



Incorporated in Malaysia  
INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2018 <sup>(1)</sup>

|  | Note | INDIVIDUAL QUARTER                                 |  | CUMULATIVE QUARTER                                  |   |
|--|------|--|--|---|---|
|  |      | Current<br>Year<br>Quarter<br>30.04.2018<br>RM'000 | Preceding<br>Year<br>Quarter<br>30.04.2017<br>RM'000 | Current<br>Year-<br>To-Date<br>30.04.2018<br>RM'000 | Preceding<br>Year-<br>To-Date<br>30.04.2017<br>RM'000 |
| Revenue  |      | 30,482   | 32,165   | 129,415   | 125,447   |
| Cost of sales  |      | (22,630)   | (23,088)   | (94,591)  | (90,640)  |
| Gross profit   |      | 7,852  | 9,077  | 34,824  | 34,807  |
| Other operating income   |      | 588  | 927  | 2,676   | 3,173   |
| Selling and distribution expense   |      | (2,644)  | (3,691)  | (15,218)  | (15,240)  |
| Administrative expense   |      | (5,228)  | (3,202)  | (17,283)  | (13,950)  |
|  |      | (7,872)  | (6,893)  | (32,501)  | (29,190)  |
| Profit from operations   |      | 568  | 3,111  | 4,999   | 8,790   |
| Finance costs  |      | (155)  | (130)  | (513)   | (668)   |
| <b>Profit before tax</b>   | B5   | 413  | 2,981  | 4,486   | 8,122   |
| Income tax expense   | B6   | (360)  | (994)  | (1,814)   | (3,029)   |
| <b>Profit after tax</b>  |      | 53   | 1,987  | 2,672   | 5,093   |
| <b>Other comprehensive (expense)/income</b>                              |      |  |  |   |   |
| <u>Items that may be reclassified subsequently to<br/>profit or loss</u> |      |  |  |   |   |
| - Translation differences on foreign operation                           |      | (40)   | (62)   | (591)   | 858   |
| - Cash flow hedge  |      | -  | (150)  | -   | -   |
| <b>Total other comprehensive (expense)/income</b>                        |      | (40)   | (212)  | (591)   | 858   |
| <b>Total comprehensive income</b>  |      | 13   | 1,775  | 2,081   | 5,951   |
| Profit after tax attributable to:  |      |  |  |   |   |
| - Owners of the Company  |      | 46   | 1,984  | 2,661   | 5,113   |
| - Non-controlling interests  |      | 7  | 3  | 11  | (20)  |
|  |      | 53   | 1,987  | 2,672   | 5,093   |
| Total comprehensive income/(expense)<br>attributable to:                 |      |  |  |   |   |
| - Owners of the Company  |      | 6  | 1,772  | 2,070   | 5,971   |
| - Non-controlling interests  |      | 7  | 3  | 11  | (20)  |
|  |      | 13   | 1,775  | 2,081   | 5,951   |



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2018 <sup>(1)</sup> (CONT'D)**

|  | Note | INDIVIDUAL QUARTER                       |  | CUMULATIVE QUARTER                        |   |
|--|------|--|--|---|---|
|  |      | Current<br>Year<br>Quarter<br>30.04.2018 | Preceding<br>Year<br>Quarter<br>30.04.2017 | Current<br>Year-<br>To-Date<br>30.04.2018 | Preceding<br>Year-<br>To-Date<br>30.04.2017 |
| Earnings per share (sen) attributable to owners<br>of the Company: |      |  |  |   |   |
| - Basic <sup>(2)</sup>   | B13  | 0.01                                     | 0.51                                       | 0.68                                      | 1.32  |
| - Diluted  |      | 0.01                                     | 0.39                                       | 0.55                                      | 1.01  |

