



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2015 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.04.2015 RM'000	Preceding Year Quarter 30.04.2014 RM'000	Current Year-To-Date 30.04.2015 RM'000	Preceding Year-To-Date 30.04.2014 RM'000
Continuing Operations					
Revenue		31,057	28,262	133,282	118,081
Direct operating costs		(21,968)	(19,636)	(95,784)	(83,266)
Gross profit		9,089	8,626	37,498	34,815
Other operating income		413	301	1,787	1,080
Distribution costs		(2,476)	(2,517)	(11,291)	(11,603)
Administrative costs		(3,945)	(3,104)	(14,030)	(11,380)
		(6,421)	(5,621)	(25,321)	(22,983)
Profit from operations		3,081	3,306	13,964	12,912
Finance costs		(200)	(119)	(708)	(1,987)
Profit before tax	B5	2,881	3,187	13,256	10,925
Income tax expense	B6	(1,049)	(961)	(3,798)	(3,479)
Profit for the period		1,832	2,226	9,458	7,446
Other comprehensive income					
Translation differences on foreign operation		57	(45)	411	562
Other comprehensive income net of tax		57	(45)	411	562
Total comprehensive income		1,889	2,181	9,869	8,008
Profit attributable to:					
- Owners of the parent		1,909	2,253	9,518	7,455
- Non-controlling interests		(77)	(27)	(60)	(9)
		1,832	2,226	9,458	7,446
Total comprehensive income attributable to:					
- Owners of the parent		1,966	2,208	9,929	8,017
- Non-controlling interests		(77)	(27)	(60)	(9)
		1,889	2,181	9,869	8,008
Earnings per share (sen) attributable to owners of the parent:					
- Basic ⁽²⁾	B11	1.27	1.50	6.35	5.44
- Diluted		N/A	N/A	N/A	N/A



岩石汽车工业集团

SOLID AUTOMOTIVE BERHAD (1016725-P)

Incorporated in Malaysia under the Companies Act, 1965

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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 2014 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 30 APRIL 2015 ⁽¹⁾

	Note	As at 30.04.2015 RM'000	As at 30.04.2014 RM'000
ASSETS			
Non-current assets			
Investment properties		1,303	690
Property, plant and equipment		47,172	22,614
Other investment		103	103
Deferred tax assets		183	-
		48,761	23,407
Current assets			
Inventories		44,598	41,941
Trade receivables		31,428	30,215
Other receivables, deposits and prepayments		3,015	1,577
Tax recoverable		192	103
Cash and bank balances		9,063	16,787
		88,296	90,623
TOTAL ASSETS		137,057	114,030
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		75,000	75,000
Share premium		1,307	1,307
Merger deficit		(43,361)	(43,361)
Translation reserve		1,113	702
Retained earnings		63,171	56,653
		97,230	90,301
Non-controlling interest		416	494
Total equity		97,646	90,795
Non-current liabilities			
Deferred tax liabilities		-	35
Borrowings	B8	7,932	2,395
		7,932	2,430
Current liabilities			
Trade payables		8,653	10,947
Other payables and accruals		6,085	4,186
Borrowings	B8	16,092	5,137
Tax liabilities		649	535
		31,479	20,805
TOTAL LIABILITIES		39,411	23,235
TOTAL EQUITY AND LIABILITIES		137,057	114,030
Net assets per share attributable to ordinary equity holders of the parent (RM)		0.65	0.60



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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 2014 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 FOURTH QUARTER ENDED 30 APRIL 2015 ⁽¹⁾

	<----- Attributable to equity holders of the Company ----->							
	<----- Non-distributable ----->				Distributable		Non-	
	Share Capital RM'000	Share Premium RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Controlling Interest RM'000	Total Equity RM'000
At 1 May 2014	75,000	1,307	(43,361)	702	56,653	90,301	494	90,795
Total comprehensive income for the period	-	-	-	411	9,518	9,929	(60)	9,869
Dividend paid	-	-	-	-	(3,000)	(3,000)	(18)	(3,018)
At 30 April 2015	75,000	1,307	(43,361)	1,113	63,171	97,230	416	97,646
At 1 May 2013	#	-	-	-	(61)	(61)	-	(61)
Effect arising from merger	57,308	-	(43,361)	139	51,460	65,546	518	66,064
Public issue of shares	17,692	2,123	-	-	-	19,815	-	19,815
Total comprehensive income for the period	-	-	-	563	7,455	8,018	(10)	8,008
Share issue expenses	-	(816)	-	-	-	(816)	-	(816)
Dividend paid	-	-	-	-	(2,201)	(2,201)	(14)	(2,215)
At 30 April 2014	75,000	1,307	(43,361)	702	56,653	90,301	494	90,795

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 2014 and the accompanying explanatory notes attached to these interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2015 ⁽¹⁾

