014
	RM	RM
Bankers' acceptance	12,121,000	4,072,000
Hire purchase payables (Note 21)	305,648	358,960
Term loans (Note 22)	3,102,604	705,571
	<u>15,529,252</u>	<u>5,136,531</u>

(a) The bankers' acceptance is drawn for a period ranging from 79 to 149 days.

(b) Bankers' acceptance, foreign currency loan and term loans are secured by way of:-

- (i) legal charges over the landed properties of the Group as disclosed in Note 6 to the financial statements;
- (ii) corporate guarantee by the company; and
- (iii) joint and several guarantee by certain directors of the Group.

21. HIRE PURCHASE PAYABLES

	The Group	
	2015	2014
	RM	RM
Minimum hire purchase payments:		
- not later than one year	326,932	385,155
- later than one year and not later than five years	121,513	337,071
	<u>448,445</u>	<u>722,226</u>
Less: Future finance charges	(25,666)	(43,602)
Present value of hire purchase payables	<u>422,779</u>	<u>678,624</u>
<u>Current (Note 20)</u>		
Not later than one year	305,648	358,960
<u>Non-Current (Note 17)</u>		
Later than one year and not later than five years	117,131	319,664
	<u>422,779</u>	<u>678,624</u>

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****22. TERM LOANS**

	The Group	
	2015 RM	2014 RM
<u>Current (Note 20)</u>		
Not later than one year	3,102,604	705,571
<u>Non-Current (Note 17)</u>		
Later than one year and not later than two years	3,122,621	589,649
Later than two years and not later than five years	5,255,629	1,485,813
	8,378,250	2,075,462
	11,480,854	2,781,033

The term loans are secured in the same manner as the short term borrowings as disclosed in Note 20 to the financial statements.

23. PROVISION FOR WARRANTY

	The Group	
	2015 RM	2014 RM
At 1 May 2014/2013	571,933	-
Addition during the financial year	1,113,900	730,081
Utilisation during the financial year	(826,000)	(158,148)
At 30 April 2015/2014	859,833	571,933

24. REVENUE

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sales of goods	133,281,295	118,081,184	-	-
Rental income	117,450	-	-	-
Dividend income	-	-	9,087,008	2,788,408
	133,398,745	118,081,184	9,087,008	2,788,408

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****25. PROFIT BEFORE TAX**

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax is arrived after charging:-				
Allowance for impairment losses on trade receivables	579,785	90,116	-	-
Audit fee				
- current financial year	134,014	124,811	20,000	20,000
- underprovision in the previous financial year	-	11,200	-	1,200
Bad debts written off	-	1,105	-	-
Depreciation of investment properties	103,196	17,461	-	-
Depreciation of property, plant and equipment	2,039,064	1,582,074	-	-
Directors' fee	368,516	152,768	300,000	120,000
Directors' non-fee emoluments	3,823,985	2,200,808	-	-
Interest expense	646,879	379,650	-	-
Listing expenses	-	1,548,231	-	1,548,231
Loss on foreign exchange:				
- realised	19,182	530,559	-	-
- unrealised	-	11,952	-	-
Property, plant and equipment written off	104	10,584	-	-
Provision for warranty	1,113,900	730,081	-	-
Rental expenses:				
- equipment	19,131	16,575	-	-
- premises	768,977	806,006	-	-
Staff costs:				
- defined contribution plan	1,000,709	1,108,387	-	-
- salaries and other benefits	10,334,704	11,003,559	-	-
and after crediting:-				
Bad debts recovered	-	3,577	-	-
Dividend income	-	-	5,513,755	2,788,408
Gain on disposal of property, plant and equipment	42,166	71,654	-	-
Gain on foreign exchange:				
- realised	589,056	-	-	-
- unrealised	29,178	-	-	-
Interest income	358,592	379,191	268,738	259,083
Rental income	117,450	29,129	-	-
Reversal of impairment losses on trade receivables	132,308	311,152	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****26. INCOME TAX EXPENSE**

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Income tax:				
- Malaysian tax	3,804,301	3,490,512	48,301	62,000
- foreign tax	62,458	62,698	-	-
- under/(over)provision in the previous financial year	149,753	(94,337)	(388)	-
	<u>4,016,512</u>	<u>3,458,873</u>	<u>47,913</u>	<u>62,000</u>
Deferred taxation (Note 8):				
- relating to origination or reversal of temporary differences	(215,321)	(194,473)	-	-
- effect of proposed change in corporate income tax rate from 25% to 24% on deferred tax	-	(8,900)	-	-
- (over)/underprovision in the previous financial year	(3,100)	223,900	-	-
	<u>(218,421)</u>	<u>20,527</u>	<u>-</u>	<u>-</u>
	<u>3,798,091</u>	<u>3,479,400</u>	<u>47,913</u>	<u>62,000</u>

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SOLID AUTOMOTIVE BERHAD(Incorporated in Malaysia)
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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****26. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	13,292,202	10,925,613	8,675,586	1,057,004
Tax at the statutory tax rate of 25% (2014: 25%)	3,323,051	2,731,404	2,168,897	264,251
Tax effects of:-				
Non-taxable income	(2,091)	(23,848)	(2,271,752)	(697,102)
Non-deductible expenses	472,235	773,812	151,156	494,851
Deferred tax assets not recognised during the financial year	65,647	37,994	-	-
Effects of differential in tax rates of a subsidiary	(159,839)	(160,625)	-	-
Effect of proposed change in corporate income tax rate from 25% to 24% on deferred tax	22,644	(8,900)	-	-
Utilisation of deferred tax asset previously not recognised	(70,209)	-	-	-
Under/(Over)provision of income tax in the previous financial year	149,753	(94,337)	(388)	-
(Over)/Underprovision of deferred taxation in the previous financial year	(3,100)	223,900	-	-
Income tax expense for the financial year	3,798,091	3,479,400	47,913	62,000

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective from year of assessment 2016.

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	The Group	
	2015	2014
Profit attributable to owners of the Company (RM)	9,546,535	7,455,638
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 May 2014 / 2013	150,000,000	114,616,000
Effect of public issue	-	22,393,710
Weighted average number of ordinary shares at 30 April 2015/2014	<u>150,000,000</u>	<u>137,009,710</u>
Basic earnings per share (Sen)	<u>6.36</u>	<u>5.44</u>

The diluted earnings per share were not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

28. DIVIDEND

	The Company	
	2015	2014
	RM	RM
Final single tier tax-exempt dividend of 2.0 per ordinary share in respect of the previous financial year	3,000,000	-
Interim single tier tax-exempt dividend of 0.6 sen per ordinary share in respect of the previous financial year	-	900,000
	<u>3,000,000</u>	<u>900,000</u>

Subsequent to the financial year ended, an interim single tier tax-exempt dividend of 1.0 sen per ordinary share amounting to RM1,500,000 in respect of the current financial year has been paid on 17 June 2015.

