



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCT 2017 <sup>(1)</sup>**

|  | Note | INDIVIDUAL QUARTER                           |  | CUMULATIVE QUARTER                           |  |
|--|------|--|--|--|--|
|  |      | Current Year Quarter<br>31.10.2017<br>RM'000 | Preceding Year Quarter<br>31.10.2016<br>RM'000 | Current Year-To-Date<br>31.10.2017<br>RM'000 | Preceding Year-To-Date<br>31.10.2016<br>RM'000 |
| Revenue  |      | 30,614                                       | 32,539   | 63,080                                       | 62,167   |
| Cost of sales  |      | (22,079)                                     | (23,408)                                       | (45,818)                                     | (44,820)                                       |
| Gross profit   |      | 8,535  | 9,131  | 17,262                                       | 17,347   |
| Other operating income   |      | 488  | 663  | 1,034  | 1,420  |
| Selling and distribution expense                                     |      | (4,080)                                      | (3,829)  | (8,276)                                      | (7,609)  |
| Administrative expense   |      | (3,901)                                      | (3,666)  | (7,903)                                      | (6,976)  |
|  |      | (7,981)                                      | (7,495)  | (16,179)                                     | (14,585)                                       |
| Profit from operations   |      | 1,042  | 2,299  | 2,117  | 4,182  |
| Finance costs  |      | (122)  | (175)  | (231)  | (357)  |
| <b>Profit before tax</b>   | B5   | 920  | 2,124  | 1,886  | 3,825  |
| Income tax expense   | B6   | (350)  | (758)  | (696)  | (1,304)  |
| <b>Profit after tax</b>  |      | 570  | 1,366  | 1,190  | 2,521  |
| <b>Other comprehensive income</b>                                    |      |  |  |  |  |
| <u>Items that may be reclassified subsequently to profit or loss</u> |      |  |  |  |  |
| Translation differences on foreign operation                         |      | (156)  | 56   | (22)   | 479  |
| Cash flow hedge  |      | -  | (32)   | -  | 71   |
| <b>Total other comprehensive income</b>                              |      | (156)  | 24   | (22)   | 550  |
| <b>Total comprehensive income</b>                                    |      | 414  | 1,390  | 1,168  | 3,071  |
| Profit after tax attributable to:                                    |      |  |  |  |  |
| - Owners of the Company  |      | 569  | 1,366  | 1,184  | 2,521  |
| - Non-controlling interests  |      | 1  | -  | 6  | -  |
|  |      | 570  | 1,366  | 1,190  | 2,521  |
| Total comprehensive income attributable to:                          |      |  |  |  |  |
| - Owners of the Company  |      | 413  | 1,390  | 1,162  | 3,071  |
| - Non-controlling interests  |      | 1  | -  | 6  | -  |
|  |      | 414  | 1,390  | 1,168  | 3,071  |



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 OCT 2017 <sup>(1)</sup> (CONT'D)**

|   | INDIVIDUAL QUARTER         |                              | CUMULATIVE QUARTER          |                               |            |
|---|----------------------------|------------------------------|-----------------------------|-------------------------------|------------|
|   | Current<br>Year<br>Quarter | Preceding<br>Year<br>Quarter | Current<br>Year-<br>To-Date | Preceding<br>Year-<br>To-Date |            |
|   | Note                       | 31.10.2017                   | 31.10.2016                  | 31.10.2017                    | 31.10.2016 |
| Earnings per share (sen) attributable to owners of the Company: |                            |                              |                             |                               |            |
| - Basic <sup>(2)</sup>  | B12                        | 0.34                         | 0.82                        | 0.71                          | 1.52       |
| - Diluted   |                            | 0.24                         | 0.63                        | 0.50                          | 1.16       |

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 2017 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 B12.*



