



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 JANUARY 2020 ⁽¹⁾

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--|--|--|--|
| | | Current Year Quarter 31.01.2020 RM'000 | Preceding Year Quarter 31.01.2019 RM'000 | Current Year-To-Date 31.01.2020 RM'000 | Preceding Year-To-Date 31.01.2019 RM'000 |
| Revenue | A8 | 63,493 | 42,163 | 200,575 | 107,518 |
| Other operating income | | 1,594 | 1,583 | 2,311 | 2,737 |
| Changes in inventories | | (48,181) | (31,966) | (150,522) | (79,263) |
| Employee benefits | | (9,819) | (5,192) | (24,217) | (14,805) |
| Depreciation of property, plant and equipment and investment properties | | (558) | (805) | (1,958) | (2,244) |
| Finance cost | | (935) | (388) | (2,099) | (812) |
| Operating expenses | | (4,903) | (4,962) | (21,611) | (11,425) |
| Profit before tax | B5 | 691 | 433 | 2,479 | 1,706 |
| Income tax expense | B6 | (164) | (152) | (453) | (574) |
| Profit after tax | | 527 | 281 | 2,026 | 1,132 |
| Other comprehensive (loss)/income | | | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | | | |
| Translation differences on foreign operation | | (252) | 74 | (129) | 296 |
| Cash flow hedge | | - | - | - | 266 |
| Total other comprehensive (loss)/income | | (252) | 74 | (129) | 562 |
| Total comprehensive income | | 275 | 355 | 1,897 | 1,694 |
| Profit after tax attributable to: | | | | | |
| - Owners of the Company | | 500 | 178 | 1,587 | 1,029 |
| - Non-controlling interests | | 27 | 103 | 439 | 103 |
| | | 527 | 281 | 2,026 | 1,132 |
| Total comprehensive income attributable to: | | | | | |
| - Owners of the Company | | 248 | 252 | 1,458 | 1,591 |
| - Non-controlling interests | | 27 | 103 | 439 | 103 |
| | | 275 | 355 | 1,897 | 1,694 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 31 JANUARY 2020 ⁽¹⁾ (CONT'D)

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
| | | Current Year Quarter 31.01.2020 | Preceding Year Quarter 31.01.2019 | Current Year-To-Date 31.01.2020 | Preceding Year-To-Date 31.01.2019 |
| Earnings per share (sen) attributable to owners of the Company | B12 | | | | |
| - Basic ⁽²⁾ | | 0.13 | 0.05 | 0.40 | 0.26 |
| - Diluted | | 0.11 | 0.04 | 0.36 | 0.23 |

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2019 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.*



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2020 ⁽¹⁾

| | As at 31.01.2020 | As at 30.04.2019 |
|---|---------------------|---------------------|
| Note | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Investment properties | 13,048 | 13,413 |
| Property, plant and equipment | 55,546 | 56,191 |
| Other investments | 239 | 239 |
| Deferred tax assets | 720 | 699 |
| Goodwill | 2,303 | 2,303 |
| | 71,856 | 72,845 |
| Current assets | | |
| Inventories | 89,276 | 81,061 |
| Trade receivables | 51,126 | 50,013 |
| Other receivables, deposits and prepayments | 5,133 | 6,492 |
| Current tax asset | 2,475 | 2,071 |
| Derivative asset | 1 | - |
| Fixed deposits with licensed banks | 400 | 7,722 |
| Cash and bank balances | 15,992 | 14,614 |
| | 164,403 | 161,973 |
| TOTAL ASSETS | 236,259 | 234,818 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2020 ⁽¹⁾ (CONT'D)

| | Note | As at 31.01.2020 RM'000 | As at 30.04.2019 RM'000 |
|--|------|-------------------------------|-------------------------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | B8 | 98,751 | 98,416 |
| Merger deficit | | (43,361) | (43,361) |
| Translation reserve | | 2,421 | 2,550 |
| Warrant reserve | | 15,387 | 15,482 |
| Retained earnings | | 75,021 | 68,478 |
| Equity attributable to equity holders of the Company | | 148,219 | 141,565 |
| Non-controlling interests | | 90 | 5,077 |
| Total equity | | 148,309 | 146,642 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term borrowings | B9 | 15,422 | 20,117 |
| | | 15,422 | 20,117 |
| Current liabilities | | | |
| Trade payables | | 18,154 | 20,303 |
| Other payables and accruals | | 17,533 | 19,792 |
| Short-term borrowings | B9 | 36,772 | 27,942 |
| Derivative liability | | - | 10 |
| Current tax liabilities | | 69 | 12 |
| | | 72,528 | 68,059 |
| TOTAL LIABILITIES | | 87,950 | 88,176 |
| TOTAL EQUITY AND LIABILITIES | | 236,259 | 234,818 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | | 0.38 | 0.37 |