	Current Year-To-Date 30.04.2015 RM'000	Preceding Year-To-Date 30.04.2014 RM'000
Cash Flows from Operating Activities		
Profit before tax	13,256	10,925
Adjustments for:		
Net allowance/(reversal) for impairment losses on trade receivables	543	(220)
Depreciation of property, plant and equipment	2,142	1,601
Interest expense	642	380
Interest income	(413)	(379)
Gain on disposal of property, plant and equipment	(10)	(61)
Listing expenses	-	1,548
Provision for warranty	288	572
Unrealised (gain)/loss on foreign exchange	(38)	12
Rental income	(117)	(29)
Operating profit before working capital changes	16,293	14,349
Increase in inventories	(2,657)	(7,451)
Increase in trade and other receivables	(1,930)	(4,842)
Increase/(Decrease) in trade and other payables	(1,455)	2,460
Cash from operations	10,251	4,516
Interest paid	(642)	(380)
Interest received	413	379
Income tax paid, net of refund	(3,994)	(3,113)
Net cash from operating activities	6,028	1,402
Cash Flows for Investing Activities		
Rental received	117	29
Purchase of property, plant and equipment	(8,365)	(4,683)
Payment for acquisition of a company (refer to Note B7(ii))	(19,050)	-
Proceeds from disposal of property, plant and equipment	20	83
Net cash for investing activities	(27,278)	(4,571)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2015 ⁽¹⁾ (CONT'D)

	Current Year-To- Date 30.04.2015 RM'000	Preceding Year- To- Date 30.04.2014 RM'000
Cash Flows from Financing Activities		
Net proceeds from issuance of shares	-	19,815
Dividend paid	(3,012)	(2,215)
Repayment to shareholders	-	(907)
Payment of hire purchase obligations	(258)	(499)
Payment of initial public offering expenses	-	(1,286)
Drawdown of term loan / revolving credit	9,408	3,000
Repayment of term loans / revolving credit	(117)	(647)
Net drawdown/(repayment) of short-term bank borrowings	7,457	(4,775)
Net cash from financing activities	<u>13,478</u>	<u>12,486</u>
Net (decrease)/increase in cash and cash equivalents	(7,772)	9,317
Effects of foreign exchange rates changes	48	81
Cash and cash equivalents at beginning of the period	<u>16,787</u>	<u>7,389</u>
Cash and cash equivalents at end of the period	<u>9,063</u>	<u>16,787</u>
Cash and cash equivalents at end of period comprise:		
Fixed deposits with licensed banks	-	12,236
Cash and bank balances	9,063	4,551
	<u>9,063</u>	<u>16,787</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 2014 and the accompanying explanatory notes attached to these interim financial statements.*

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 2014.

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 2014.

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 2014, except for the adoption of the following:

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013



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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 2014 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

No dividend was paid by the Company in the current quarter.



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A8. Segment Information

Segmental information of the Group for the financial period-to-date ended 30 April 2015 is as follows:

	Automotive Automotive electrical parts RM'000	Automotive engine and mechanical parts RM'000	Others⁽¹⁾ RM'000	Group RM'000
External revenue	102,993	28,434	1,855	133,282
Segment results	10,917	2,976	43	13,936
Unallocated expenses				(680)
Profit before tax				13,256

Segmental information of the Group for the financial period-to-date ended 30 April 2014 is as follows:

	Automotive Automotive electrical parts RM'000	Automotive engine and mechanical parts RM'000	Others⁽¹⁾ RM'000	Group RM'000
External revenue	90,827	26,278	976	118,081
Segment results	9,903	2,794	218	12,915
Unallocated expenses				(1,990)
Profit before tax				10,925

Note:

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

**INTERIM FINANCIAL REPORT****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	Preceding year to date
	30 April 2015	30 April 2014
	RM'000	RM'000
Revenue		
Malaysia	78,092	69,205
Overseas	55,190	48,876
	<hr/>	<hr/>
	133,282	118,081

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

Saved as disclosed in Note B7 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current quarter up to the date of issue of this report.

A10. Composition of the Group

There were no changes in the composition of the group for the current quarter under review except as disclosed below:-

The Company completed the acquisition of CMKS (Malaysia) Sdn Bhd ("CMKSM") on 27 March 2015. Subsequent to the acquisition, CMKSM became a wholly own subsidiary of Solid Automotive Berhad.



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A11. Capital Commitments

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

A12. Changes in Contingent Liabilities and Contingent Assets

	As at 30.04.2015 RM'000	As at 30.04.2014 RM'000
Corporate guarantee given to licensed bank by a subsidiary for credit facilities granted to a sub-subsidiary	1,269	1,224



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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 RM31.057 million and profit before tax of RM2.881 million for the current quarter, as compared to RM28.262 million and RM3.187 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 77% of our total revenue, while the automotive engine mechanical parts and others contributed approximately 23% for the current quarter, compared to 77% and 23% 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 is due to the lower overall margin and higher operating expenses in the current quarter despite the higher revenue achieved 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 RM2.881 million compared to RM3.204 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 RM31.06 million and RM34.40 million respectively despite the higher gross margin achieved in the current quarter of 29.3% compared to 28.0% for the immediate preceding period.