Incorporated in Malaysia  
**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCT 2017 <sup>(1)</sup>**

|   | <b>As at</b>      | <b>As at</b>      |
|---|-------------------|-------------------|
|   | <b>31.10.2017</b> | <b>30.04.2017</b> |
| <b>Note</b>                                 | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>ASSETS</b>                               |                   |                   |
| <b>Non-current assets</b>                   |                   |                   |
| Investment properties                       | 11,327            | 11,216            |
| Property, plant and equipment               | 46,025            | 40,864            |
| Other investments                           | 103               | 103               |
| Deferred tax assets                         | 824               | 559               |
|   | <hr/>             | <hr/>             |
|   | 58,279            | 52,742            |
| <b>Current assets</b>                       |                   |                   |
| Inventories                                 | 54,845            | 50,142            |
| Trade receivables                           | 30,628            | 34,462            |
| Other receivables, deposits and prepayments | 3,962             | 3,470             |
| Current tax asset                           | 1,551             | 785               |
| Short-term investments                      | 3,756             | 3,173             |
| Derivative asset                            | 459               | 756               |
| Fixed deposits with licensed banks          | 2,243             | 4,067             |
| Cash and bank balances                      | 7,704             | 10,760            |
|   | <hr/>             | <hr/>             |
|   | 105,148           | 107,615           |
|   | <hr/>             | <hr/>             |
| <b>TOTAL ASSETS</b>                         | <b>163,427</b>    | <b>160,357</b>    |



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCT 2017 <sup>(1)</sup> (CONT'D)**

|   |      | As at<br>31.10.2017 | As at<br>30.04.2017 |
|---|------|---------------------|---------------------|
|   | Note | RM'000              | RM'000              |
| <b>EQUITY AND LIABILITIES</b>   |      |                     |                     |
| <b>EQUITY</b>   |      |                     |                     |
| Share capital   | B8   | 97,988              | 97,503              |
| Merger deficit  |      | (43,361)            | (43,361)            |
| Translation reserve   |      | 2,820               | 2,842               |
| Warrant reserve   |      | 15,604              | 15,742              |
| Hedging reserve   |      | (266)               | (266)               |
| Retained earnings   |      | 67,207              | 66,023              |
| <b>Equity attributable to equity holders of the Company</b>                         |      | <u>139,992</u>      | <u>138,483</u>      |
| Non-controlling interests   |      | 106                 | 100                 |
| <b>Total equity</b>   |      | <u>140,098</u>      | <u>138,583</u>      |
| <b>LIABILITIES</b>  |      |                     |                     |
| <b>Non-current liabilities</b>  |      |                     |                     |
| Long-term borrowings  | B9   | 2,201               | 2,570               |
| <b>Current liabilities</b>  |      |                     |                     |
| Trade payables  |      | 8,557               | 9,473               |
| Other payables and accruals   |      | 6,362               | 4,792               |
| Short-term borrowings   | B9   | 6,181               | 4,923               |
| Current tax liabilities   |      | 28                  | 16                  |
|   |      | <u>21,128</u>       | <u>19,204</u>       |
| <b>TOTAL LIABILITIES</b>  |      | <u>23,329</u>       | <u>21,774</u>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <u>163,427</u>      | <u>160,357</u>      |
| Net assets per share attributable to ordinary equity holders<br>of the Company (RM) |      | 0.84                | 0.83                |

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 2017 and the accompanying explanatory notes attached to these interim financial statements.*

Incorporated in Malaysia  
**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 OCT 2017 <sup>(1)</sup>**