At the forthcoming Annual General Meeting, a final single tier tax-exempt dividend of 2.0 sen per ordinary share amounting to RM3,300,000 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the financial year ending 30 April 2016.

29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2015	2014
	RM	RM
Cost of property, plant and equipment purchased	8,365,414	5,519,733
Deposits paid in the previous financial year	-	(521,334)
Amount financed through hire purchase	(122,000)	(315,000)
Cash disbursed for purchase of property, plant and equipment	<u>8,243,414</u>	<u>4,683,399</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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During the financial year, the Group acquired 100% equity interest in CMKS (Malaysia) Sdn. Bhd.

The fair values of the identifiable assets and liabilities of CMKS (Malaysia) Sdn. Bhd. at the date of acquisition were:-

	At Date of Acquisition	
	Carrying Amount RM	Fair Value Recognised RM
Properties	12,232,000	20,154,000
Motor vehicles	11	11
Plant and machinery	190	190
Other investment	10	10
Other receivables and deposits	969,162	969,162
Cash and bank balances	26,075	26,075
Other payables and accruals	(888,597)	(888,597)
Net identifiable assets and liabilities	<u>12,338,851</u>	<u>20,260,851</u>
Less: Fair value adjustment on properties		(1,210,851)
Total purchase consideration		<u>19,050,000</u>
Less: Cash and bank balances of a subsidiary acquired		(26,075)
Net cash outflow for acquisition of a subsidiary		<u>19,023,925</u>

The acquired subsidiary has contributed the following results to the Group:-

	2015 RM
Revenue	21,450
Loss after tax	<u>(149,121)</u>

31. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed deposits with licensed banks	-	12,235,825	-	12,235,825
Cash and bank balances	9,063,788	4,551,046	8,234	29,514
	<u>9,063,788</u>	<u>16,786,871</u>	<u>8,234</u>	<u>12,265,339</u>

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- (a) The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company				
Executive directors:				
- fee	180,000	-	180,000	-
- non-fee emoluments	1,637,450	1,612,420	-	-
Non-Executive directors				
- fee	120,000	120,000	120,000	120,000
	<u>1,937,450</u>	<u>1,732,420</u>	<u>300,000</u>	<u>120,000</u>
Directors of the Subsidiaries				
Executive directors:				
- fee	68,516	32,768	-	-
- non-fee emoluments	2,186,535	588,388	-	-
	<u>2,255,051</u>	<u>621,156</u>	<u>-</u>	<u>-</u>
	<u>4,192,501</u>	<u>2,353,576</u>	<u>300,000</u>	<u>120,000</u>

The estimated monetary value of benefits-in-kind provided by the Group to its executive directors is RM66,222.

- (b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group	
	2015	2014
	Number Of Directors	
Executive directors:-		
RM250,001 – RM300,000	-	1
RM300,001 – RM350,000	-	1
RM350,001 – RM400,000	1	-
RM400,001 – RM450,000	1	-
RM450,001 – RM500,000	1	-
RM500,001 – RM550,000	1	2
Non-Executive directors:-		
Below RM50,000	3	3
	<u>7</u>	<u>7</u>

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33. SIGNIFICANT RELATED PARTIES DISCLOSURES

- (a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group 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) Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group	
	2015	2014
	RM	RM
<i>A company in which certain directors have substantial financial interests</i>		
Sales	3,932	26,411
Transport charges paid/payable	849,230	622,438
<i>Directors and a family member</i>		
Rental expenses	<u>387,237</u>	<u>379,976</u>

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director and Chief Financial Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

- (a) Automotive electrical parts involved in the trading and distribution of automotive electrical parts and components;
- (b) Automotive engine and mechanical parts and involved in the trading and distribution of automotive engine and mechanical parts and components; and
- (c) Others involved in the remanufacturing of automotive alternators and starters, investment and property holding and provision of management services.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related items, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer between operating segments are at arm's length basis in a manner similar to transactions with third parties.

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BUSINESS SEGMENTS

2015	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Revenue</u>				
External revenue	102,992,862	28,434,173	1,854,260	133,281,295
Inter-segment revenue	1,096,769	37,235	8,046,279	9,180,283
Rental income	96,000	-	21,450	117,450
Dividend income	-	-	9,087,008	9,087,008
Total revenue	104,185,631	28,471,408	15,436,184	151,666,036
Consolidation adjustments and eliminations				(18,267,291)
Consolidated revenue				133,398,745
<u>Results</u>				
Results before following adjustments	13,289,928	3,018,652	9,203,749	25,512,329
Consolidation adjustments and eliminations	5,288,184	1,524,282	(14,800,207)	(7,987,741)
Interest expense	(505,700)	(57,077)	(84,102)	(646,879)
Income tax expense	(3,146,376)	(593,728)	(57,987)	(3,798,091)
	14,926,036	3,892,129	(5,738,547)	13,079,618
Other material items of income (Note a)	614,199	265,777	271,324	1,151,300
Depreciation of property, plant and equipment	(1,596,951)	(245,958)	(196,155)	(2,039,064)
Depreciation of investment properties	(41,907)	-	(61,289)	(103,196)
Other material items of expenses (Note b)	(456,963)	(61,828)	(80,280)	(599,071)
Other non-cash expenses (Note c)	(650,600)	-	(463,300)	(1,113,900)
Segment results	12,793,814	3,850,120	(6,268,247)	10,375,687
Unallocated expenses				(881,576)
Consolidated profit after tax				9,494,111

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BUSINESS SEGMENTS (CONT'D)

2015	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Assets</u>				
Segment assets	89,982,195	28,308,306	102,021,226	220,311,727
Eliminations				(83,807,007)
				136,504,720
Unallocated assets				375,765
Consolidated total assets				136,880,485
<u>Liabilities</u>				
Segment liabilities	16,084,362	7,197,913	5,653,314	28,935,589
Eliminations				(11,883,221)
				17,052,368
Unallocated liabilities				22,159,842
Consolidated total liabilities				39,212,210
<u>Other Segment Items</u>				
Additions to non-current assets other than financial instruments :-				
- Investment property	-	-	10,770,903	10,770,903
- Property, plant and equipment	7,876,693	430,826	8,230,342	16,537,861
	7,876,693	430,826	19,001,245	27,308,764

