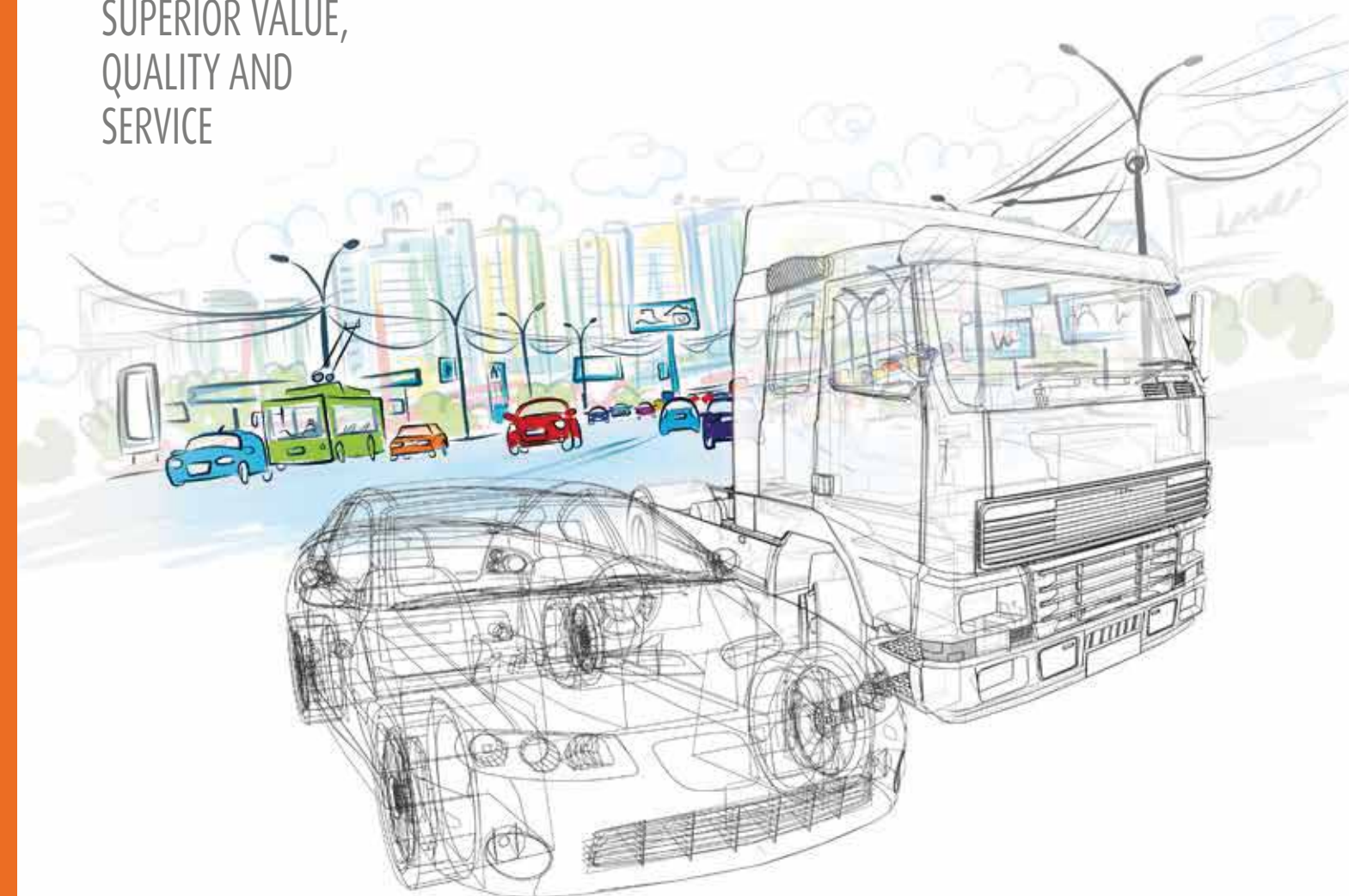




THE SPECIALIST IN AUTOPARTS

DELIVERING
SUPERIOR VALUE,
QUALITY AND
SERVICE



PASSION *for*
EXCELLENCE



岩石汽车工业集团

SOLID AUTOMOTIVE BERHAD (1016725-P)

5, Jalan Dataran 5, Taman Kempas,
81200 Johor Bahru, Johor Darul Takzim, Malaysia.

