

**AUTOAIR HOLDINGS BERHAD** (Company No. 414010-M)  
(Incorporated in Malaysia)  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 31 MARCH 2014**  
(Figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2014 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000 As restated	Current Year To Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000 As restated
Revenue	1,410	2,498	7,099	8,789
Cost of sales	(1,187)	(2,119)	(5,418)	(7,236)
<b>Gross Profit</b>	<b>223</b>	<b>379</b>	<b>1,681</b>	<b>1,553</b>
Operating Expenses	(2,106)	(633)	(3,267)	(2,074)
Operating income	45	(14)	51	33
Finance Cost	(1)	(12)	(28)	(81)
<b>Loss before tax</b>	<b>(1,839)</b>	<b>(280)</b>	<b>(1,563)</b>	<b>(569)</b>
Income tax expense	-	-	-	-
<b>Net loss for the period</b>	<b>(1,839)</b>	<b>(280)</b>	<b>(1,563)</b>	<b>(569)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,839)</b>	<b>(280)</b>	<b>(1,563)</b>	<b>(569)</b>
Loss attributable to :				
Equity holders of the Company	(1,839)	(280)	(1,563)	(569)
Non-controlling interests	-	-	-	-
	<b>(1,839)</b>	<b>(280)</b>	<b>(1,563)</b>	<b>(569)</b>
<b>Total comprehensive loss attributable to :</b>				
Equity holders of the Company	(1,839)	(280)	(1,563)	(569)
Non-controlling interests	-	-	-	-
	<b>(1,839)</b>	<b>(280)</b>	<b>(1,563)</b>	<b>(569)</b>
Loss per share attribute to :				
Equity holders of the Company				
- Basic (Sen)	(4.18)	(0.64)	(3.55)	(1.3)
- Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2013)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT 31.3.2014 RM'000	AUDITED AS AT 30.6.2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,221	16,561
	<u>15,221</u>	<u>16,561</u>
<b>Current assets</b>		
Property development costs	-	-
Inventories	5,564	5,656
Trade and other receivables	3,996	4,032
Tax recoverable	58	57
Deposit with financial institutions	130	130
Cash and bank balances	2,254	1,117
	<u>12,002</u>	<u>10,992</u>
	<u>27,223</u>	<u>27,553</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	44,000	44,000
Share premium	42	42
Reserves	(29,846)	(28,283)
	<u>14,196</u>	<u>15,759</u>
<b>Shareholders' equity</b>		
<b>Non-current liabilities</b>		
Hire purchase liabilities	104	99
Long term borrowings	-	-
	<u>104</u>	<u>99</u>
<b>Current liabilities</b>		
Trade and other payables	8,636	7,395
Amount owing to directors	3	-
Bank overdrafts	5	-
Hire purchase liabilities	1	25
Short term borrowings	4,268	4,268
Tax payable	10	7
	<u>12,923</u>	<u>11,695</u>
Total liabilities	<u>13,027</u>	<u>11,794</u>
	<u>27,223</u>	<u>27,553</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net assets per share attributable to equity holders of the Company (RM)	<u>0.32</u>	<u>0.36</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2013)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the Company →				Shareholders' Equity
	Share Capital	Non- Distributable Share Premium	Fair Value Reserve	Retained Losses	
	RM'000	RM'000	RM'000	RM'000	
At 1 July 2013	44,000	42	2,244	(30,527)	15,759
Total comprehensive profit for the period	-	-	-	(1,563)	(1,563)
<b>At 31 March 2014</b>	<b>44,000</b>	<b>42</b>	<b>2,244</b>	<b>(32,090)</b>	<b>14,196</b>
At 1 July 2012	44,000	42	2,244	(29,779)	16,507
Total comprehensive loss for the period	-	-	-	(569)	(569)
<b>At 31 March 2013</b>	<b>44,000</b>	<b>42</b>	<b>2,244</b>	<b>(30,348)</b>	<b>15,938</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2013)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	CUMULATIVE PERIOD ENDED	CORRESPONDING CUMULATIVE PERIOD ENDED
	31.3.2014 RM'000	31.3.2013 RM'000
<b>Cash flow from operating activities</b>		
<b>Loss for the period</b>	<b>(1,563)</b>	<b>(569)</b>
Adjustments for non-cash flow items:		
Depreciation	1,340	1,545
Finance cost (net of interest income)	28	77
Others	-	(44)
Operating (loss) / profit before changes in working capital	<u>(195)</u>	<u>1,009</u>
Net change in current assets	128	(470)
Net change in current liabilities	1,244	(294)
Cash flow from operations	<u>1,177</u>	<u>245</u>
Taxes refunded / (paid)	2	46
Net cash from operating activities	<u>1,179</u>	<u>291</u>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	-	(80)
Increase in reserves	-	569
Others	-	(14)
Net cash from investing activities	<u>0</u>	<u>475</u>
<b>Cash flow from financing activities</b>		
Drawdown of borrowings	-	-
Repayment of borrowings	(19)	(295)
Interest payment	(28)	(77)
Net cash used in financing activities	<u>(47)</u>	<u>(372)</u>
Net increase in cash and cash equivalents	1,132	394
Cash and cash equivalents at beginning of the quarter	<u>1,117</u>	<u>(418)</u>
Cash and cash equivalents at end of the quarter	<u>2,249</u>	<u>(24)</u>
Cash and cash equivalents comprises:		
Cash and bank balances	2,254	680
Fixed deposits with a licensed bank	-	-
Bank overdrafts	(5)	(85)
	<u>2,249</u>	<u>595</u>
Less : Fixed deposits pledged	-	-
	<u>2,249</u>	<u>595</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2013)