|   | <----- Attributable to equity holders of the Company -----> |         |          |             |         |          |          |               |             |          |         |
|---|---|---------|----------|-------------|---------|----------|----------|---------------|-------------|----------|---------|
|   | <----- Non-distributable ----->                             |         |          |             |         |          |          | Distributable | Non-        |          | Total   |
|   | Share   | Share   | Merger   | Translation | Warrant | Hedging  | Retained | Total         | Controlling | Interest |         |
| Capital                                   | Premium   | Deficit | Reserve  | Reserve     | Reserve | Earnings | RM'000   | RM'000        | RM'000      | RM'000   |         |
| Note                                      | RM'000  | RM'000  | RM'000   | RM'000      | RM'000  | RM'000   | RM'000   | RM'000        | RM'000      | RM'000   | RM'000  |
| At 1 May 2017                             | 97,503  | -       | (43,361) | 2,842       | 15,742  | (266)    | 66,023   | 138,483       | 100         | 138,583  |         |
| Total comprehensive income for the period | -   | -       | -        | (22)        | -       | -        | 1,184    | 1,162         | 6           | 1,168    |         |
| Issuance of shares                        |   |         |          |             |         |          |          |               |             |          |         |
| - Exercise of Warrants                    | B7  | 485     | -        | -           | -       | (138)    | -        | 347           | -           | 347      |         |
| At 31 Oct 2017                            |   | 97,988  | -        | (43,361)    | 2,820   | 15,604   | (266)    | 67,207        | 139,992     | 106      | 140,098 |
| At 1 May 2016                             |   | 82,803  | 13,908   | (43,361)    | 1,984   | 15,968   | (266)    | 63,071        | 134,107     | -        | 134,107 |
| Total comprehensive income for the period |   | -       | -        | -           | 479     | -        | 71       | 2,521         | 3,071       | -        | 3,071   |
| Issuance of shares                        |   |         |          |             |         |          |          |               |             |          |         |
| - Exercise of Warrants                    | B7  | 333     | 133      | -           | -       | (133)    | -        | 333           | -           | 333      |         |
| Dividend paid                             |   | -       | -        | -           | -       | -        | (1,661)  | (1,661)       | -           | (1,661)  |         |
| At 31 Oct 2016                            |   | 83,136  | 14,041   | (43,361)    | 2,463   | 15,835   | (195)    | 63,931        | 135,850     | -        | 135,850 |

Notes:

*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 2017 and the accompanying explanatory notes attached to these interim financial statements.*



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCT 2017 <sup>(1)</sup>**

|   | <b>Current<br/>Year-To-Date<br/>31.10.2017<br/>RM'000</b> | <b>Preceding<br/>Year-To-Date<br/>31.10.2016<br/>RM'000</b> |
|---|---|---|
| <b>Cash Flows for Operating Activities</b>                              |   |   |
| Profit before tax   | 1,886   | 3,825   |
| Adjustments for:  |   |   |
| Net allowance for impairment losses on trade receivables                | 122   | 9   |
| Depreciation of property, plant and equipment and investment properties | 1,285   | 1,057   |
| Interest expense  | 157   | 269   |
| Interest income   | (316)   | (469)   |
| Inventories written down  | 1,031   | 1,597   |
| Fair value loss on short-term investments                               | 6   | -   |
| Fair value loss on derivative   | 297   | -   |
| Gain on disposal of property, plant and equipment                       | (116)   | (128)   |
| Provision/(reversal) of provision for warranty                          | 51  | (111)   |
| Property, plant and equipment written off                               | 3   | -   |
| Net unrealised gain on foreign exchange                                 | (89)  | (152)   |
| Rental income   | (8)   | (77)  |
| Operating profit before working capital changes                         | 4,309   | 5,820   |
| Increase in inventories   | (5,734)   | (7,804)   |
| Decrease/(Increase) in trade and other receivables                      | 3,351   | (449)   |
| Increase/(Decrease) in trade and other payables                         | 547   | (49)  |
| Cash from/(for) operations  | 2,473   | (2,482)   |
| Interest paid   | (157)   | (269)   |
| Interest received   | 202   | 469   |
| Income tax paid, net of refund  | (1,716)   | (1,729)   |
| Net cash from/(for) operating activities                                | 802   | (4,011)   |