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BUSINESS SEGMENTS (CONT'D)

2014	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Revenue</u>				
External revenue	90,827,452	26,278,316	975,416	118,081,184
Inter-segment revenue	508,854	430,712	7,446,482	8,386,048
Dividend income	-	-	2,788,408	2,788,408
Total revenue	<u>91,336,306</u>	<u>26,709,028</u>	<u>11,210,306</u>	<u>129,255,640</u>
Consolidation adjustments and eliminations				(11,174,456)
Consolidated revenue				<u>118,081,184</u>
<u>Results</u>				
Results before following adjustments	11,499,944	2,955,614	3,193,390	17,648,948
Consolidation adjustments and eliminations	7,411,638	(13,412)	(9,573,300)	(2,175,074)
Interest expense	(250,029)	(60,353)	(69,268)	(379,650)
Income tax expense	(2,960,387)	(503,260)	(15,753)	(3,479,400)
	<u>15,701,166</u>	<u>2,378,589</u>	<u>(6,464,931)</u>	<u>11,614,824</u>
Other material items of income (Note a)	324,020	206,113	264,570	794,703
Depreciation of property, plant and equipment	(1,261,081)	(196,879)	(124,114)	(1,582,074)
Depreciation of investment properties	(17,461)	-	-	(17,461)
Other material items of expenses (Note b)	(487,134)	(146,513)	(1,557,795)	(2,191,442)
Other non-cash expenses (Note c)	(271,200)	-	(458,881)	(730,081)
Segment results	<u>13,988,310</u>	<u>2,241,310</u>	<u>(8,341,151)</u>	<u>7,888,469</u>
Unallocated expenses				(442,256)
Consolidated profit after tax				<u>7,446,213</u>

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BUSINESS SEGMENTS (CONT'D)

2014	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Assets</u>				
Segment assets	76,353,508	24,959,963	82,600,980	183,914,451
Eliminations				(69,987,454)
				113,926,997
Unallocated assets				103,274
Consolidated total assets				114,030,271
<u>Liabilities</u>				
Segment liabilities	17,628,922	4,370,165	3,428,243	25,427,330
Eliminations				(10,294,203)
				15,133,127
Unallocated liabilities				8,101,715
Consolidated total liabilities				23,234,842
<u>Other Segment Items</u>				
Additions to non-current assets other than financial instruments :-				
- Property, plant and equipment	5,142,473	56,417	320,843	5,519,733

(a) Other material items of income consist of the following:-

	The Group	
	2015 RM	2014 RM
Bad debts recovered	-	3,577
Gain on disposal of property, plant and equipment	42,166	71,654
Gain on foreign exchange - realised	589,056	-
Gain on foreign exchange - unrealised	29,178	-
Interest income	358,592	379,191
Rental income	-	29,129
Reversal of impairment losses for trade receivables	132,308	311,152
	1,151,300	794,703

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BUSINESS SEGMENTS (CONT'D)

(b) Other material items of expenses consist of the following:-

	The Group	
	2015 RM	2014 RM
Allowance for impairment losses on trade receivables	579,785	90,116
Listing expenses	-	1,548,231
Loss on foreign exchange - realised	19,182	530,559
Loss on foreign exchange - unrealised	-	11,952
Property, plant and equipment written off	104	10,584
	<u>599,071</u>	<u>2,191,442</u>

(c) Other material non-cash expenses consist of the following:-

	The Group	
	2015 RM	2014 RM
Provision for warranty	<u>1,113,900</u>	<u>730,081</u>

GEOGRAPHICAL INFORMATION

	Revenue		Non-Current Assets	
	2015 RM	2014 RM	2015 RM	2014 RM
<u>Domestic market:</u>				
Malaysia and Singapore	80,063,774	70,960,338	48,760,212	23,406,983
<u>Overseas market:</u>				
Middle East and Africa	47,639,953	39,140,447	-	-
Others	5,695,018	7,980,399	-	-
	<u>133,398,745</u>	<u>118,081,184</u>	<u>48,760,212</u>	<u>23,406,983</u>

MAJOR CUSTOMERS

There is no existing customer which contributes equal to or more than 10% of the Group's total revenue.

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**NOTES TO THE FINANCIAL STATEMENTS
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35. FINANCIAL INSTRUMENTS

The Group'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. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk**(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro Dollar ("EURO") and Japanese Yen ("JPY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's significant exposure to foreign currency is as follows:-

The Group	USD RM	EURO RM	JPY RM
2015			
<u>Financial Assets</u>			
Trade receivables	6,533,187	-	-
Other receivables, deposits and prepayments	149,355	3,328	-
Cash and bank balances	4,050,237	394,720	-
	<u>10,732,779</u>	<u>398,048</u>	<u>-</u>
<u>Financial Liabilities</u>			
Trade payables	(1,496,781)	(21,015)	(605,714)
Other payables and accruals	(40,969)	-	-
	<u>(1,537,750)</u>	<u>(21,015)</u>	<u>(605,714)</u>
Currency exposure	<u>9,195,029</u>	<u>377,033</u>	<u>(605,714)</u>

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35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's significant exposure to foreign currency is as follows (Cont'd):-

The Group	USD RM	EURO RM	JPY RM
2014			
<u>Financial Assets</u>			
Trade receivables	5,674,430	-	-
Other receivables, deposits and prepayments	130,475	-	-
Cash and bank balances	1,311,424	3,388	32,426
	<u>7,116,329</u>	<u>3,388</u>	<u>32,426</u>
<u>Financial Liabilities</u>			
Trade payables	(4,106,235)	(257,247)	(861,262)
Other payables and accruals	(66,012)	(34,003)	-
	<u>(4,172,247)</u>	<u>(291,250)</u>	<u>(861,262)</u>
Currency exposure	<u>2,944,082</u>	<u>(287,862)</u>	<u>(828,836)</u>

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35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's significant exposure to foreign currency is as follows (Cont'd):-

Foreign currency risk sensitivity analysis

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

	The Group 2015 RM	2014 RM
Effects On Profit After Tax		
USD/RM - strengthened by 18% (2014: 13%)	1,244,478	293,912
- weakened by 18% (2014: 13%)	(1,244,478)	(293,912)
EURO/RM - strengthened by 15% (2014: 18%)	43,379	(38,701)
- weakened by 15% (2014: 18%)	(43,379)	38,701
JPY/RM - strengthened by 10% (2014: 16%)	(45,162)	(99,460)
- weakened by 10% (2014: 16%)	45,162	99,460
Effects On Equity		
SGD/RM - strengthened by 8% (2014: 9%)	898,694	945,551
- weakened by 8% (2014: 9%)	(898,694)	(945,551)

(ii) Interest Rate Risk

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

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 35.1(c) to the financial statements.