*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 B13.*



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30  
APRIL 2018 <sup>(1)</sup>**

|   | <b>As at<br/>30.04.2018</b> | <b>As at<br/>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                       | 11,108                      | 11,216                      |
| Property, plant and equipment               | 47,380                      | 40,864                      |
| Other investments                           | 103                         | 103                         |
| Deferred tax assets                         | 1,051                       | 559                         |
|   | <hr/>                       | <hr/>                       |
|   | 59,642                      | 52,742                      |
| <b>Current assets</b>                       |                             |                             |
| Inventories                                 | 51,727                      | 50,142                      |
| Trade receivables                           | 34,774                      | 34,462                      |
| Other receivables, deposits and prepayments | 3,318                       | 3,470                       |
| Current tax asset                           | 1,217                       | 785                         |
| Short-term investment                       | 5,973                       | 3,173                       |
| Derivative asset                            | 193                         | 756                         |
| Fixed deposits with licensed banks          | 1,501                       | 4,067                       |
| Cash and bank balances                      | 8,935                       | 10,760                      |
|   | <hr/>                       | <hr/>                       |
|   | 107,638                     | 107,615                     |
|   | <hr/>                       | <hr/>                       |
| <b>TOTAL ASSETS</b>                         | <b>167,280</b>              | <b>160,357</b>              |



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2018 <sup>(1)</sup> (CONT'D)**

|   |      | As at<br>30.04.2018 | As at<br>30.04.2017 |
|---|------|---------------------|---------------------|
|   | Note | RM'000              | RM'000              |
| <b>EQUITY AND LIABILITIES</b>   |      |                     |                     |
| <b>EQUITY</b>   |      |                     |                     |
| Share capital   | B9   | 98,183              | 97,503              |
| Merger deficit  |      | (43,361)            | (43,361)            |
| Translation reserve   |      | 2,251               | 2,842               |
| Warrant reserve   |      | 15,548              | 15,742              |
| Hedging reserve   |      | (266)               | (266)               |
| Retained earnings   |      | 67,847              | 66,023              |
| <b>Equity attributable to equity holders of the Company</b>                         |      | <u>140,202</u>      | <u>138,483</u>      |
| Non-controlling interests   |      | 111                 | 100                 |
| <b>Total equity</b>   |      | <u>140,313</u>      | <u>138,583</u>      |
| <b>LIABILITIES</b>  |      |                     |                     |
| <b>Non-current liabilities</b>  |      |                     |                     |
| Long-term borrowings  | B10  | 2,256               | 2,570               |
| <b>Current liabilities</b>  |      |                     |                     |
| Trade payables  |      | 8,581               | 9,473               |
| Other payables and accruals   |      | 3,374               | 4,792               |
| Short-term borrowings   | B10  | 12,604              | 4,923               |
| Current tax liabilities   |      | 152                 | 16                  |
|   |      | <u>24,711</u>       | <u>19,204</u>       |
| <b>TOTAL LIABILITIES</b>  |      | <u>26,967</u>       | <u>21,774</u>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <u>167,280</u>      | <u>160,357</u>      |
| Net assets per share attributable to ordinary equity holders<br>of the Company (RM) |      | 0.36                | 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.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 APRIL 2018**

(1)