**INTERIM FINANCIAL REPORT**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 OCT 2017 <sup>(1)</sup> (CONT'D)**

|   | <b>Current<br/>Year-To- Date<br/>31.10.2017<br/>RM'000</b> | <b>Preceding<br/>Year- To- Date<br/>31.10.2016<br/>RM'000</b> |
|---|--|---|
| <b>Cash Flows for Investing Activities</b>                  |  |   |
| Interest income received                                    | 114  | -   |
| Rental received   | 8  | 77  |
| Acquisition of:   |  |   |
| - property, plant and equipment                             | (6,176)  | (2,169)   |
| - investment properties                                     | (384)  | -   |
| - short-term investments                                    | (589)  | (1,324)   |
| Proceeds from disposal of property, plant and equipment     | 115  | 466   |
| Net cash for investing activities                           | <u>(6,912)</u>   | <u>(2,950)</u>  |
| <b>Cash Flows from Financing Activities</b>                 |  |   |
| Net proceeds from issuance of new shares from:              |  |   |
| - exercise of warrants                                      | 347  | 333   |
| Dividend paid   | -  | (1,661)   |
| Repayment of hire purchase obligations                      | (39)   | (80)  |
| Net drawdown/(repayment) of term loans / revolving credit   | 1,000  | (2,741)   |
| (Repayment)/Net drawdown of short-term bank borrowings      | (57)   | 5,116   |
| Net cash from financing activities                          | <u>1,251</u>   | <u>967</u>  |
| <b>Net decrease in cash and cash equivalents</b>            | <b>(4,859)</b>   | <b>(5,994)</b>  |
| Effects of foreign exchange rates changes                   | (21)   | 63  |
| <b>Cash and cash equivalents at beginning of the period</b> | <b>14,827</b>  | <b>27,302</b>   |
| <b>Cash and cash equivalents at end of the period</b>       | <b><u>9,947</u></b>  | <b><u>21,371</u></b>  |
| <b>Cash and cash equivalents at end of period comprise:</b> |  |   |
| Fixed deposits with licensed banks                          | 2,243  | 8,065   |
| Cash and bank balances                                      | 7,704  | 13,306  |
|   | <u>9,947</u>   | <u>21,371</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 2017 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 2017.

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 2017.

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 2017.

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

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised losses

The Group has not applied in advance the following applicable accounting standards (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:-

| <b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>          | <b>Effective Date</b> |
|--|-----------------------|
| MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)                        | 1 January 2018        |
| MFRS 15 Revenue from Contracts with Customers  | 1 January 2018        |
| MFRS 16 Leases   | 1 January 2019        |
| IC Interpretation 22 Foreign Currency Transactions and Advance Consideration             | 1 January 2018        |
| IC Interpretation 23 Uncertainty over Income Tax Treatments                              | 1 January 2019        |
| Amendments to MFRS 15: Effective Date of MFRS 15   | 1 January 2018        |
| Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’ | 1 January 2018        |
| Amendments to MFRS 140 – Transfers of Investment Property                                | 1 January 2018        |

The adoption of the above applicable standards and interpretations is expected to have no material impact on the financial position and performance of the Group.





**INTERIM FINANCIAL REPORT**

**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 2017 were not qualified.

**A3. Seasonality or Cyclical of Operations**

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

**A4. Unusual Items**

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

**A5. Changes in Estimates**

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

**A6. Debt and Equity Securities**

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

**A7. Dividend Paid**

No dividend was paid by the Company during the current financial quarter.

**A8. Segment Information**

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

- Automotive electrical parts – involved in the trading and distribution of automotive electrical parts and components;
- Automotive engine and mechanical parts – involved in the trading and distribution of automotive engine and mechanical parts and components; and
- Others – involved in the investment and property holding and provision of management services.