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35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) 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 at the end of the reporting period, with all other variables held constant:-

	The Group	
	2015	2014
	RM	RM
Effects On Profit After Tax		
Increase of 25 basis point (bp) (2014: 100 bp)	(26,613)	(51,398)
Decrease of 25 bp (2014: 100 bp)	26,613	51,398
	<u>26,613</u>	<u>51,398</u>

(iii) Equity Price Risk

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

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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

(i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to credit risk

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

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35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to credit risk (Cont'd)

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

	The Group	
	2015	2014
	RM	RM
Malaysia and Singapore	25,126,488	24,828,154
Middle East and Africa	5,006,706	3,682,190
Others	1,295,285	1,705,044
	31,428,479	30,215,388

(iii) Aging analysis

The aging analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2015			
Not past due	23,079,309	-	23,079,309
Past due:			
- less than 3 months	6,146,455	-	6,146,455
- 3 to 6 months	2,186,823	-	2,186,823
- over 6 months	1,296,302	(1,280,410)	15,892
	32,708,889	(1,280,410)	31,428,479
2014			
Not past due	21,671,794	-	21,671,794
Past due:			
- less than 3 months	7,721,592	-	7,721,592
- 3 to 6 months	709,810	-	709,810
- over 6 months	944,987	(832,795)	112,192
	31,048,183	(832,795)	30,215,388

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

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35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)**(iii) Aging analysis (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

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good 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 due nor impaired are regular customers that have been transacting with the Group. The Groups uses aging analysis to monitor the credit quality of the trade receivables.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group 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):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2015					
Trade payables	-	9,061,122	9,061,122	9,061,122	-
Other payables and accruals	-	4,618,076	4,618,076	4,618,076	-
Hire purchase payables	5.14	422,779	448,445	326,932	121,513
Term loans	2.78	11,480,854	12,407,485	3,408,521	8,998,964
Bankers' acceptance	4.44	12,121,000	12,121,000	12,121,000	-
		37,703,831	38,656,128	29,535,651	9,120,477

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

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) (Cont'd):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 -5 Years RM
2014					
Trade payables	-	10,946,587	10,946,587	10,946,587	-
Other payables and accruals	-	3,614,607	3,614,607	3,614,607	-
Hire purchase payables	4.15	678,624	722,226	385,155	337,071
Term loans	4.75	2,781,033	3,154,717	844,723	2,309,994
Bankers' acceptance	6.52	4,072,000	4,072,000	4,072,000	-
		22,092,851	22,510,137	19,863,072	2,647,065

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2015			
Other payables and accruals		327,914	327,914
		327,914	327,914

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2014			
Other payables and accruals		145,742	145,742
		145,742	145,742

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**NOTES TO THE FINANCIAL STATEMENTS
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35. FINANCIAL INSTRUMENTS (CONT'D)**35.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group 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.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

	The Group	
	2015	2014
	RM	RM
Hire purchase payables	422,779	678,624
Term loans	11,480,854	2,781,033
Bankers' acceptances	12,121,000	4,072,000
	<u>24,024,633</u>	<u>7,531,657</u>
Less: Fixed deposits with licensed banks	-	(12,235,825)
Less: Cash and bank balances	(9,063,788)	(4,551,046)
Net debt	<u>14,960,845</u>	<u>(9,255,214)</u>
Total equity attributable to owners of the Company	<u>97,258,510</u>	<u>90,300,973</u>
Debt-to-equity ratio	<u>15.38%</u>	<u>Not applicable</u>

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial Assets				
<u>Available-for-sale financial assets</u>				
Other investments	102,610	102,600	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	31,428,479	30,215,388	-	-
Other receivables and deposits	2,430,630	780,687	3,000	92,000
Amount owing by subsidiaries	-	-	5,837,027	6,772,952
Fixed deposits with licensed banks	-	12,235,825	-	12,235,825
Cash and bank balances	9,063,788	4,551,046	8,234	29,514
	<u>42,922,897</u>	<u>47,782,946</u>	<u>5,848,261</u>	<u>19,130,291</u>
Financial Liabilities				
<u>Other financial liabilities</u>				
Borrowings				
- long-term	8,495,381	2,395,126	-	-
- short-term	15,529,252	5,136,531	-	-
Trade payables	9,061,122	10,946,587	-	-
Other payables and accruals	4,618,076	3,614,607	327,914	145,742
	<u>37,703,831</u>	<u>22,092,851</u>	<u>327,914</u>	<u>145,742</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****35. FINANCIAL INSTRUMENTS (CONT'D)****35.4 FAIR VALUE INFORMATION**

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to relatively short-term maturity of the financial statements.

The Group 2015	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
Financial Liabilities	-	-	-	-	441,915	-	441,915	422,779
Hire purchase payables	-	-	-	-	11,480,854	-	11,480,854	11,480,854
Term loans	-	-	-	-	-	-	-	-
The Group 2014								
Financial Liabilities	-	-	-	-	682,161	-	682,161	678,624
Hire purchase payables	-	-	-	-	2,781,033	-	2,781,033	2,781,033
Term loans	-	-	-	-	-	-	-	-

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015****35. FINANCIAL INSTRUMENTS (CONT'D)**

35.4 FAIR VALUE INFORMATION (CONT'D)

The fair values above have been determined using the following basis:-

- (a) The fair values of hire purchase payables and term loans are determined by discounting relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows as follows:-

	The Group	
	2015	2014
	%	%
Hire purchase payables	1.76 – 3.22	2.15 – 3.20
Term loans	2.36 – 4.85	4.85 – 7.85

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) During the financial year, Solid Corporation, a subsidiary of the Company, acquired a piece of leasehold industrial land of 99 years held under individual title H.S(D) 79442, PT No. 11320, Bandar Selayang, Daerah Gombak, Negeri Selangor Darul Ehsan with an area of approximately 818.32 square meters ("the Land"), for a total cash consideration of RM7,168,000 ("Purchase Consideration") together with a 3-storey semi detached factory building.

The purchase consideration was satisfied by both internally generated funds and bank borrowings.