|   | <----- Attributable to equity holders of the Company -----> |                                 |                          |                               |                           |                           |                             |                 |                    |            |                        |
|---|---|---------------------------------|--------------------------|-------------------------------|---------------------------|---------------------------|-----------------------------|-----------------|--------------------|------------|------------------------|
|   | Note  | <----- Non-distributable -----> |                          |                               |                           |                           | Distributable               |                 | Non-Controlling    |            | Total Equity<br>RM'000 |
| Share Capital<br>RM'000                   |   | Share Premium<br>RM'000         | Merger Deficit<br>RM'000 | Translation Reserve<br>RM'000 | Warrant Reserve<br>RM'000 | Hedging Reserve<br>RM'000 | Retained Earnings<br>RM'000 | Total<br>RM'000 | Interest<br>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 |   | -                               | -                        | -                             | (591)                     | -                         | -                           | 2,661           | 2,070              | 11         | 2,081                  |
| Issuance of shares                        |   |                                 |                          |                               |                           |                           |                             |                 |                    |            |                        |
| - Exercise of Warrants                    | B9  | 680                             | -                        | -                             | -                         | (194)                     | -                           | -               | 486                | -          | 486                    |
| Dividend paid                             |   | -                               | -                        | -                             | -                         | -                         | -                           | (837)           | (837)              | -          | (837)                  |
| <b>At 30 April 2018</b>                   |   | <b>98,183</b>                   | <b>-</b>                 | <b>(43,361)</b>               | <b>2,251</b>              | <b>15,548</b>             | <b>(266)</b>                | <b>67,847</b>   | <b>140,202</b>     | <b>111</b> | <b>140,313</b>         |
| At 1 May 2016                             |   | 82,803                          | 13,908                   | (43,361)                      | 1,984                     | 15,968                    | (266)                       | 63,071          | 134,107            | -          | 134,107                |
| Allocation of non-controlling interest    |   | -                               | -                        | -                             | -                         | -                         | -                           | -               | -                  | 120        | 120                    |
| Total comprehensive income for the period |   | -                               | -                        | -                             | 858                       | -                         | -                           | 5,113           | 5,971              | (20)       | 5,951                  |
| Issuance of shares                        |   |                                 |                          |                               |                           |                           |                             |                 |                    |            |                        |
| - Exercise of Warrants                    | B9  | 566                             | 226                      | -                             | -                         | (226)                     | -                           | -               | 566                | -          | 566                    |
| Transfer to share capital                 |   | 14,134                          | (14,134)                 | -                             | -                         | -                         | -                           | -               | -                  | -          | -                      |
| Dividend paid                             |   | -                               | -                        | -                             | -                         | -                         | -                           | (2,161)         | (2,161)            | -          | (2,161)                |
| <b>At 30 April 2017</b>                   |   | <b>97,503</b>                   | <b>-</b>                 | <b>(43,361)</b>               | <b>2,842</b>              | <b>15,742</b>             | <b>(266)</b>                | <b>66,023</b>   | <b>138,483</b>     | <b>100</b> | <b>138,583</b>         |

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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2018 <sup>(1)</sup>**

|   | <b>Current<br/>Year-To-Date<br/>30.04.2018<br/>RM'000</b> | <b>Preceding<br/>Year-To-Date<br/>30.04.2017<br/>RM'000</b> |
|---|---|---|
| <b>Cash Flows from/(for) Operating Activities</b>                       |   |   |
| Profit before tax   | 4,486   | 8,122   |
| Adjustments for:  |   |   |
| Net allowance for impairment losses on trade receivables                | 64  | 217   |
| Depreciation of property, plant and equipment and investment properties | 2,691   | 2,247   |
| Interest expense  | 353   | 499   |
| Interest income   | (642)   | (867)   |
| Inventories written down  | 1,820   | 3,250   |
| Fair value loss on short-term investment                                | 5   | 29  |
| Fair value loss/(gain) on derivative                                    | 563   | (437)   |
| Gain on disposal of property, plant and equipment                       | (160)   | (222)   |
| Provision/(reversal) of provision for warranty                          | 110   | (124)   |
| Property, plant and equipment written off                               | 912   | 119   |
| Net unrealised gain on foreign exchange                                 | (151)   | (6)   |
| Operating profit before working capital changes                         | 10,051  | 12,827  |
| Increase in inventories   | (3,405)   | (10,172)  |
| Increase in trade and other receivables                                 | (101)   | (4,321)   |
| (Decrease)/increase in trade and other payables                         | (2,502)   | 1,421   |
| Cash from/(for) operations  | 4,043   | (245)   |
| Interest paid   | (353)   | (3)   |
| Interest received   | 434   | 289   |
| Income tax paid, net of refund  | (2,601)   | (3,831)   |
| Net cash from/(for) operating activities                                | 1,523   | (3,790)   |



