



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2019 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.07.2019 RM'000	Preceding Year Quarter 31.07.2018 RM'000	Current Year-To-Date 31.07.2019 RM'000	Preceding Year-To-Date 31.07.2018 RM'000
Revenue		65,057	29,493	65,057	29,493
Other operating income		593	875	593	875
Changes in inventories		(47,899)	(21,163)	(47,899)	(21,163)
Employee benefits		(7,576)	(4,844)	(7,576)	(4,844)
Depreciation of property, plant and equipment and investment properties		(905)	(706)	(905)	(706)
Finance cost		(553)	(187)	(553)	(187)
Operating expenses		(7,446)	(3,129)	(7,446)	(3,129)
Profit before tax	B5	1,271	339	1,271	339
Income tax expense	B6	(85)	(203)	(85)	(203)
Profit after tax		1,186	136	1,186	136
Other comprehensive income					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Translation differences on foreign operation		41	83	41	83
Cash flow hedge		-	266	-	266
Total other comprehensive income		41	349	41	349
Total comprehensive income		1,227	485	1,227	485
Profit after tax attributable to:					
- Owners of the Company		975	136	975	136
- Non-controlling interests		211	-	211	-
		1,186	136	1,186	136
Total comprehensive income attributable to:					
- Owners of the Company		1,016	485	1,016	485
- Non-controlling interests		211	-	211	-
		1,227	485	1,227	485



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2019 ⁽¹⁾ (CONT'D)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.07.2019	Preceding Year Quarter 31.07.2018	Current Year-To-Date 31.07.2019	Preceding Year-To-Date 31.07.2018
Earnings per share (sen) attributable to owners of the Company	B12				
- Basic ⁽²⁾		0.25	0.03	0.25	0.03
- Diluted		0.22	0.03	0.22	0.03

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 JULY 2019 ⁽¹⁾

	As at 31.07.2019	As at 30.04.2019
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Investment properties	13,295	13,413
Property, plant and equipment	55,777	56,191
Other investments	239	239
Deferred tax assets	1,147	699
Goodwill	2,303	2,303
	72,761	72,845
Current assets		
Inventories	87,360	81,061
Trade receivables	53,992	50,013
Other receivables, deposits and prepayments	5,581	6,492
Current tax asset	2,295	2,071
Fixed deposits with licensed banks	2,600	7,722
Cash and bank balances	17,767	14,614
	169,595	161,973
TOTAL ASSETS	242,356	234,818



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2019 ⁽¹⁾ (CONT'D)

	Note	As at 31.07.2019 RM'000	As at 30.04.2019 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	B8	98,474	98,416
Merger deficit		(43,361)	(43,361)
Translation reserve		2,591	2,550
Warrant reserve		15,465	15,482
Hedging reserve		-	-
Retained earnings		69,453	68,478
Equity attributable to equity holders of the Company		142,622	141,565
Non-controlling interests		5,288	5,077
Total equity		147,910	146,642
LIABILITIES			
Non-current liabilities			
Long-term borrowings	B9	19,234	20,117
		19,234	20,117
Current liabilities			
Trade payables		24,854	20,303
Other payables and accruals		18,942	19,792
Short-term borrowings	B9	31,398	27,942
Derivative liability		18	10
Current tax liabilities		-	12
		75,212	68,059
TOTAL LIABILITIES		94,446	88,176
TOTAL EQUITY AND LIABILITIES		242,356	234,818
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.36	0.36

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 FIRST QUARTER ENDED 31 JULY 2019 ⁽¹⁾

		----- Attributable to equity holders of the Company -----								
		----- Non-distributable -----			----- Distributable -----					
	Note	Share Capital RM'000	Merger Deficit RM'000	Translation Reserve RM'000	Warrant Reserve RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity 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		-	-	41	-	-	975	1,016	211	1,227
Issuance of shares										
- Exercise of Warrants	B8	58	-	-	(17)	-	-	41	-	41
At 31 July 2019		<u>98,474</u>	<u>(43,361)</u>	<u>2,591</u>	<u>15,465</u>	<u>-</u>	<u>69,453</u>	<u>142,622</u>	<u>5,288</u>	<u>147,910</u>
At 1 May 2018		98,183	(43,361)	2,251	15,548	(266)	67,847	140,202	111	140,313
Total comprehensive income for the period		-	-	83	-	266	136	485	-	485
Issuance of shares										
- Exercise of Warrants	B8	171	-	-	(49)	-	-	122	-	122
At 31 July 2018		<u>98,354</u>	<u>(43,361)</u>	<u>2,334</u>	<u>15,499</u>	<u>-</u>	<u>67,983</u>	<u>140,809</u>	<u>111</u>	<u>140,920</u>