- (b) On 27 March 2015, the Company had acquired the entire issued and paid-up share capital of CMKS (Malaysia) Sdn. Bhd. ("CMKS") from CMK Corporation Japan and CMK Asia (Pte) Ltd for a total cash consideration of RM19,050,000 ("Purchase Consideration"). The Purchase Consideration was satisfied via the proceeds raised through the Initial Public Offering of RM12,000,000 and bank borrowings amounted to RM7,050,000. The purpose of the acquisition is to make use of the following properties owned by CMKS:-
- (i) a piece of industrial land and building located at HS(D) 50035, PTD 101353, Mukim of Plentong, Daerah of Johor Bahru, Negeri Johor for the purpose of utilising approximately 150,000 square feet of the factory building for the Group's integrated operation complex and any floor space in excess to the Group's requirements would be rented out to third parties to be identified, to generate recurring income for the Group;
- (ii) Eight (8) units of medium cost flat identified as Parcel Nos. 05-66, 05-68, 05-70, 05-72, 05-74, 05-76, 05-78 and 05-80 all within Storey No 5th floor, Building No 7, Taman Mawar, Mukim Plentong, District of Johor Bahru is intended to be utilised by the Group as accommodation for the Group's own employees/workers; and
- (iii) One block of 5 storey residential medium cost walk-up flat with 35 flat units identified as HS(D) 500354 PTD71016 Mukim of Plentong, District of Johor Bahru, State of Johor, known as Block 76, Jalan Tembusu, Taman Air Biru, 81700 Pasir Gudang to be rented to third parties to be identified, to generate recurring income for the Group.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

37. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 9 April 2015, the Company had proposed to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company by issuing 15,000,000 new ordinary shares of RM0.50 each at par ("Shares") to third party investor(s). On 29 May 2015, the issue price of the private placement were fixed at RM1.34 for each Shares in the Company which represents a discount of approximately 9.46% to the five day weighted average market price of the Company's shares up to and including 28 May 2015 of RM1.48. The proceeds of the private placement will be utilised in the manner of repayment of bank borrowings and working capital.

The above private placement exercise was completed on 9 June 2015.

- (b) On 30 July 2015, the Company has proposed to undertake the following exercise:-
- (i) a renounceable rights issue of up to 82,500,000 warrants in the Company ("Warrant(s)") on the basis of one (1) warrant for every two (2) existing ordinary shares of RM0.50 each held in the Company on an entitlement date determined later at an issue price of RM0.20 per Warrant ("Rights Issue");
 - (ii) establishment of an Employees' Share Option Scheme of up to 15% of the issued and paid-up capital of the Company ("ESOS");
 - (iii) increase in the authorised share capital of the Company from RM100,000,000 comprising 200,000,000 of the Company's shares to RM500,000,000 comprising 1,000,000,000 of the Company's shares by way of creation of additional 800,000,000 new ordinary shares of the Company; and
 - (iv) amendments to the Memorandum and Article of Association of the Company.

The proceeds which will be raised from the Rights Issue and ESOS is for working capital purposes.

As at the date of this report, the abovementioned exercise is pending for completion.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015**

38. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained profits of the Company and its subsidiaries				
- realised	63,846,898	57,272,014	5,661,713	34,040
- unrealised	(647,500)	(619,151)	-	-
At 30 April	<u>63,199,398</u>	<u>56,652,863</u>	<u>5,661,713</u>	<u>34,040</u>

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UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 JULY 2015



岩石汽车工业集团

SOLID AUTOMOTIVE BERHAD (1016725-P)

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INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2015 ⁽¹⁾

CERTIFIED TRUE COPY

ANG MUI KIEW
Company Secretary
(L.S. 0001886)

03 NOV 2015

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.07.2015 RM'000	Preceding Year Quarter 31.07.2014 RM'000	Current Year-To-Date 31.07.2015 RM'000	Preceding Year-To-Date 31.07.2014 RM'000
Continuing Operations					
Revenue		28,326	31,484	28,326	31,484
Direct operating costs		(20,165)	(22,554)	(20,165)	(22,554)
Gross profit		8,161	8,930	8,161	8,930
Other operating income		950	292	950	292
Distribution costs		(2,920)	(3,174)	(2,920)	(3,174)
Administrative costs		(3,857)	(2,929)	(3,857)	(2,929)
		(6,777)	(6,103)	(6,777)	(6,103)
Profit from operations		2,334	3,119	2,334	3,119
Finance costs		(304)	(114)	(304)	(114)
Profit before tax	B5	2,030	3,005	2,030	3,005
Income tax expense	B6	(573)	(788)	(573)	(788)
Profit for the period		1,457	2,217	1,457	2,217
Other comprehensive income					
Translation differences on foreign operation		361	(148)	361	(148)
Other comprehensive income net of tax		361	(148)	361	(148)
Total comprehensive income		1,818	2,069	1,818	2,069
Profit attributable to:					
- Owners of the parent		1,459	2,234	1,459	2,234
- Non-controlling interests		(2)	(17)	(2)	(17)
		1,457	2,217	1,457	2,217
Total comprehensive income attributable to:					
- Owners of the parent		1,820	2,086	1,820	2,086
- Non-controlling interests		(2)	(17)	(2)	(17)
		1,818	2,069	1,818	2,069
Earnings per share (sen) attributable to owners of the parent:					
- Basic ⁽²⁾	B11	0.92	1.49	0.92	1.49
- Diluted		N/A	N/A	N/A	N/A



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Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on the weighted average number of ordinary shares in issue as detailed in Note B11.*



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2015 ⁽¹⁾

	Note	As at 31.07.2015 RM'000	As at 30.04.2015 RM'000
ASSETS			
Non-current assets			
Investment properties		1,290	1,303
Property, plant and equipment		46,664	47,172
Other investment		103	103
Deferred tax assets		272	183
		<u>48,329</u>	<u>48,761</u>
Current assets			
Inventories		48,790	44,633
Trade receivables		30,367	31,428
Other receivables, deposits and prepayments		3,158	2,803
Tax recoverable		206	192
Investment securities		8,019	-
Cash and bank balances		14,626	9,063
		<u>105,166</u>	<u>88,119</u>
TOTAL ASSETS		<u>153,495</u>	<u>136,880</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		82,500	75,000
Share premium		13,742	1,307
Merger deficit		(43,361)	(43,361)
Translation reserve		1,474	1,113
Retained earnings		63,158	63,199
		<u>117,513</u>	<u>97,258</u>
Non-controlling interest		167	410
Total equity		<u>117,680</u>	<u>97,668</u>
Non-current liabilities			
Borrowings	B8	<u>7,680</u>	<u>8,495</u>
		7,680	8,495
Current liabilities			
Trade payables		9,478	9,061
Other payables and accruals		5,590	5,478
Borrowings	B8	12,729	15,529
Tax liabilities		338	649
		<u>28,135</u>	<u>30,717</u>
TOTAL LIABILITIES		<u>35,815</u>	<u>39,212</u>
TOTAL EQUITY AND LIABILITIES		<u>153,495</u>	<u>136,880</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		0.71	0.65