B3. Prospects for the Group

The Malaysian economy is facing concerns about economic development which will be a challenge for businesses in the coming year. The export market is affected by global economic uncertainties especially in Europe, which may spill over into the rest of the world. The Group will continue to focus its sales and marketing efforts in both domestic and export market to promote our in-house brands and expand our product range and on improving operational efficiency and productivity.

The Group will endeavor to maintain its performance for the coming 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 30.04.2015 RM'000	Preceding Year Quarter 30.04.2014 RM'000	Current Year- -To-Date 30.04.2015 RM'000	Preceding Year- To-Date 30.04.2014 RM'000
Depreciation of property, plant and equipment	647	415	2,142	1,601
Gain on disposal of property, plant and equipment	(1)	(40)	(10)	(61)
Net allowance/(reversal) for impairment losses on trade receivables	365	(89)	543	(220)
Net (gain)/loss on foreign exchange	62	74	(599)	542
Interest expense	183	105	642	380
Interest income	(77)	(140)	(413)	(379)
Rental income	(53)	(24)	(117)	(29)
Provision for warranty	(20)	572	288	572
Allowance for impairment losses on inventories	218	112	1,130	393
Listing expenses	-	-	-	1,548

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 30.04.2015 RM'000	Preceding Year Quarter 30.04.2014 RM'000	Current Year-To-Date 30.04.2015 RM'000	Preceding Year-To-Date 30.04.2014 RM'000
<u>Income tax</u>				
Current tax - Current	810	1,044	3,794	3,552
- Prior Period	143	(24)	150	(94)
Deferred tax - Current	128	(89)	(214)	(203)
- Prior Period	(32)	30	68	224
Tax expense	<u>1,049</u>	<u>961</u>	<u>3,798</u>	<u>3,479</u>

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 and under provision of income tax in prior period.

B7. Status of Corporate Proposals

(i) Utilisation of Proceeds

The gross proceeds from the public issue amounted to RM19.815 million. The status of the utilisation of the proceeds raised from the Public Issue as at 30 April 2015 is as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for use (from the listing date)
(i) Capital Expenditure	12,000	(12,000)	-	-	Within 3 years
(ii) Working capital	5,315	(5,451)	136 ⁽¹⁾	-	Within 1 year
(iii) Estimated listing expenses	2,500	(2,364)	(136) ⁽¹⁾	-	Upon Listing
Total gross proceeds	<u>19,815</u>	<u>(19,815)</u>	-	-	

Note: The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 19 August 2013 and announcement to Bursa Securities Malaysia Berhad on 9 January 2015.

⁽¹⁾ Actual listing expenses incurred were less than the estimated listing expenses by RM0.136 million mainly due to lower than expected printing and advertisement costs as well as other incidental charges incurred in conjunction with the listing exercise. In accordance to the Prospectus dated 19 August 2013, the excess has been utilised for working capital purposes.



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B7. Status of Corporate Proposals (Cont'd)

- (ii) On 27 March 2015, the Company complete the acquisition of the entire issued and fully paid up share capital of CMKS (Malaysia) Sdn Bhd (“CMKSM”). Subsequent to the acquisition, CMKSM became a wholly-owned subsidiary of Solid Automotive Berhad.

B8. Group Borrowings

Total Group borrowings as at 30 April 2015 were as follows:-

	As at 30.04.15 RM'000	As at 30.04.2014 RM'000
<u>Current</u>		
Secured:		
Bankers' acceptances	12,120	4,072
Term loans / revolving credit	3,666	706
Hire purchase payables	306	359
	<u>16,092</u>	<u>5,137</u>
 <u>Non-current</u>		
Secured:		
Term loans / revolving credit	7,815	2,075
Hire purchase payables	117	320
	<u>7,932</u>	<u>2,395</u>
 Total Borrowings	 <u>24,024</u>	 <u>7,532</u>

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

The Board of Directors has proposed a final single tier dividend of 2.0 sen per ordinary share for the financial year ending 30 April 2015 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

**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 30.04.2015 RM'000	Preceding Year Quarter 30.04.2014 RM'000	Current Year- To-Date 30.04.2015 RM'000	Preceding Year- To-Date 30.04.2014 RM'000
Profit for the period	1,909	2,253	9,518	7,455
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	150,000	150,000	150,000	137,010
Basic Earnings Per Share (sen)	1.27	1.50	6.35	5.44

(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.

**INTERIM FINANCIAL REPORT****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 30.04.2015 RM'000	As at 30.04.2014 RM'000
Total retained earnings of the Group		
(a) Realised	63,809	57,272
(b) Unrealised	(638)	(619)
	<u>63,171</u>	<u>56,653</u>