Segmental information of the Group for the financial period-to-date ended 31 October 2017 is as follows:

|                      | <b>Automotive<br/>electrical<br/>parts<br/>RM'000</b> | <b>Automotive<br/>engine and<br/>mechanical<br/>parts<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|----------------------|---|--|--------------------------|-------------------------|
| External revenue     | 47,884  | 15,050   | 146                      | 63,080                  |
| Segment results      | 2,713   | 48   | (511)                    | 2,250                   |
| Unallocated expenses |   |  |                          | (364)                   |
| Profit before tax    |   |  |                          | 1,886                   |



**INTERIM FINANCIAL REPORT**

**A8. Segment Information (Cont'd)**

Segmental information of the Group for the financial period-to-date ended 31 October 2016 is as follows:

|                      | <b>Automotive<br/>electrical<br/>parts<br/>RM'000</b> | <b>Automotive<br/>engine and<br/>mechanical<br/>parts<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|----------------------|---|--|--------------------------|-------------------------|
| External revenue     | 47,957  | 14,210   | -                        | 62,167                  |
| Segment results      | 4,134   | 77   | (94)                     | 4,117                   |
| Unallocated expenses |   |  |                          | (292)                   |
| Profit before tax    |   |  |                          | 3,825                   |

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

|                        | <b>Current year to date<br/>31 October 2017<br/>RM'000</b> | <b>Preceding year to date<br/>31 October 2016<br/>RM'000</b> |
|------------------------|--|--|
| <b>Revenue</b>         |  |  |
| Malaysia               | 44,312   | 39,712   |
| Middle East and Africa | 13,770   | 17,798   |
| Others                 | 4,998  | 4,657  |
|                        | <u>63,080</u>  | <u>62,167</u>  |

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 for the passenger and commercial vehicles in the automotive aftermarket segment in Malaysia and overseas.



岩石汽车工业集团

**SOLID AUTOMOTIVE BERHAD** (1016725-P)

Incorporated in Malaysia

**INTERIM FINANCIAL REPORT**

**A9. Subsequent Material Events**

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

**A10. Composition of the Group**

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

**A11. Material Capital Commitments**

**31 October 2017**

**Property, plant and equipment**

**RM'000**

Contracted but not provided for

5,684

**A12. Contingent Liabilities and Contingent Assets**

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

Incorporated in Malaysia  
**INTERIM FINANCIAL REPORT**

**A13. Fair Value Information**

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

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

|                                     | Fair Value Of Financial Instruments Carried<br>At Fair Value |         |         | Fair Value Of Financial Instruments Not<br>Carried At Fair Value |         |         | <b>Total Fair<br/>Value</b> | <b>Carrying<br/>Amount</b> |
|-------------------------------------|--|---------|---------|--|---------|---------|-----------------------------|----------------------------|
|                                     | Level 1  | Level 2 | Level 3 | Level 1  | Level 2 | Level 3 |                             |                            |
|                                     | RM'000   | RM'000  |         | RM'000   | RM'000  | RM'000  |                             |                            |
| <b>31.10.2017</b>                   |  |         |         |  |         |         |                             |                            |
| <u>Financial assets</u>             |  |         |         |  |         |         |                             |                            |
| Short-term investment               | 3,756  | -       | -       | -  | -       | -       | 3,756                       | 3,756                      |
| Derivative asset:                   |  |         |         |  |         |         |                             |                            |
| - cross currency interest rate swap | -  | 459     | -       | -  | -       | -       | 459                         | 459                        |
| <u>Financial Liabilities</u>        |  |         |         |  |         |         |                             |                            |
| Hire purchase payables              | -  | -       | -       | -  | 138     | -       | 138                         | 139                        |
| Term loans                          | -  | 2,256   | -       | -  | 3,709   | -       | 5,965                       | 5,965                      |