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Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015 and the accompanying explanatory notes attached to these interim financial statements.*



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 JULY 2015 ⁽¹⁾

	----- Attributable to equity holders of the Company ----->								
	<----- Non-distributable ----->			Distributable		Non-			
	Share	Share	Merger	Translation	Retained	Total	Controlling	Total	
Note	Capital	Premium	Deficit	Reserve	Earnings		Interest	Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 May 2015		75,000	1,307	(43,361)	1,113	63,199	97,258	410	97,668
Issue of ordinary shares pursuant to Private Placement	B7	7,500	12,500	-	-	-	20,000	-	20,000
Total comprehensive income for the period		-	-	-	361	1,459	1,820	(2)	1,818
Acquisition of non-controlling interest		-	(65)	-	-	-	(65)	(241)	(306)
Dividend paid		-	-	-	-	(1,500)	(1,500)	-	(1,500)
At 31 July 2015		82,500	13,742	(43,361)	1,474	63,158	117,513	167	117,680
At 1 May 2014		75,000	1,307	(43,361)	702	56,653	90,301	494	90,795
Total comprehensive income for the period		-	-	-	(148)	2,234	2,086	(17)	2,069
At 31 July 2014		75,000	1,307	(43,361)	554	58,887	92,387	477	92,864

Notes:

This represents RM1.00.

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2015 ⁽¹⁾

	Current Year-To-Date 31.07.2015 RM'000	Preceding Year-To-Date 31.07.2014 RM'000
Cash Flows from Operating Activities		
Profit before tax	2,030	3,005
Adjustments for:		
Net allowance/(reversal) for impairment losses on trade receivables	75	94
Depreciation of property, plant and equipment	583	456
Interest expense	296	98
Interest income	(44)	(123)
Gain on disposal of property, plant and equipment	-	(9)
Provision/(reversal) for warranty	(183)	131
Unrealised (gain)/loss on foreign exchange	(236)	(33)
Rental income	(73)	(24)
Operating profit before working capital changes	<u>2,448</u>	<u>3,595</u>
Increase in inventories	(4,157)	(9,046)
Decrease in trade and other receivables	1,287	135
Increase in trade and other payables	530	3,412
Cash from/(for) operations	<u>108</u>	<u>(1,904)</u>
Interest paid	(243)	(98)
Interest received	32	122
Income tax paid, net of refund	(988)	(881)
Net cash for operating activities	<u>(1,091)</u>	<u>(2,761)</u>
Cash Flows for Investing Activities		
Rental received	73	24
Acquisition of:		
- property, plant and equipment	(51)	(542)
- shares by non-controlling interest in subsidiary	(306)	-
- investment securities	(8,000)	-
Proceeds from disposal of property, plant and equipment	-	10
Net cash for investing activities	<u>(8,284)</u>	<u>(508)</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2015 ⁽¹⁾ (CONT'D)

	Current Year-To-Date 31.07.2015 RM'000	Preceding Year- To- Date 31.07.2014 RM'000
Cash Flows from Financing Activities		
Net proceeds from issuance of new shares	20,000	-
Dividend paid	(1,500)	-
Payment of hire purchase obligations	(92)	(100)
Repayment of term loans / revolving credit	(773)	(199)
Net drawdown/(repayment) of short-term bank borrowings	(2,752)	3,508
Net cash from financing activities	<u>14,883</u>	<u>3,209</u>
Net increase/(decrease) in cash and cash equivalents	5,508	(60)
Effects of foreign exchange rates changes	54	(10)
Cash and cash equivalents at beginning of the period	<u>9,064</u>	<u>16,787</u>
Cash and cash equivalents at end of the period	<u>14,626</u>	<u>16,717</u>
Cash and cash equivalents at end of period comprise:		
Fixed deposits with licensed banks	4,000	12,339
Cash and bank balances	<u>10,626</u>	<u>4,378</u>
	<u>14,626</u>	<u>16,717</u>

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015 and the accompanying explanatory notes attached to these interim financial statements.*



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INTERIM FINANCIAL REPORT**A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING****A1. Accounting Policies and Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”) and paragraphs 9.22 and 9.40 (Appendix 9B Part A) of the Main Market Listing Requirement (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 30 April 2015.

The Group has adopted merger accounting method for the preparation of this interim financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Audited Financial Statements for the financial year ended 30 April 2015, except for the adoption of the following:

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016



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INTERIM FINANCIAL REPORT

A1. Accounting Policies and Basis of Preparation (*Cont'd*)

The adoption of the above applicable standards and interpretations will not have any material impact on the financial position and performance of the Group.

A2. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Reports on the financial statements of the Company and its subsidiaries for the financial year ended 30 April 2015 were not qualified.

A3. Seasonality or Cyclicity of Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors during the current quarter under review.

A4. Unusual Items

There were no significant items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size and incidence during the current quarter.

A5. Changes in Estimates

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

A6. Debt and Equity Securities

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

A7. Dividend Paid

An interim single-tier dividend of 1.0 sen per ordinary share in respect of financial year ended 30 April 2015 was declared on 13 May 2015 and paid on 17 June 2015.



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A8. Segment Information

Segmental information of the Group for the financial period-to-date ended 31 July 2015 is as follows:

	Automotive electrical parts RM'000	Automotive engine and mechanical parts RM'000	Others ⁽¹⁾ RM'000	Group RM'000
External revenue	22,246	5,476	604	28,326
Segment results	1,916	462	(181)	2,197
Unallocated expenses				(167)
Profit before tax				2,030

Segmental information of the Group for the financial period-to-date ended 31 July 2014 is as follows:

	Automotive electrical parts RM'000	Automotive engine and mechanical parts RM'000	Others ⁽¹⁾ RM'000	Group RM'000
External revenue	24,013	7,029	442	31,484
Segment results	2,146	855	88	3,089
Unallocated expenses				(84)
Profit before tax				3,005

*Note:**(1) Involved in the remanufacturing of automotive alternators and starters and investment holding and provision of management services.*



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A8. Segment Information (Cont'd)

On the basis of geographical segment, segmental information is presented based on the geographical location of customers:

	Current year to date 31 July 2015 RM'000	Preceding year to date 31 July 2014 RM'000
Revenue		
Malaysia	16,650	19,159
Overseas	11,676	12,325
	28,326	31,484

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in one industry, which involves the trading and distribution of automotive parts and components as well as remanufacturing of automotive alternators and starters for the passenger and commercial vehicle segments in the automotive aftermarket in Malaysia and overseas.