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2019 ⁽¹⁾

	Current Year-To-Date 31.07.2019 RM'000	Preceding Year-To-Date 31.07.2018 RM'000
Cash Flows (for)/from Operating Activities		
Profit before tax	1,271	339
Adjustments for:		
Net allowance for impairment losses on trade receivables	45	110
Depreciation of property, plant and equipment and investment properties	905	706
Interest expense	500	148
Interest income	(56)	(141)
Inventories written down	435	201
Fair value gain on short-term investments	-	(10)
Fair value gain on derivative	-	(126)
Gain on disposal of property, plant and equipment	(136)	(20)
Net reversal for warranty claims	(1,174)	(23)
Property, plant and equipment written off	13	-
Net unrealised (gain)/loss on foreign exchange	(111)	281
Operating profit before working capital changes	1,692	1,465
Increase in inventories	(6,990)	(4,493)
Increase in trade and other receivables	(3,177)	(2,510)
Decrease in trade and other payables	5,313	1,829
Cash for operations	(3,162)	(3,709)
Interest received	-	81
Income tax paid, net of refund	(769)	(472)
Net cash for operating activities	(3,931)	(4,100)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2019 ⁽¹⁾ (CONT'D)

	Current Year-To- Date 31.07.2019 RM'000	Preceding Year- To- Date 31.07.2018 RM'000
Cash Flows from/(for) Investing Activities		
Interest income received	56	60
Acquisition of:		
- property, plant and equipment	(368)	(717)
- investment properties	-	(33)
- short-term investments	-	(45)
Net withdrawal of fixed deposits with licensed banks	446	-
Proceeds from disposal of property, plant and equipment	118	21
Net cash from/(for) investing activities	252	(714)
Cash Flows from Financing Activities		
Net proceeds from issuance of new shares from:		
- exercise of warrants	41	122
Interest paid	(500)	(148)
Drawdown of hire purchase obligation	-	217
Repayment of hire purchase obligations	(156)	(35)
Drawdown of term loans	-	2,297
Repayment of term loans	(926)	(1,902)
Repayment of revolving credit	(6,199)	-
Net drawdown of short-term bank borrowings	9,854	4,224
Net cash from financing activities	2,114	4,775



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2019 ⁽¹⁾ (CONT'D)

	Current Year-To- Date 31.07.2019 RM'000	Preceding Year- To- Date 31.07.2018 RM'000
Net decrease in cash and cash equivalents	(1,565)	(39)
Effects of foreign exchange rates changes	42	68
Cash and cash equivalents at beginning of the period	19,290	10,436
Cash and cash equivalents at end of the period	<u>17,767</u>	<u>10,465</u>
Cash and cash equivalents at end of period comprise:		
Fixed deposits with licensed banks	2,600	1,516
Fixed deposits with maturity period more than 90 days	(2,600)	-
	-	1,516
Cash and bank balances	<u>17,767</u>	<u>8,949</u>
	<u>17,767</u>	<u>10,465</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.*



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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 2018.

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 2018.

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 2018.

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)

- 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
MFRS 16 Leases	1 January 2019
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

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 Cyclicalities 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 quarter-to-date ended 31 July 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	57,511	7,461	85	65,057
Segment results	1,744	(113)	(215)	1,416
Unallocated expenses				(145)
Profit before tax				1,271

Segmental information of the Group for the financial quarter-to-date ended 31 July 2018 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	21,707	7,713	73	29,493
Segment results	565	187	(216)	536
Unallocated expenses				(197)
Profit before tax				339

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

	Current year to date 31 July 2019 RM'000	Preceding year to date 31 July 2018 RM'000
Revenue		
Malaysia	55,623	21,198
Middle East and Africa	7,080	4,882
Others	2,354	3,413
	65,057	29,493

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.

A11. Material Capital Commitments

31 July 2019
RM'000

Purchase of property, plant and equipment

600

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		
31.07.2019								
<u>Financial Liabilities</u>								
Derivative liability:								
- forward currency contracts	-	18	-	-	-	-	18	18
Hire purchase payables	-	558	-	-	373	-	931	931
Term loans	-	21,445	-	-	-	-	21,445	21,445
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



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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 financial quarter increased to RM65.057 million from RM29.493 million in the corresponding quarter of the preceding year mainly due to inclusion of the revenue from newly acquired subsidiaries 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”)).