Incorporated in Malaysia  
**INTERIM FINANCIAL REPORT**

**A13. Fair Value Information (Cont'd)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

|                                     | Fair Value Of Financial Instruments Carried<br>At Fair Value |         |         | Fair Value Of Financial Instruments Not<br>Carried At Fair Value |         |         | <b>Total Fair<br/>Value</b> | <b>Carrying<br/>Amount</b> |
|-------------------------------------|--|---------|---------|--|---------|---------|-----------------------------|----------------------------|
|                                     | Level 1  | Level 2 | Level 3 | Level 1  | Level 2 | Level 3 |                             |                            |
|                                     | RM'000   | RM'000  | RM'000  | RM'000   | RM'000  | RM'000  |                             |                            |
| <b>30.04.2017</b>                   |  |         |         |  |         |         |                             |                            |
| <u>Financial assets</u>             |  |         |         |  |         |         |                             |                            |
| Short-term investment               | 3,173  | -       | -       | -  | -       | -       | 3,173                       | 3,173                      |
| Derivative asset:                   |  |         |         |  |         |         |                             |                            |
| - cross currency interest rate swap | -  | 756     | -       | -  | -       | -       | 756                         | 756                        |
| <u>Financial Liabilities</u>        |  |         |         |  |         |         |                             |                            |
| Hire purchase payables              | -  | -       | -       | -  | 184     | -       | 184                         | 177                        |
| Term loans                          | -  | -       | -       | -  | 4,842   | -       | 4,842                       | 4,966                      |

**INTERIM FINANCIAL REPORT****B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD****B1. Review of Performance**

The revenue for the current quarter has decreased to RM30.614 million from RM32.539 million in the corresponding quarter in the preceding year due to lower export sales.

The gross profit for the current quarter has decreased to RM8.535 million as compared to the corresponding quarter in the preceding year of RM9.131 million in line with lower revenues. However, gross profit margin has remained consistent overall for current quarter as compare to the corresponding quarter in the preceding year.

Profit before tax for the current quarter has decreased to RM0.920 million compared to RM2.124 million in the corresponding quarter in the preceding year. This was due to lower sales revenue coupled with higher expenses.

The revenue derived from our automotive electrical parts (accounting for approximately 76% of total revenue) and automotive engine and mechanical parts and others (accounting for approximately 24% of total revenue) has remained consistent with the corresponding quarter in the preceding year.

**B2. Variation of Results with the immediate preceding quarter**

The Group's revenue for the current quarter of RM30.614 million showed a decrease compared to the revenue of RM32.466 million for the immediate preceding quarter due to lower export sales.

The gross profit margin has increased from 26.9% for the immediate preceding quarter to 27.9% for the current quarter due to improved margins for the domestic market.

The Group registered a profit before tax of RM0.920 million for the current quarter compared to RM0.966 million for the immediate preceding quarter due mainly to lower sales revenue.

**B3. Prospects for the Group for the Financial Year ending 30 April 2018**

Despite the growth in Gross Domestic Product, the Malaysian economy is facing challenges with uncertain business conditions, increase cost of doing business and cost of living. The overseas market is affected by global economic weaknesses and uncertainties especially in the Middle East. The Group will continue to focus on strategies for sales and marketing in both domestic and export market to promote our in-house brands, expand our product range, increase the number of branches throughout Malaysia and expand our market presence in overseas countries. The Group will continue to pursue improvements to enhance our supply chain management, productivity and cost management.

The Group will strive to improve on its performance for the financial year ending 30 April 2018.

**B4. Variance of Profit Forecast**

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



**INTERIM FINANCIAL REPORT**

**B5. Notes to the Statement of Comprehensive Income**

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

|   | INDIVIDUAL QUARTER                           |  | CUMULATIVE QUARTER                                |  |
|---|--|--|---|--|
|   | Current Year Quarter<br>31.10.2017<br>RM'000 | Preceding Year Quarter<br>31.10.2016<br>RM'000 | Current Year-<br>-To-Date<br>31.10.2017<br>RM'000 | Preceding Year-<br>To-Date<br>31.10.2016<br>RM'000 |
| Depreciation of property, plant and equipment and investment properties | 666  | 539  | 1,285   | 1,057  |
| Fair value loss on derivative   | 165  | -  | 297   | -  |
| Fair value loss on short-term investments                               | 1  | -  | 6   | -  |
| Gain on disposal of property, plant and equipment                       | (1)  | (58)   | (116)   | (128)  |
| Net allowance for impairment losses on trade receivables                | 5  | 19   | 122   | 9  |
| Net gain on foreign exchange  | (165)  | (229)  | (259)   | (530)  |
| Interest expense  | 84   | 100  | 157   | 269  |
| Interest income   | (147)  | (218)  | (316)   | (469)  |
| Rental income   | -  | (52)   | (8)   | (77)   |
| Net (reversal)/provision of provision for warranty                      | (4)  | (47)   | 51  | (111)  |
| Inventories written down  | 382  | 592  | 1,031   | 1,597  |