A9. Subsequent Material Events

There were no material events subsequent to the end of the current quarter under review.

A10. Composition of the Group

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

A11. Material Capital Commitments

There are no material capital commitments as at the end of the current quarter.

A12. Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets as at the end of the current quarter.



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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD

B1. Review of Performance

The Group achieved a revenue of RM28.326 million and profit before tax of RM2.030 million for the current quarter, as compared to RM31.484 million and RM3.005 million respectively for the corresponding quarter in the preceding year.

The revenue for the current quarter was derived from our automotive electrical parts which contributed approximately 78% of our total revenue, while the automotive engine mechanical parts and others contributed approximately 22% for the current quarter, compared to 76% and 24% respectively for the corresponding quarter in the preceding year.

The decrease in profit before tax for the current quarter compared to the corresponding quarter in the preceding year was due mainly to the lower turnover coupled with higher operating expenses, which was partially offset by a net gain on foreign exchange in the current quarter.

B2. Variation of Results with the immediate preceding quarter

In the current quarter under review, the Group registered a consolidated profit before tax of RM2.030 million compared to RM2.881 million in the immediate preceding year quarter. This was due to the lower turnover for the current quarter compared to the immediate preceding quarter of RM28.33 million and RM31.06 million respectively; the lower gross margin achieved in the current quarter of 28.8% compared to 29.4% for the immediate preceding quarter respectively, and the higher net gain on foreign exchange in the current quarter of RM0.60 million compared to RM0.06 million for the immediate preceding quarter respectively.

B3. Prospects for the Group

The Malaysian economy is facing economic challenges and uncertainties, coupled with low commodity and oil prices, which are impacting business confidence. The overseas market is affected by global economic weakness especially in Europe and China. The Group will focus on its sales and marketing efforts in both domestic and export market to promote our in-house brands and expand our product range. Further the Group will continue with improvements in operational efficiency, productivity and cost management.

The Group will strive to maintain its performance for the current financial year.

B4. Variance of Profit Forecast

No profit forecast has been issued by the Group previously in any public document.



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B5. Notes to the Statement of Comprehensive Income

The profit before taxation is arrived at after charging / (crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.07.2015 RM'000	Preceding Year Quarter 31.07.2014 RM'000	Current Year- -To-Date 31.07.2015 RM'000	Preceding Year- To-Date 31.07.2014 RM'000
Depreciation of property, plant and equipment	583	456	583	456
Gain on disposal of property, plant and equipment	-	(9)	-	(9)
Net allowance for impairment losses on trade receivables	75	94	75	94
Net gain on foreign exchange	(601)	(60)	(601)	(60)
Interest expense	296	98	296	98
Interest income	(44)	(123)	(44)	(123)
Rental income	(73)	(24)	(73)	(24)
(Reversal)/provision for warranty	(183)	131	(183)	131
Allowance for impairment losses on inventories	155	192	155	192

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.



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B6. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.07.2015 RM'000	Preceding Year Quarter 31.07.2014 RM'000	Current Year- To-Date 31.07.2015 RM'000	Preceding Year- To-Date 31.07.2014 RM'000
<u>Income tax</u>				
Current tax - Current	662	755	662	755
Deferred tax - Current	(162)	(67)	(162)	(67)
- Prior Period	73	100	73	100
Tax expense	573	788	573	788

The effective tax rate for the current period is slightly higher than the statutory tax rate of 25% mainly due to certain expenses which are not deductible for tax purpose.

B7. Status of Corporate Proposals**(i) Utilisation of Proceeds**

On 9 April 2015, the Company had proposed to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company by issuing 15,000,000 new ordinary shares of RM0.50 each at par ("Shares") to third party investor(s). On 29 May 2015, the issue price of the private placement were fixed at RM1.34 for each Shares in the Company which represents a discount of approximately 9.46% to the five day weighted average market price of the Company's shares up to and including 28 May 2015 of RM1.48. The proceeds of the private placement will be utilised in the manner of repayment of bank borrowings and working capital.

The above private placement exercise was completed on 9 June 2015.

The gross proceeds from the private placement amounted to RM20.10 million. The status of the utilisation of the proceeds from the private placement as at 31 July 2015 is as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Estimated timeframe for use (from the placement date)
(i) Repayment of bank borrowings	10,000	(3,615)	6,385	Within 6 months
(ii) Working capital	9,980	-	9,980	Within 12 months
(iii) Estimated placement expenses	120	(120)	-	Upon completion
Total gross proceeds	20,100	(3,735)	16,365	



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B7. Status of Corporate Proposals (Cont'd)

- (ii) On 30 July 2015, the Company has proposed to undertake the following exercise:-
- (i) a renounceable rights issue of up to 82,500,000 warrants in the Company ("Warrant(s)") on the basis of one (1) warrant for every two (2) existing ordinary shares of RM0.50 each held in the Company on an entitlement date to be determined later at an issue price of RM0.20 per Warrant ("Rights Issue");
 - (ii) establishment of an Employees' Share Option Scheme of up to 15% of the issued and paid-up capital of the Company ("ESOS");
 - (iii) increase in the authorised share capital of the Company from RM100,000,000 comprising 200,000,000 of the Company's shares to RM500,000,000 comprising 1,000,000,000 of the Company's shares by way of creation of additional 800,000,000 new ordinary shares of the Company; and
 - (iv) amendments to the Memorandum and Article of Association of the Company.

The proceeds which will be raised from the Rights Issue and ESOS is for working capital purposes.

On 18 September 2015, the Company submitted the listing application pursuant to the proposed Rights Issue of Warrants and proposed ESOS to Bursa Malaysia Securities Berhad.

As at the date of this report, the abovementioned exercise is pending for completion.