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2018 <sup>(1)</sup> (CONT'D)**

|   | <b>Year-To- Date<br/>30.04.2018<br/>RM'000</b> | <b>Year- To- Date<br/>30.04.2017<br/>RM'000</b> |
|---|--|---|
| <b>Cash Flows for Investing Activities</b>                              |  |   |
| Interest income received  | 208  | 578   |
| Acquisition of:   |  |   |
| - property, plant and equipment   | (9,734)  | (5,417)   |
| - investment properties   | (304)  | -   |
| - short-term investment   | (2,806)  | (1,016)   |
| Withdrawal of fixed deposits with licensed banks                        | -  | 5,000   |
| Dividend paid   | (837)  | -   |
| Proceeds from disposal of property, plant and equipment                 | 171  | 567   |
| Net cash for investing activities                                       | <u>(13,302)</u>                                | <u>(288)</u>                                    |
| <b>Cash Flows from Financing Activities</b>                             |  |   |
| Net proceeds from issuance of new shares from:                          |  |   |
| - exercise of warrants  | 486  | 566   |
| Interest paid   | -  | (496)   |
| Dividend paid   | -  | (2,161)   |
| Proceeds from non-controlling interest upon incorporation of subsidiary | -  | 120   |
| Drawdown/(repayment) of hire purchase obligations                       | 264  | (121)   |
| Repayment of term loans / revolving credit                              | (438)  | (3,997)   |
| Net drawdown of short-term bank borrowings                              | 7,651  | 1,870   |
| Net cash from/(for) financing activities                                | <u>7,963</u>                                   | <u>(4,219)</u>                                  |
| <b>Net decrease in cash and cash equivalents</b>                        | <b>(3,816)</b>                                 | <b>(8,297)</b>                                  |
| Effects of foreign exchange rates changes                               | (575)  | 822   |
| <b>Cash and cash equivalents at beginning of the period</b>             | <b>14,827</b>                                  | <b>22,302</b>                                   |
| <b>Cash and cash equivalents at end of the period</b>                   | <b><u>10,436</u></b>                           | <b><u>14,827</u></b>                            |
| <b>Cash and cash equivalents at end of period comprise:</b>             |  |   |
| Fixed deposits with licensed banks                                      | 1,501  | 4,067   |
| Cash and bank balances  | 8,935  | 10,760  |
|   | <u>10,436</u>                                  | <u>14,827</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.*



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**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 2: Classification and Measurement of Share-based Payment Transactions    | 1 January 2018        |
| Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts | 1 January 2018        |
| Amendments to MFRS 9: Prepayment Features with Negative Compensation                        | 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        |
| Annual Improvements to MFRS Standards 2015 – 2017 Cycles                                    | 1 January 2019        |

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.





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**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 except for the write-off of property, plant and equipment as disclosed in Note B2.

**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**

During the current quarter ended 30 April 2018, the Company issued 478,500 new ordinary shares at exercise price of RM0.21 per ordinary share arising from the exercise of warrants for cash.

**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.



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

Segmental information of the Group for the financial period-to-date ended 30 April 2018 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     | 97,191  | 31,932   | 292                      | 129,415                 |
| Segment results      | 4,825   | 1,367  | (942)                    | 5,250                   |
| Unallocated expenses |   |  |                          | (764)                   |
| Profit before tax    |   |  |                          | 4,486                   |

Segmental information of the Group for the financial period-to-date ended 30 April 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     | 97,317  | 27,972   | 158                      | 125,447                 |
| Segment results      | 9,281   | 107  | (651)                    | 8,737                   |
| Unallocated expenses |   |  |                          | (615)                   |
| Profit before tax    |   |  |                          | 8,122                   |

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

|                        | <b>Current year to date<br/>30-Apr-18<br/>RM'000</b> | <b>Preceding year to date<br/>30-Apr-17<br/>RM'000</b> |
|------------------------|--|--|
| <b>Revenue</b>         |  |  |
| Malaysia               | 89,734   | 79,301   |
| Middle East and Africa | 26,639   | 34,266   |
| Others                 | 13,042   | 11,880   |
|                        | <u>129,415</u>                                       | <u>125,447</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.