*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.*



Incorporated in Malaysia  
INTERIM FINANCIAL REPORT

**B6. Income Tax Expense**

|                        | INDIVIDUAL QUARTER   |                        | CUMULATIVE QUARTER   |                        |
|------------------------|----------------------|------------------------|----------------------|------------------------|
|                        | Current Year Quarter | Preceding Year Quarter | Current Year-To-Date | Preceding Year-To-Date |
|                        | 31.10.2017           | 31.10.2016             | 31.10.2017           | 31.10.2016             |
|                        | RM'000               | RM'000                 | RM'000               | RM'000                 |
| <u>Income tax</u>      |                      |                        |                      |                        |
| Current tax - Current  | 455                  | 874                    | 962                  | 1,507                  |
| - Prior Period         | -                    | (21)                   | -                    | (21)                   |
| Deferred tax - Current | 20                   | (95)                   | (243)                | (292)                  |
| - Prior Period         | (125)                | -                      | (23)                 | 110                    |
| Tax expense            | 350                  | 758                    | 696                  | 1,304                  |

The effective tax rate for the current period is slightly higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purpose.

**B7. Status of Corporate Proposals**

On 30 August 2017, the Company announced the following proposals:-

- i. Proposed share split involving the subdivision of every 1 existing ordinary shares in Solid ("Solid Share(s)" or "Share(s)") into 2 ordinary shares in Solid ("Split Share(s)") held on an entitlement date to be determined later ("Proposed Share Split");
- ii. Proposed bonus issue of up to 82,500,000 new Split Shares ("Bonus Share(s)") to be credited as fully paid-up on the basis of 1 Bonus Share for every 6 Split Shares held on the same entitlement date as the Proposed Share Split; and
- iii. Proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the total number of issued shares of Solid at any point in time.

The above proposals were approved by the shareholders at the Extraordinary General Meetings held on 24 October 2017 with an entitlement date on 9 November 2017. The Company had on 10 November 2017 completed the Share Split and Bonus Issue following the listing and quotation for:-

- 1) 334,861,200 ordinary shares in the Company pursuant to the Share Split;
- 2) 55,809,728 new ordinary shares pursuant to the Bonus Issue; and
- 3) 106,758,987 additional warrants 2015/2020 in the Company (arising from the adjustments as a result of the Share Split and Bonus Issue),

on the Main Market of Bursa Malaysia Securities Berhad.





**INTERIM FINANCIAL REPORT**

**B8. Share Capital**

|   | <b>Current<br/>Year-To-<br/>Date<br/>31.10.2017<br/>Number of shares<br/>'000</b> | <b>Preceding<br/>Year-To-<br/>Date<br/>31.10.2016<br/>'000</b> | <b>Current<br/>Year-To-<br/>Date<br/>31.10.2017<br/>RM'000</b> | <b>Preceding<br/>Year-To-<br/>Date<br/>31.10.2016<br/>RM'000</b> |
|---|---|--|--|--|
| <b>Authorised</b>                                 |   |  |  |  |
| Ordinary shares of Nil (31.10.2016 : RM0.50) each | N/A   | 1,000,000  | N/A  | 500,000  |
| <b>Issue And Fully Paid-Up</b>                    |   |  |  |  |
| Ordinary shares of Nil (31.10.2016 : RM0.50) each |   |  |  |  |
| At 1 May 2017/2016                                | 166,738   | 165,607  | 97,503   | 82,803   |
| Issued for cash in respect of warrant exercised   | 693   | 666  | 347  | 333  |
| Transfer from warrant reserve                     | -   | -  | 138  | -  |
| At 31 Oct 2017/2016                               | 167,431   | 166,273  | 97,988   | 83,136   |