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B8. Group Borrowings

Total Group borrowings as at 31 July 2015 were as follows:-

	As at 31.07.15 RM'000	As at 30.04.2015 RM'000
<i>Current</i>		
Denominated in Malaysian Ringgit		
Secured:		
Bankers' acceptances	9,369	12,120
Term loans	595	589
Hire purchase payables	251	306
Denominated in US Dollars		
Revolving credit	2,514	2,514
	12,729	15,529
<i>Non-current</i>		
Denominated in Malaysian Ringgit		
Secured:		
Term loans	1,332	1,484
Hire purchase payables	82	117
Denominated in US Dollars		
Revolving credit	6,266	6,894
	7,680	8,495
Total Borrowings	20,409	24,024

B9. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B10. Dividends

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



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INTERIM FINANCIAL REPORT**B11. Earnings Per Share**

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.07.2015 RM'000	Preceding Year Quarter 31.07.2014 RM'000	Current Year- To-Date 31.07.2015 RM'000	Preceding Year- To-Date 31.07.2014 RM'000
Profit for the period	1,459	2,234	1,459	2,234
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	158,315	150,000	158,315	150,000
Basic Earnings Per Share (sen)	0.92	1.49	0.92	1.49

(b) Diluted Earnings Per Share

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue for the current quarter.

B12. Realised and Unrealised Profits / Losses Disclosure

The breakdown of the retained profits of the Group as at the end of the current quarter and preceding financial year, into realised and unrealised profits, is as follows:-

	As at 31.07.2015 RM'000	As at 30.04.2015 RM'000
Total retained earnings of the Group		
(a) Realised	63,326	63,847
(b) Unrealised	(168)	(648)
	63,158	63,199

DIRECTORS' REPORT



岩石汽车工业集团

SOLID AUTOMOTIVE BERHAD (1016725-P)

Registered Office:-

Suite 7E, Level 7
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim

Date: 12 NOV 2015

To: The Shareholders of Solid Automotive Berhad ("Solid" or the "Company")

On behalf of the Board of Directors of Solid ("Board"), I wish to report that after making due enquiries in relation to Solid and its subsidiaries ("Group") during the period between 30 April 2015, being the date to which the latest audited consolidated financial statements of our Group have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:-

- i. In the opinion of the Board, the business of our Group has been satisfactorily maintained;
- ii. In the opinion of the Board, no circumstances have arisen since the latest audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- iii. The current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- iv. There are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- v. There has been no default or any known event that could give rise to a default situation in respect of payment of either interest and/ or principal sums in relation to any borrowings in our Group since the latest audited consolidated financial statements of our Group; and
- vi. There have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the latest audited consolidated financial statements of our Group.

Yours faithfully,
For and on behalf of the Board of
SOLID AUTOMOTIVE BERHAD



ONG KHENG SWEE
Executive Director / CFO

Solid Automotive Berhad (1016725-P)
5 Jalan Dataran 5, Taman Kempas, 81200 Johor Bahru, Johor Darul Takzim, Malaysia.
T +607. 238.1782 F +607. 238 9073 W www.solidautomotive.com

ADDITIONAL INFORMATION**1. SHARE CAPITAL**

- i. Save for the Warrants, ESOS Options and the new Solid Shares to be issued pursuant to the exercise of the Warrants, no other securities in our Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.
- ii. As at the LPD, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- iii. As at the LPD, save for the Warrants to be issued pursuant to the Rights Issue of Warrants and the ESOS Options to be issued, no person has been or is entitled to be given an option to subscribe for any shares or stocks of our Company or our subsidiary companies.
- iv. All the new Solid Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Solid Shares, save and except that such Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such Shares.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

"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 non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;*
- (b) *Salaries payable to executive directors may not include a commission or percentage of turnover;*
- (c) *Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increased has been given in the notice convening the meeting;*
- (d) *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;*

- (e) *The director shall be entitled to be reimbursed for all traveling or such reasonable expenses as may be incurred in attending and returning from meetings of the directors or of any committee of the directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as directors;*
- (f) *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 generally 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 profits or turnover."*

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

- i. The sale and purchase agreement entered into between Solid Corporation Sdn Bhd ("Solid Corporation") and Tan & Sons Development Sdn Bhd (the "Vendor") and Hiap Lee Clay Pavers & Bricks Sdn Bhd (the "Proprietor") dated 9 July 2014 for the acquisition by Solid Corporation of a piece of leasehold industrial land of 99 years expiring on 10 February 2113 held under individual title H.S(D) 79442, PT No. 11320, Bandar Selayang, Daerah Gombak, Negeri Selangor Darul Ehsan with an area of approximately 818.32 square meters ("the Land"), for a total cash consideration of RM7,168,300. The Proprietor is the registered owner of the Land and has granted the Vendor to construct and complete at the Vendor's own cost and expense, a unit of 3-storey semi-detached office factory on the Land.

The acquisition was completed on 8 December 2014.

- ii. The share sale agreement entered into between Solid, CMK Corporation Japan ("CMK Corporation") and CMK Asia Pte Ltd ("CMK Asia") dated 9 January 2015 for the acquisition of the entire issued and paid-up share capital of CMKS (Malaysia) Sdn Bhd from CMK Corporation and CMK Asia for a total cash consideration of RM19,050,000.

The acquisition was completed on 27 March 2015.

- iii. The Deed Poll for the Warrants.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group has not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and after having made all reasonable enquiries, our Board is not aware and does not have any knowledge of any such proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

5. GENERAL

- i. There is no other existing or proposed service contract entered into or to be entered into between our Group and our Directors, other than those which are expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- ii. Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-
 - a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source(s) of funding;
 - c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;
 - d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;
 - e) substantial increase in revenues; and
 - f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

6. CONSENTS

Our Principal Adviser, Company Secretaries, Share Registrar, Principal Bankers, Due Diligence Solicitors for the Rights Issue of Warrants, Bloomberg Finance LP and Malaysian Automotive Association have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent to the inclusion in this Abridged Prospectus of their name, the pro forma consolidated statements of financial position of our Group as at 30 April 2015 together with the reporting accountants' letter thereon, the audited consolidated financial statements of Solid Group for the FYE 30 April 2015 together with the auditors' report thereon, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Suite 7E, Level 7, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim, during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

- i. Memorandum and Articles of Association of our Company;
- ii. Audited consolidated financial statements of our Group for the past two (2) financial years up to the FYE 30 April 2015;

- iii. Our latest unaudited quarterly report for the three (3)-month FPE 31 July 2015;
- iv. The pro forma consolidated statements of financial position of our Group as at 30 April 2015 together with the reporting accountants' letter thereon, as set out in Appendix III of this Abridged Prospectus;
- v. The irrevocable undertaking letters referred to in Section 5 of this Abridged Prospectus;
- vi. The Directors' Report, as set out in Appendix VI of this Abridged Prospectus;
- vii. The material contracts referred to in Section 3 of this Appendix VII; and
- viii. The letters of consent referred to in Section 6 of this Appendix VII.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the NPA and the RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHBIB, being the Principal Adviser for the Rights Issue of Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Warrants.

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