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**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**

**30 April 2018**

**Property, plant and equipment**

**RM'000**

Contracted but not provided for

4,057

**A12. Contingent Liabilities and Contingent Assets**

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

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**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  | RM'000  |                             |                            |
| <b>30.04.2018</b>                   |  |         |         |  |         |         |                             |                            |
| <u>Financial assets</u>             |  |         |         |  |         |         |                             |                            |
| Short-term investment               | 5,973  | -       | -       | -  | -       | -       | 5,973                       | 5,973                      |
| Derivative asset:                   |  |         |         |  |         |         |                             |                            |
| - cross currency interest rate swap | -  | 193     | -       | -  | -       | -       | 193                         | 193                        |
| <u>Financial Liabilities</u>        |  |         |         |  |         |         |                             |                            |
| Hire purchase payables              | -  | 354     | -       | -  | 87      | -       | 441                         | 441                        |
| Term loans                          | -  | 2,076   | -       | -  | 2,451   | -       | 4,527                       | 4,527                      |



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**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                      |



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**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 decreased to RM30.482 million from RM32.165 million in the corresponding quarter in the preceding year due to lower revenue from both domestic and export market.

The gross profit for the current quarter has decreased to RM7.852 million as compared to RM9.077 million in the corresponding quarter in the preceding year due mainly to lower revenues and margins in the current quarter.

Profit before tax for the current quarter has decreased to RM0.413 million compared to RM2.981 million in the corresponding quarter in the preceding year due to lower sales revenue and higher expenses.

The revenue derived from our automotive electrical parts accounted for approximately 75% of total revenue while automotive engine and mechanical parts and others accounted for approximately 25% of total revenue compared to 72% and 28% respectively in 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 RM30.482 million showed a decrease compared to the revenue of RM35.853 million for the immediate preceding quarter due to lower revenue from domestic market.

The gross margin has decreased from 27.1% for the immediate preceding quarter to 25.8% for the current quarter due to lower overall sales and margins.

The Group registered a profit before tax of RM0.413 million for the current quarter compared to RM2.187 million for the immediate preceding quarter due mainly to lower sales revenue and increase in expenses included a one off write-off of property, plant and equipment amounting to RM0.907 million in net book value upon the demolition of our old Segambut building in order to construct a new distribution centre.

**B3. Prospects for the Group for the Financial Year ending 30 April 2019**

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 especially in ASEAN countries. The Group will continue to pursue improvements to enhance our supply chain management, productivity and cost management.

The Group will strive to maintain its performance for the financial year ending 30 April 2019.

**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 Profit or Loss**

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

|   | INDIVIDUAL QUARTER |                | CUMULATIVE QUARTER |                 |
|---|--------------------|----------------|--------------------|-----------------|
|   | Current Year       | Preceding Year | Current Year-      | Preceding Year- |
|   | Quarter            | Quarter        | -To-Date           | To-Date         |
|   | 30.04.2018         | 30.04.2017     | 30.04.2018         | 30.04.2017      |
|   | RM'000             | RM'000         | RM'000             | RM'000          |
| Depreciation of property, plant and equipment and investment properties | 716                | 614            | 2,691              | 2,247           |
| Fair value loss/(gain) on derivative                                    | 19                 | (437)          | 563                | (437)           |
| Fair value (gain)/ loss on short-term investment                        | (1)                | 29             | 5                  | 29              |
| Gain on disposal of property, plant and equipment                       | (46)               | (15)           | (160)              | (222)           |
| Net allowance/(reversal) for impairment losses on trade receivables     | 57                 | (109)          | 64                 | 217             |
| Net (gain)/loss on foreign exchange                                     | (93)               | 2              | (820)              | (357)           |
| Property, plant and equipment written off                               | 909                | 119            | 912                | 119             |
| Interest expense  | 109                | 95             | 353                | 499             |
| Interest income   | (170)              | (187)          | (642)              | (867)           |
| Net provision/(reversal) of provision for warranty                      | 10                 | (38)           | 110                | (124)           |
| Inventories written down  | 597                | 419            | 1,820              | 3,250           |