Profit before tax for the current quarter has increased to RM1.271 million compared to RM0.339 million in the corresponding quarter in the preceding year due to increase in revenue and additional profit contribution from newly acquired subsidiaries (ie. Borneo and Win Soon Group).

The revenue derived from our automotive electrical and related parts accounted for approximately 88% of total revenue while automotive engine and mechanical parts and others accounted for approximately 11% of total revenue compared to 74% and 26% 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 RM65.057 million showed an increase compared to the revenue of RM59.301 million for the immediate preceding quarter due to higher revenue from both our export market and domestic market for the current quarter.

The Group registered a profit before tax of RM1.271 million for the current quarter compared to RM0.339 million for the immediate preceding quarter mainly due to higher revenue and lower operating expenses.

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

The Malaysian economy is facing challenges with uncertain business conditions, higher cost of doing business and cost of living. The overseas market is affected by global economic weaknesses and uncertainties especially in the Middle East and the US-China trade dispute. The Group will continue to focus on its sales and marketing strategies in both domestic and export market to promote our in-house brands, expand our product range 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 improve its current performance for the financial year ending 30 April 2020.

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
	31.07.2019	31.07.2018	31.07.2019	31.07.2018
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment and investment properties	905	706	905	706
Fair value gain on short-term investments	-	(10)	-	(10)
Gain on disposal of property, plant and equipment	(136)	(20)	(136)	(20)
Net allowance for impairment losses on trade receivables	45	110	45	110
Net gain on foreign exchange	(398)	99	(398)	99
Interest expense	500	148	500	148
Interest income	(56)	(141)	(56)	(141)
Net reversal of warranty claims	(1,174)	(23)	(1,174)	(23)
Inventories written down	435	201	435	201

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
	31.07.2019	31.07.2018	31.07.2019	31.07.2018
	RM'000	RM'000	RM'000	RM'000
<u>Income tax</u>				
Current tax - Current	85	278	85	278
Deferred tax - Current	-	(75)	-	(75)
Tax expense	85	203	85	203

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.



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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 31.07.2019	Preceding Year-To- Date 31.07.2018	Current Year-To- Date 31.07.2019	Preceding Year-To- Date 31.07.2018
	Number of shares '000	'000	RM'000	RM'000
Issue And Fully Paid-Up				
Ordinary shares with no Par Value				
At 1 May 2019/2018	392,131	391,336	98,416	97,503
Issued for cash in respect of warrant exercised	197	583	41	122
Transfer from warrant reserve	-	-	17	49
At 31 Jul 2019/2018	392,328	391,919	98,474	98,674



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B9. Group Borrowings

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

	As at 31.07.2019 RM'000	As at 30.04.2019 RM'000
<u>Current (Secured)</u>		
Denominated in Malaysian Ringgit		
Bankers' acceptances	11,904	6,614
Hire purchase payables	287	326
Term loans	2,666	2,825
Revolving credit	1,500	1,500
Denominated in US Dollars		
Foreign currency loan	13,735	9,628
Revolving credit	-	6,199
Denominated in Singapore Dollars		
Hire purchase payables	42	42
Term loan	149	149
Trust receipts	1,115	659
	31,398	27,942
<u>Non-current (Secured)</u>		
Denominated in Malaysian Ringgit		
Hire purchase payables	603	686
Term loan	16,838	17,568
Denominated in Singapore Dollars		
Hire purchase payables	-	33
Term loan	1,793	1,830
	19,234	20,117
Total Borrowings	50,632	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 31.07.2019 RM'000	Preceding Year Quarter 31.07.2018 RM'000	Current Year- To-Date 31.07.2019 RM'000	Preceding Year- To-Date 31.07.2018 RM'000
Profit after tax attributable to owners of the Company	1,186	136	1,186	136
Weighted average number of ordinary share in issue ('000) (basic)	392,197	391,336	392,197	391,336
Effect of conversion of warrants	51,355	72,667	51,355	72,667
Weighted average number of ordinary shares in issue ('000) (diluted)	443,552	464,003	443,552	464,003
Basic Earnings Per Share (sen)	0.25	0.03	0.25	0.03
Diluted Earnings Per Share (sen)	0.22	0.03	0.22	0.03