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)  
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NOTES TO THE FINANCIAL INFORMATION  
FOR THE THIRD QUARTER ENDED 31 MARCH 2014  
(Figure have not been audited)

**(A) IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (MFRS) 134**

**A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 30 June 2013 except for the adoption of new MFRS, amendments and interpretations that are mandatory for the Group for the financial year beginning on 1 July 2013. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group.

**A2. Qualified audit report**

There was no qualification in the auditors’ report on the Group’s preceding audited annual financial statements for the year ended 30 June 2013.

**A3. Seasonal or cyclical factors**

The Group’s operations for the current quarter and financial year to date are not significantly affected by seasonal or cyclical factors.

**A4. Unusual item affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the current quarter and financial year to date.

**A5. Changes in estimates**

There were no changes in the estimate of amounts reported in the prior financial years which have a material effect in the current quarter or the financial year to date.

**A6. Issuance or repayment of debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

**A7. Dividend**

There was no dividend paid in the current quarter and the financial year to date.

**A8. Segment Information**

Segment information is presented in respect of the Group's business segment:

	Investment holdings	Manufacturing and marketing of automotive component	Property development	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current Year-To-Date Ended 31.3.14</b>					
<b>REVENUE</b>					
External revenue	-	7,099	-	-	7,099
Inter-segment revenue	-	3,014	-	(3,014)	-
	-	10,113	-	(3,014)	7,099
<b>RESULTS</b>					
Segment result	(382)	(1,153)	-	-	(1,535)
interest income					-
Finance costs					(28)
Loss before tax					(1,563)
Taxation					-
<b>Net loss</b>					<b>(1,563)</b>
<b>Current Year-To-Date Ended 31.3.13</b>					
<b>REVENUE</b>					
External revenue	-	8,789	-	-	8,789
Inter-segment revenue	-	2,669	-	(2,669)	-
	-	11,458	-	(2,669)	8,789
<b>RESULTS</b>					
Segment result	(437)	61	(112)	-	(488)
interest income					-
Finance costs					(81)
Loss before tax					(569)
Taxation					-
<b>Net loss</b>					<b>(569)</b>

The Group's operations are solely based in Malaysia.

**A9. Valuation of property, plant and equipment**

The carrying value of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

**A10. Material events subsequent to the end of the period**

There were no material events as at 30 May 2014 that have not been reflected in the financial statements for the current quarter and financial year to date.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial year to date.

**A12. Contingent liabilities**

Save as disclosed below, there were no contingent liabilities or assets since the last annual Balance Sheet date.

	GROUP		COMPANY	
	As at 31.3.2014 RM'000	As at 31.3.2013 RM'000	As at 31.3.2014 RM'000	As at 31.3.2013 RM'000
In respect of corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries	-	-	-	282
Total :	-	-	-	282

**A13. Capital commitments**

There is no capital expenditure approved and contracted for as at the end of the current quarter.