*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 | Preceding Year Quarter | Current Year-To-Date | Preceding Year-To-Date |
|                        | 30.04.2018           | 30.04.2017             | 30.04.2018           | 30.04.2017             |
|                        | RM'000               | RM'000                 | RM'000               | RM'000                 |
| <u>Income tax</u>      |                      |                        |                      |                        |
| Current tax - Current  | 649                  | 889                    | 2,301                | 3,030                  |
| - Prior Period         | 19                   | 12                     | 5                    | 51                     |
| Deferred tax - Current | (459)                | 239                    | (552)                | (16)                   |
| - Prior Period         | 151                  | (146)                  | 60                   | (36)                   |
| Tax expense            | 360                  | 994                    | 1,814                | 3,029                  |

The effective tax rate for the current period is 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**

There was no corporate proposals announced but yet to be completed as at the date of this report.

**B8. Derivative Asset**

|                                   | Contract/<br>Notional Amount | Fair Value |
|-----------------------------------|------------------------------|------------|
|                                   | 30.04.2018                   | 30.04.2018 |
|                                   | RM'000                       | RM'000     |
| Cross currency interest rate swap |                              |            |
| - Less than 1 year                | 2,495                        | 193        |

- (a) The cross currency interest rate swap is used to hedge cash flow interest rate risk arising from the floating rate term loans amounting to RM2,495,325. This cross currency interest rate swap receives United States Dollar at a floating interest equal to 3 months LIBOR + 1.75%, pays Ringgit Malaysia at a fixed rate interest of 5.30% plus the differential between LIBOR + 1.75% and Cost of Funds + 1.75%.
- (b) The Group has recognised a loss of RM563,084 arising from fair value changes of derivative during the financial year. The fair value changes were attributed to changes in the foreign exchange spot and forward rates.
- (c) There are no material changes on the information disclosed in relation to the risk, cash requirements and policies associated with the derivatives.





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**B9. Share Capital**

|   | Current<br>Year-To-Date<br>30.04.2018 | Preceding<br>Year-To-Date<br>30.04.2017 | Current<br>Year-To-Date<br>30.04.2018 | Preceding<br>Year-To-Date<br>30.04.2017 |
|---|---------------------------------------|---|---------------------------------------|---|
|   | Number of shares<br>'000              | Number of shares<br>'000                | RM'000                                | RM'000                                  |
| <b>Authorised</b>                                 |                                       |   |                                       |   |
| Ordinary shares of Nil (30.04.2017 : RM0.50) each | N/A                                   | 1,000,000                               | N/A                                   | 500,000                                 |
| <b>Issue And Fully Paid-Up</b>                    |                                       |   |                                       |   |
| Ordinary shares of Nil (30.04.2017 : RM0.50) each |                                       |   |                                       |   |
| At 1 May 2017/2016                                | 166,738                               | 165,607                                 | 97,503                                | 82,803                                  |
| Issued for cash in respect of warrant exercised   | 1,358                                 | 1,131                                   | 486                                   | 566                                     |
| Share split                                       | 167,430                               | -                                       | -                                     | -                                       |
| Bonus issue                                       | 55,810                                | -                                       | -                                     | -                                       |
| Transfer from warrant reserve                     | -                                     | -                                       | 194                                   | -                                       |
| Transfer from share premium account               | -                                     | -                                       | -                                     | 14,134                                  |
| At 30 Apr 2018/2017                               | 391,336                               | 166,738                                 | 98,183                                | 97,503                                  |