Note:

(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 2019 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 THIRD QUARTER ENDED 31 JANUARY 2020

(1)

| Note | <----- Attributable to equity holders of the Company -----> | | | | | | Total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|---|---|-----------------------------|----------------------------------|------------------------------|------------------------------|--------------------------------|-----------------|---|---------------------------|
| | Share Capital RM'000 | Merger Deficit RM'000 | Translation Reserve RM'000 | Warrant Reserve RM'000 | Hedging Reserve RM'000 | Retained Earnings RM'000 | | | |
| At 1 May 2019 | 98,416 | (43,361) | 2,550 | 15,482 | - | 68,478 | 141,565 | 5,077 | 146,642 |
| Total comprehensive income for the period | - | - | (129) | - | - | 1,587 | 1,458 | 439 | 1,897 |
| Accretion in equity interest in a subsidiary ⁽²⁾ | - | - | - | - | - | 4,956 | 4,956 | (5,426) | (470) |
| Issuance of shares | | | | | | | | | |
| - Exercise of Warrants | B8 | 335 | - | - | (95) | - | 240 | - | 240 |
| At 31 January 2020 | | 98,751 | (43,361) | 2,421 | 15,387 | - | 75,021 | 90 | 148,309 |
| At 1 May 2018 | | 98,183 | (43,361) | 2,251 | 15,548 | (266) | 67,847 | 111 | 140,313 |
| Total comprehensive income for the period | | - | - | 296 | - | 266 | 1,029 | 103 | 1,694 |
| Subscription shares of additional shares in a subsidiary | | - | - | - | - | - | - | 80 | 80 |
| Acquisition of shares in a subsidiary | | - | - | - | - | - | - | 4,700 | 4,700 |
| Issuance of shares | | | | | | | | | |
| - Exercise of Warrants | B8 | 213 | - | - | (61) | - | 152 | - | 152 |
| Dividend paid | | - | - | - | - | (784) | (784) | - | (784) |
| At 31 January 2019 | | 98,396 | (43,361) | 2,547 | 15,487 | - | 68,092 | 4,994 | 146,155 |

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2019 and the accompanying explanatory notes attached to these interim financial statements.
- (2) The accretion of interest in subsidiary arose from the acquisition of the remaining equity interest of 19.83% in a subsidiary company Borneo Technical Co (M) Sdn Bhd, on 8 January 2020 as disclosed in Note A10.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 JANUARY 2020 ⁽¹⁾

| | Current Year-To-Date 31.01.2020 RM'000 | Preceding Year-To-Date 31.01.2019 RM'000 |
|---|---|---|
| Cash Flows for Operating Activities | | |
| Profit before tax | 2,479 | 1,706 |
| Adjustments for: | | |
| Net allowance for impairment losses on trade receivables | 4 | 87 |
| Depreciation of property, plant and equipment and investment properties | 1,958 | 2,244 |
| Gain on bargain purchase | - | (1,296) |
| Interest expense | 2,099 | 676 |
| Interest income | (669) | (392) |
| Inventories written down | 1,075 | 249 |
| Fair value gain on short-term investments | - | (20) |
| Fair value gain on derivative | - | (126) |
| Gain on disposal of property, plant and equipment | (134) | (52) |
| (Reversal)/provision for warranty | (1,136) | 266 |
| Property, plant and equipment written off | - | 49 |
| Net unrealised gain on foreign exchange | (399) | (166) |
| Operating profit before working capital changes | <u>5,277</u> | <u>3,225</u> |
| Increase in inventories | (9,290) | (4,956) |
| Decrease in trade and other receivables | 641 | 2,275 |
| Decrease in trade and other payables | <u>(3,281)</u> | <u>(11,631)</u> |
| Cash for operations | (6,653) | (11,087) |
| Interest received | - | 277 |
| Income tax paid, net of refund | (822) | (1,656) |
| Net cash for operating activities | <u>(7,475)</u> | <u>(12,466)</u> |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 JANUARY 2020 ⁽¹⁾ (CONT'D)