**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Review performance of the Company and its principle subsidiaries**

The Group's revenue for the current quarter was reduced to RM1.41 million as compared to RM2.50 million recorded in the corresponding quarter last year as the sales to overseas OEM was lower due to lower demand from automotive manufacturers in view of the holiday season.

The Group also reported higher loss before tax of RM1.84 million in the current quarter as compared to loss before tax of RM0.28 million incurred in the preceding year's corresponding quarter. The higher loss was mainly due to administrative expenses incurred.

**B2. Material changes in the current quarter results compared with the immediate preceding quarter**

The Group's revenue of RM1.41 million recorded in the current quarter was lower than that of RM2.20 million in the immediate preceding quarter mainly due to lower sales from the export market. The loss before tax reported for the current quarter of RM1.84 million compared to profit before tax of RM0.12 million in the preceding quarter was due to administrative expenses incurred during the current quarter.

**B3. Prospects**

The operating environment of the automotive industry locally and globally continues to be challenging. The Group's financial performance will be dependent on its ability to identify new revenue sources and income streams moving forward.

**B4. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the current quarter and financial year to date.

**B5. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2014 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000	Current Year To Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2013 RM'000
Group	-	-	-	-
Current tax	-	-	-	-
Deferred tax	-	-	-	-

**B6. Sale of unquoted Investments and/or properties**

There was no disposal of unquoted investment and/or properties during the current quarter and financial year to date.

**B7. Purchase / disposal of quoted securities**

There was no purchase or disposal of quoted securities during the current quarter and financial year to date.

**B8. Status of corporate proposals**

There were no corporate proposals announced from the date of the last quarter report to the date of this announcement.



**B9. Group borrowings and debt securities**

<b>Group borrowings</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>(a) Current</b>			
Bank overdrafts	5	-	5
Bankers' acceptances	-	1,203	1,203
Term loans	40	3,025	3,065
Hire purchase liabilities	1	-	
<b>Sub-total of current</b>	<b>46</b>	<b>4,228</b>	<b>4,274</b>
<b>(b) Non-current</b>			
Term loans	-	-	-
Hire purchase liabilities	104	-	104
<b>Sub-total of non-current</b>	<b>104</b>	<b>-</b>	<b>104</b>
<b>Total borrowings</b>	<b>150</b>	<b>4,228</b>	<b>4,378</b>

The above Group borrowings are all denominated in Ringgit Malaysia.

**B10. Off balance sheet financial instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

**B11. Material litigation**

As at the date of this announcement, there was no material litigation against the Group.

**B12. Dividends**

No dividend has been recommended for the current quarter and financial year to date.

**B13. Loss per share**

The basic loss per share of the Group is calculated by dividing the loss for the relevant periods by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2014	Preceding Year Corresponding Quarter 31.3.2013	Current Year To Date 31.3.2014	Preceding Year Corresponding Period 31.3.2013
Net (loss) / profit for the period (RM'000)	(1,839)	(280)	(1,563)	(569)
Weighted average number of ordinary shares in issue ('000)	44,000	44,000	44,000	44,000
Basic (loss) per share (sen)	(4.18)	(0.6)	(3.55)	(1.3)

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**B14. Realised and unrealised retained profits / accumulated losses**

	As at 31.3.2014 RM'000	As at 31.3.2013 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(40,305)	(37,631)
- Unrealised losses	(1,563)	(569)
Less : Consolidated adjustments	9,778	7,852
Total group accumulated losses as per consolidated financial statements	<u>(32,090)</u>	<u>(30,348)</u>

**B15. Notes for Statement of Comprehensive income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2014 RM'000	Preceding Year Corresponding Quarter 31.3.2013 RM'000	Current Year To Date 31.3.2014 RM'000	Preceding Year Corresponding Period 31.3.2014 RM'000
Loss for the period is arrived at after crediting / (charging) the followings :				
Interest income	-	-	-	-
Other Income including investment income	45	4	45	61
Interest Expenses	(2)	(8)	(29)	(73)
Depreciation and Amortization	(418)	(536)	(1,340)	(1,578)
Provision for and write off receivables	(1,328)	-	(1,328)	-
Provision for and write off inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain / (loss)	12	(18)	6	(30)
Gain or loss on derivatives	-	-	-	-
Exceptional items (Corporate Advisory fees)	(97)	-	(97)	66

By Order of the Board

Company Secretary