Tel: +60 7 238 1782 | Fax: +60 7 238 9073

www.solidautomotive.com

SOLID AUTOMOTIVE BERHAD (1016725-P)

ANNUAL REPORT 2015

Annual
Report 2015

SOLID AUTOMOTIVE BERHAD

(Company No. 1016725-P)

(Incorporated in Malaysia under the Companies Act, 1965)

CONTENTS

I	Vision and Mission	1
II	Corporate Information	2
III	Corporate Structure	3
IV	Directors' Profile	4
V	Exhibitions	6
VI	Company Events	8
VII	Chairman's Statement	10
VIII	Corporate Governance Statement	12
IX	Audit Committee Report	20
X	Statement on Risk Management and Internal Control	25
XI	Financial Statements	28
XII	List of Properties	96
XIII	Analysis of Shareholdings	99
XIV	Notice of Third Annual General Meeting	102
XV	Proxy Form	



VISION

PASSION *for* EXCELLENCE

Actively pursuing and delivering superior value, quality and service by being a dynamic, customer orientated, value driven, sustainability focused and international company.

MISSION

- To create value for our stakeholders through sustainability, profitable growth and business expansion.
- Pursue market leadership in our core business.
- Focus on value, quality and comprehensive product offerings.
- Exceed customer expectation through excellence in service to achieve total customer satisfaction and customer loyalty.
- Continuously improve and innovate everything we do.
- Active engagement in our employees' development.



Export to over 30 Countries Worldwide

CORPORATE INFORMATION

BOARD OF DIRECTORS

KEK KOK SWEE
Independent Non-Executive Chairman

KER MIN CHOO
Managing Director

KER MONG KENG
Executive Director

KER MENG OI
Executive Director

ONG KHENG SWEE
Executive Director

AZAHAR BIN BAHARUDIN
Independent Non-Executive Director

TAN LAY BENG
Independent Non-Executive Director

COMPANY SECRETARIES

Ang Mui Kiow (LS0001886)
Chen Yew Ting (MAICSA0869733)

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Level 18, The Gardens North Tower
Mid-Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel: (603) 2264 8888
Fax: (603) 2282 2733

REGISTERED OFFICE

Suite 7E, Level 7
Manara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Tel: (607) 224 1035
Fax: (607) 221 0891

HEAD OFFICE

No. 5, Jalan Dataran 5
Taman Kempas
81200 Johor Bahru
Johor Darul Takzim
Tel: (607) 238 1782
Fax: (607) 238 9073
Website: www.solidautomotive.com