| | Current Year-To- Date 31.01.2020 RM'000 | Preceding Year- To- Date 31.01.2019 RM'000 |
|--|--|---|
| Cash Flows from/(for) Investing Activities | | |
| Interest income received | 669 | 116 |
| Acquisition of: | | |
| - property, plant and equipment | (1,350) | (3,696) |
| - investment properties | - | (1,276) |
| Investment in subsidiary | (470) | 20 |
| Issue of shares for the non-controlling interests | - | 60 |
| Acquisition of subsidiaries, net of cash acquired | - | (9,958) |
| Dividend paid | - | (784) |
| Withdrawal of fixed deposits with maturity more than 90 days | 3,044 | - |
| Proceeds from disposal of short-term investment | - | 5,993 |
| Proceeds from disposal of property, plant and equipment | 536 | 173 |
| Net cash from/(for) investing activities | 2,429 | (9,352) |
| Cash Flows from Financing Activities | | |
| Net proceeds from issuance of new shares from: | | |
| - exercise of warrants | 240 | 152 |
| Interest paid | (2,099) | (676) |
| Drawdown of hire purchase obligation | - | 887 |
| Repayment of hire purchase obligations | (276) | (154) |
| Drawdown of term loans | 881 | 15,310 |
| Repayment of term loans | (2,496) | (111) |
| Drawdown of revolving credit | - | 7,636 |
| Repayment of revolving credit | (6,199) | (1,867) |
| Net drawdown of short-term bank borrowings | 12,225 | 12,210 |
| Net cash from financing activities | 2,276 | 33,387 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 31 JANUARY 2020 ⁽¹⁾ (CONT'D)

| | Current Year-To- Date 31.01.2020 RM'000 | Preceding Year- To- Date 31.01.2019 RM'000 |
|---|--|---|
| Net (decrease)/increase in cash and cash equivalents | (2,770) | 11,569 |
| Effects of foreign exchange rates changes | (129) | 243 |
| Cash and cash equivalents at beginning of the period | 19,291 | 10,436 |
| Cash and cash equivalents at end of the period | <u>16,392</u> | <u>22,248</u> |
| Cash and cash equivalents at end of period comprise: | | |
| Fixed deposits with licensed banks | 400 | - |
| Cash and bank balances | 15,992 | 22,248 |
| | <u>16,392</u> | <u>22,248</u> |

Note:

- (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 2019 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 2019.

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 2019.

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 2019.

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)

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9 : Prepayment Features with Negative Compensation

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

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

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:-

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

| | Effective Date |
|--|-----------------------|
| Amendments to MFRS 3 : Definition of a Business | 1 January 2020 |
| Amendments to MFRS 101 and MFRS 108 : Definition of Material | 1 January 2020 |
| Amendments to References to the Conceptual Framework in MFRS Standards | 1 January 2020 |
| Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current | 1 January 2022 |

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 2019 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 were 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 and related parts – involved in the trading and distribution of automotive batteries, lubricants, industrial supplies, 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 year-to-date ended 31 January 2020 is as follows:

| | Automotive electrical and related parts RM'000 | Automotive engine and mechanical parts RM'000 | Others RM'000 | Group RM'000 |
|----------------------|---|--|--------------------------|-------------------------|
| External revenue | 176,333 | 24,242 | - | 200,575 |
| Segment results | 4,354 | (1,040) | (835) | 2,479 |
| Unallocated expenses | | | | - |
| Profit before tax | | | | 2,479 |

Segmental information of the Group for the financial year-to-date ended 31 January 2019 is as follows:

| | Automotive electrical and related parts RM'000 | Automotive engine and mechanical parts RM'000 | Others RM'000 | Group RM'000 |
|----------------------|---|--|--------------------------|-------------------------|
| External revenue | 81,799 | 25,489 | 231 | 107,519 |
| Segment results | 2,624 | 701 | (765) | 2,560 |
| Unallocated expenses | | | | (854) |
| Profit before tax | | | | 1,706 |

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

| | Current year to date 31 January 2020 RM'000 | Preceding year to date 31 January 2019 RM'000 |
|------------------------|--|--|
| Revenue | | |
| Malaysia | 169,608 | 82,012 |
| Middle East and Africa | 23,205 | 16,375 |
| Other countries | 7,762 | 9,131 |
| | 200,575 | 107,518 |

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 in the current financial quarter under review except for the following:

On 8 January 2020, Solid Automotive Berhad acquired the remaining equity interest of 19.83% in a subsidiary company, Borneo Technical Co (M) Sdn Bhd (“Borneo”) for a consideration of RM470,000. Thereafter, Borneo became a wholly owned subsidiary company.