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



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**B10. Group Borrowings**

Total Group borrowings as at 30 April 2018 / 30 April 2017 were as follows:-

|   | As at<br>30.04.2018<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                    | 1,461                         | -                             |
| Hire purchase payables                  | 76                            | 59                            |
| <b>Denominated in US Dollars</b>        |                               |                               |
| Foreign currency loan                   | 8,431                         | 2,350                         |
| Term loans                              | 2,451                         | 2,514                         |
| <b>Denominated in Singapore Dollars</b> |                               |                               |
| Hire purchase payables                  | 39                            | -                             |
| Term loan                               | 146                           | -                             |
|   | 12,604                        | 4,923                         |
| <b><u>Non-current</u></b>               |                               |                               |
| <b>Denominated in Malaysian Ringgit</b> |                               |                               |
| <b>Secured:</b>                         |                               |                               |
| Hire purchase payables                  | 253                           | 118                           |
| <b>Denominated in US Dollars</b>        |                               |                               |
| Term loans                              | -                             | 2,452                         |
| <b>Denominated in Singapore Dollars</b> |                               |                               |
| Hire purchase payables                  | 73                            | -                             |
| Term loan                               | 1,930                         | -                             |
|   | 2,256                         | 2,570                         |
| <b>Total Borrowings</b>                 | 14,860                        | 7,493                         |

**B11. Material Litigation**

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

**B12. Dividends**

The Board of Directors has proposed a final single tier dividend of 0.2 sen per ordinary share for the financial year ended 30 April 2018 subject to the approval of the shareholders at the forthcoming Annual General Meeting.



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**B13. Earnings Per Share**

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

|   | INDIVIDUAL QUARTER                              |  | CUMULATIVE QUARTER                               |   |
|---|---|--|--|---|
|   | Current Year<br>Quarter<br>30.04.2018<br>RM'000 | Preceding<br>Year<br>Quarter<br>30.04.2017<br>RM'000 | Current Year-<br>To-Date<br>30.04.2018<br>RM'000 | Preceding<br>Year-<br>To-Date<br>30.04.2017<br>RM'000 |
| Profit after tax attributable to owners of the Company  | 46  | 1,984  | 2,661  | 5,113   |
| Weighted average number of ordinary shares of Nil (30.04.2017 : RM0.50) each in issue ('000) (basic)*   | 390,670   | 387,620  | 390,670  | 387,620   |
| Effect of conversion of warrants*   | 95,195  | 116,832  | 95,195   | 116,832   |
| Weighted average number of ordinary shares of Nil (30.04.2017 : RM0.50) each in issue ('000) (diluted)* | 485,865   | 504,452  | 485,865  | 504,452   |
| Basic Earnings Per Share (sen)  | 0.01  | 0.51   | 0.68   | 1.32  |
| Diluted Earnings Per Share (sen)  | 0.01  | 0.39   | 0.55   | 1.01  |

*Note:*

\* - Comparative figures for the weighted average number of ordinary shares computation have been restated to reflect the adjustments arising from Share Split and Bonus Issue which was completed on 10 November 2017.

**B14. 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>30.04.2018<br>RM'000 | As at<br>30.04.2017<br>RM'000 |
|--------------------------------------|-------------------------------|-------------------------------|
| Total retained earnings of the Group |                               |                               |
| (a) Realised                         | 67,460                        | 65,928                        |
| (b) Unrealised                       | 261                           | 491                           |
|                                      | 67,721                        | 66,419                        |
| Add/(less): consolidated adjustments | 126                           | (396)                         |
| Total retained earnings              | 67,847                        | 66,023                        |



岩石汽车工业集团

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**B15. Memorandum of Understanding (“MOU”)**

On 2 April 2018, the Company had entered into a Memorandum of Understanding (“MOU”) with Toyota Tsusho Corporation and Toyota Tsusho (Malaysia) Sdn. Bhd. and Borneo Technical Co. (M) Sdn. Bhd. (“Borneo”) to outline the basic principle for the negotiation and in relation to the proposed subscription of 90% equity interest in Borneo.

There are no further developments to-date.