*N/A : Not applicable due to the adoption of the Companies Act 2016.*



Incorporated in Malaysia  
INTERIM FINANCIAL REPORT

**B9. Group Borrowings**

Total Group borrowings as at 31 October 2017 / 30 April 2017 were as follows:-

|   | As at<br>31.10.17<br>RM'000 | As at<br>30.04.2017<br>RM'000 |
|---|-----------------------------|-------------------------------|
| <b><u>Current</u></b>                   |                             |                               |
| <b>Denominated in Malaysian Ringgit</b> |                             |                               |
| <b>Secured:</b>                         |                             |                               |
| Bankers' acceptances                    | 1,345                       | -                             |
| Hire purchase payables                  | 40                          | 59                            |
| <b>Denominated in US Dollars</b>        |                             |                               |
| Foreign currency loan                   | 934                         | 2,350                         |
| Term loans                              | 3,709                       | 2,514                         |
| <b>Denominated in Singapore Dollars</b> |                             |                               |
| Term loan                               | 153                         | -                             |
|   | 6,181                       | 4,923                         |
| <b><u>Non-current</u></b>               |                             |                               |
| <b>Denominated in Malaysian Ringgit</b> |                             |                               |
| <b>Secured:</b>                         |                             |                               |
| Hire purchase payables                  | 98                          | 118                           |
| <b>Denominated in US Dollars</b>        |                             |                               |
| Term loans                              | -                           | 2,452                         |
| <b>Denominated in Singapore Dollars</b> |                             |                               |
| Term loan                               | 2,103                       | -                             |
|   | 2,201                       | 2,570                         |
| <b>Total Borrowings</b>                 | 8,382                       | 7,493                         |

**B10. Material Litigation**

The Group is not engaged in any material litigation neither as plaintiff nor defendant. The Directors are unaware of any proceedings pending against the Group as at the date of this report.

**B11. Dividends**

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



**INTERIM FINANCIAL REPORT**

**B12. Earnings Per Share**

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

|  | INDIVIDUAL QUARTER                              |  | CUMULATIVE QUARTER                               |   |
|--|---|--|--|---|
|  | Current Year<br>Quarter<br>31.10.2017<br>RM'000 | Preceding<br>Year<br>Quarter<br>31.10.2016<br>RM'000 | Current Year-<br>To-Date<br>31.10.2017<br>RM'000 | Preceding<br>Year-<br>To-Date<br>31.10.2016<br>RM'000 |
| Profit after tax attributable to owners of the Company   | 569   | 1,366  | 1,184  | 2,521   |
| Weighted average number of ordinary shares of Nil (31.10.2016 : RM0.50) each in issue ('000) (basic)   | 167,208   | 165,655  | 167,208  | 165,655   |
| Effect of conversion of warrants   | 46,075  | 51,742   | 46,075   | 51,742  |
| Weighted average number of ordinary shares of Nil (31.10.2016 : RM0.50) each in issue ('000) (diluted) | 213,283   | 217,397  | 213,283  | 217,397   |
| Basic Earnings Per Share (sen)   | 0.34  | 0.82   | 0.71   | 1.52  |
| Diluted Earnings Per Share (sen)   | 0.27  | 0.63   | 0.56   | 1.16  |

**B13. 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<br>31.10.2017<br>RM'000 | As at<br>30.04.2017<br>RM'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| Total retained earnings of the Group |                               |                               |
| (a) Realised                         | 66,487                        | 65,928                        |
| (b) Unrealised                       | 552                           | 491                           |
|                                      | 67,039                        | 66,419                        |
| Less: consolidated adjustments       | 168                           | (396)                         |
| Total retained earnings              | 67,207                        | 66,023                        |