A11. Material Capital Commitments

31 January 2020
RM'000

Purchase of property, plant and equipment

52

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 At Fair Value | | | Fair Value Of Financial Instruments Not Carried At Fair Value | | | Total Fair Value | Carrying Amount |
|------------------------------|--|---------|---------|--|---------|---------|-----------------------------|----------------------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| 31.01.2020 | | | | | | | | |
| <u>Financial Liabilities</u> | | | | | | | | |
| Derivative liability: | | | | | | | | |
| - forward currency contracts | - | - | - | - | - | - | - | - |
| Hire purchase payables | - | 300 | - | - | 511 | - | 811 | 811 |
| Term loans | - | 20,757 | - | - | - | - | 20,757 | 20,757 |
| | | | | | | | | |
| 30.04.2019 | | | | | | | | |
| <u>Financial Liabilities</u> | | | | | | | | |
| Derivative liability: | | | | | | | | |
| - forward currency contracts | - | 10 | - | - | - | - | 10 | 10 |
| Hire purchase payables | - | 661 | - | - | 426 | - | 1,087 | 1,087 |
| Term loans | - | 22,259 | - | - | - | - | 22,259 | 22,259 |

**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 increased to RM63.493 million from RM42.163 million in the corresponding quarter in the preceding year mainly due to the inclusion of the revenue from the newly acquired subsidiary companies in January 2019 (namely Borneo Technical Co. (M) Sdn. Bhd. (“Borneo”), Win Soon Auto Suppliers Sdn. Bhd. and Win Soon Auto Suppliers (JB) Sdn. Bhd. (collectively referred to as “Win Soon Group”). The revenue from Borneo and Win Soon Group is derived wholly from the domestic market.

Profit before tax for the current quarter has increased to RM0.691 million compared to RM0.433 million in the corresponding quarter in the preceding year mainly due to higher revenue contribution which was offset by higher operating expenses for the current quarter from the subsidiary companies acquired in January 2019.

The revenue derived from our automotive electrical and related parts accounted for the current quarter approximately 88% of total revenue while automotive engine and mechanical parts and others accounted for approximately 12% of total revenue compared to 76% and 24% 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 financial quarter of RM63.493 million showed a decrease compared to the revenue of RM72.025 million for the immediate preceding quarter due to lower revenue from both our export market and domestic market for the current quarter.

The Group registered a profit before tax of RM0.691 million for the current quarter compared to RM0.517 million for the immediate preceding quarter mainly due to lower operating expenses and lower revenue for the current quarter.

B3. Prospects for the Group for the Financial Year ending 30 April 2020

The Malaysian economy is facing immediate and serious challenges due to the Movement Control Order (“MCO”) to mitigate and control the Covid-19 pandemic in Malaysia. As a result of the MCO, the Malaysian economy and in general most businesses, including the automotive industry, will be negatively and severely impacted. However the real extent and severity of the MCO and Covid-19 pandemic remains to be seen given the uncertainty of the MCO duration at this point in time, any subsequent continuing curtailment of business and social activities post MCO, the time required to find a cure for the Covid-19 and the impact of the economic stimulus and assistance provided by the Malaysian government. The overseas market is similarly negatively impacted by the Covid-19 pandemic as our main export market i.e. the Middle East and Africa has not been spared. The Group is assessing various options and strategies to mitigate the adverse impacts and will implement them post MCO, including more focused sales and marketing initiatives in the domestic and export market to build market share, review cost management measures to drive down costs and to strengthen our supply chain management based on the lessons learned during this Covid-19 crisis.

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 |
| | 31.01.2020 | 31.01.2019 | 31.01.2020 | 31.01.2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation of property, plant and equipment and investment properties | 558 | 805 | 1,958 | 2,244 |
| Fair value gain on derivative | - | - | - | (126) |
| Fair value gain on short-term investments | - | (1) | - | (20) |
| Gain on bargain purchase | - | (1,296) | - | (1,296) |
| Gain on disposal of property, plant and equipment | 5 | (11) | (134) | (52) |
| Net allowance for impairment losses on trade receivables | 146 | (79) | 4 | 87 |
| Net gain on foreign exchange | (95) | (472) | (399) | (322) |
| Interest expense | 935 | 353 | 2,099 | 676 |
| Interest income | (538) | (103) | (669) | (392) |
| Net (reversal)/provision of warranty | (516) | 270 | (1,136) | 266 |
| Inventories written down | 421 | 174 | 1,075 | 249 |
| Property, plant and equipment written off | - | - | 49 | 49 |

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.

B6. Income Tax Expense

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------|--------------------|----------------|--------------------|-----------------|
| | Current Year | Preceding Year | Current Year- | Preceding Year- |
| | Quarter | Quarter | To-Date | To-Date |
| | 31.01.2020 | 31.01.2019 | 31.01.2020 | 31.01.2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Income tax</u> | | | | |
| Current tax - Current | 164 | 270 | 453 | 814 |
| - Prior Period | - | (115) | - | (115) |
| Deferred tax - Current | - | (3) | - | (125) |
| Tax expense | 164 | 152 | 453 | 574 |

The effective tax rate for the current period is lower than the statutory tax rate of 24% mainly due to certain income which is not taxable and certain expenses which are not deductible for tax purposes..



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B7. Status of Corporate Proposals

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

B8. Share Capital

| | Current Year-To-Date 31.01.2020 Number of shares '000 | Preceding Year-To-Date 31.01.2019 '000 | Current Year-To-Date 31.01.2020 RM'000 | Preceding Year-To-Date 31.01.2019 RM'000 |
|---|---|---|---|---|
| Issue And Fully Paid-Up | | | | |
| Ordinary shares with no Par Value | | | | |
| At 1 May 2019/2018 | 392,131 | 391,336 | 98,416 | 98,183 |
| Issued for cash in respect of warrant exercised | 1,141 | 724 | 240 | 152 |
| Transfer from warrant reserve | - | - | 95 | 61 |
| At 31 Jan 2020/2019 | 393,272 | 392,060 | 98,751 | 98,396 |



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B9. Group Borrowings

Total Group borrowings as at 31 January 2020 / 30 April 2019 were as follows:-

| | As at 31.01.2020 RM'000 | As at 30.04.2019 RM'000 |
|---|--|--|
| <u>Current (Secured)</u> | | |
| Denominated in Malaysian Ringgit | | |
| Bankers' acceptances | 12,957 | 6,614 |
| Hire purchase payables | 215 | 326 |
| Term loans | 5,740 | 2,825 |
| Revolving credit | 1,500 | 1,500 |
| Denominated in US Dollars | | |
| Foreign currency loan | 15,157 | 9,628 |
| Revolving credit | - | 6,199 |
| Denominated in Singapore Dollars | | |
| Hire purchase payables | 43 | 42 |
| Term loan | 148 | 149 |
| Trust receipts | 1,012 | 659 |
| | 36,772 | 27,942 |
| <u>Non-current (Secured)</u> | | |
| Denominated in Malaysian Ringgit | | |
| Hire purchase payables | 553 | 686 |
| Term loan | 13,169 | 17,568 |
| Denominated in Singapore Dollars | | |
| Hire purchase payables | - | 33 |
| Term loan | 1,700 | 1,830 |
| | 15,422 | 20,117 |
| Total Borrowings | 52,194 | 48,059 |

B10. 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.

B11. Dividends

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



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B12. Earnings Per Share

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|---|---|
| | Current Year Quarter 31.01.2020 RM'000 | Preceding Year Quarter 31.01.2019 RM'000 | Current Year- To-Date 31.01.2020 RM'000 | Preceding Year- To-Date 31.01.2019 RM'000 |
| Profit after tax attributable to owners of the Company | 500 | 178 | 1,587 | 1,029 |
| Weighted average number of ordinary share in issue ('000) (basic) | 392,130 | 392,060 | 392,130 | 392,060 |
| Effect of conversion of warrants | 51,550 | 64,577 | 51,550 | 64,577 |
| Weighted average number of ordinary shares in issue ('000) (diluted) | 443,680 | 456,637 | 443,680 | 456,637 |
| Basic Earnings Per Share (sen) | 0.13 | 0.05 | 0.40 | 0.26 |
| Diluted Earnings Per Share (sen) | 0.11 | 0.04 | 0.36 | 0.23 |