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad

AUDITORS

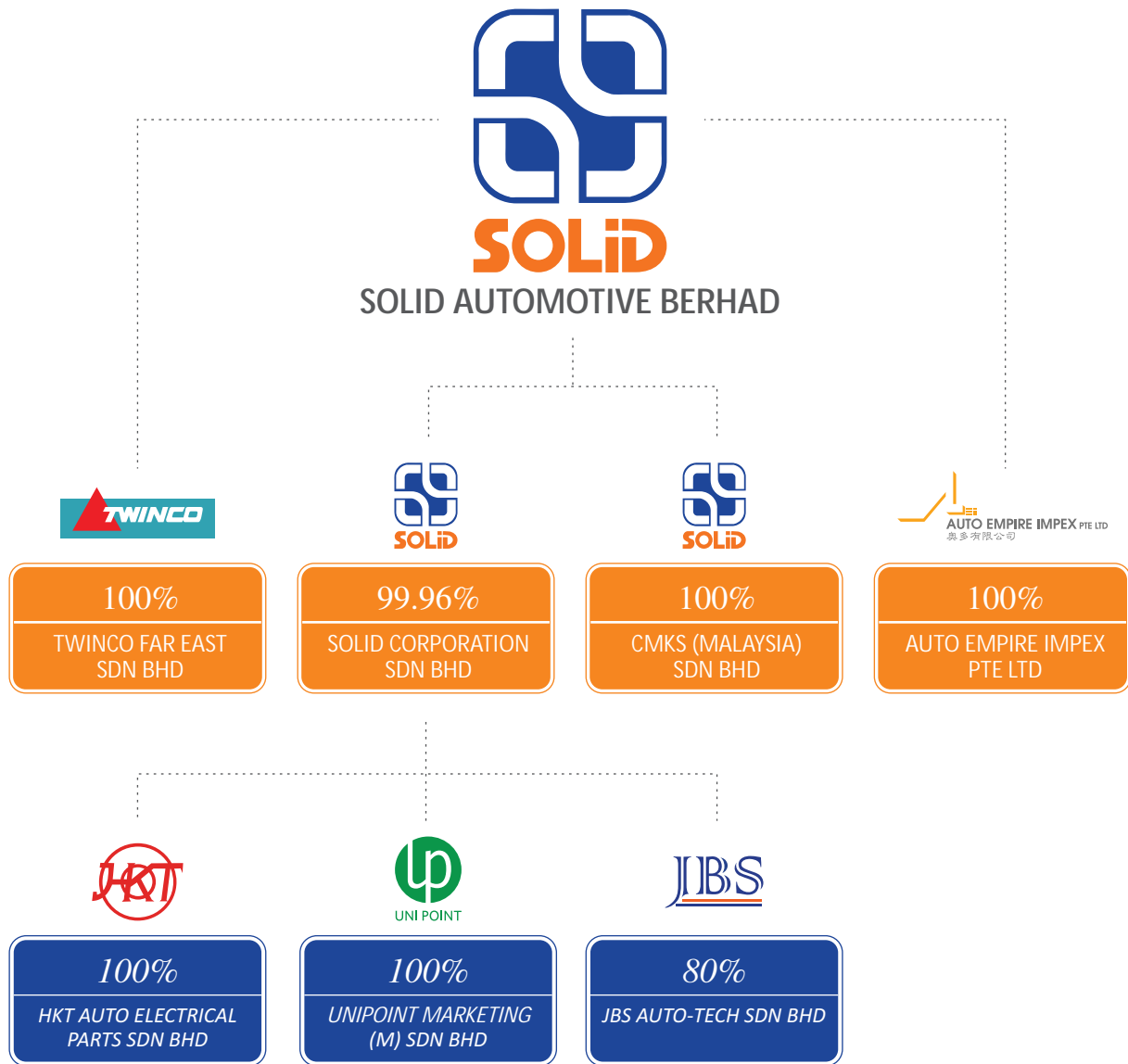
Crowe Horwath (AF1018)
E-2-3, Pusat Komersial Bayu Tasek
Persiaran Southkey 1, Kota Southkey
80150 Johor Bahru, Johor Darul Takzim

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia
Securities Berhad ("Bursa Securities")
Sector : Trading/Services
Stock name : SOLID
Stock Code : 5242
Date of Listing : 12 September 2013



CORPORATE STRUCTURE



DIRECTORS' PROFILE

KEK KOK SWEE

*Independent Non-Executive Chairman
Malaysian, aged 61*

Kek Kok Swee is our Independent Non-Executive Chairman. He was appointed to the Board on 9 October 2012. He is also a member of the Audit Committee and Nominating Committee and the Chairman of the Remuneration Committee.

He holds a Bachelor's Degree in Commerce and Administration from Victoria University of Wellington, New Zealand. He is a member of the Malaysian Institute of Accountants.

He has vast experience and exposure in the field of accounting, finance and consulting in various countries, namely New Zealand, Singapore, China, Cambodia and Malaysia.

Kek Kok Swee does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

He attended 5 out of 5 Board meetings during the financial year ended 30 April 2015.

KER MIN CHOO

*Managing Director
Malaysian, aged 53*

Ker Min Choo is our Managing Director. He was appointed to the Board on 9 October 2012 and is one of the founding members of our Group.

He has extensive experience and in-depth knowledge of the automotive electrical parts trade in Malaysia as well as overseas. He has been actively involved in the automotive aftermarket for electrical parts and components in Malaysia for over 30 years.

Ker Min Choo does not have any family relationship with any Director or substantial shareholder of the Company except for Ker Mong Keng and Ker Meng Oi who are his siblings, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

He attended 5 out of 5 Board meetings during the financial year ended 30 April 2015.

KER MONG KENG

*Executive Director
Malaysian, aged 59*

Ker Mong Keng is our Executive Director. He was appointed to the Board on 9 October 2012 and is one of the founding members of our Group.

He has extensive exposure in the local automotive aftermarket for parts and components used in commercial and heavy-duty vehicles.

Ker Mong Keng does not have any family relationship with any Director or substantial shareholder of the Company except for Ker Min Choo and Ker Meng Oi who are his siblings, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

He attended 5 out of 5 Board meetings during the financial year ended 30 April 2015.

DIRECTORS' PROFILE

Cont'd

KER MENG OI

*Executive Director
Malaysian, aged 51*

Ker Meng Oi is our Executive Director. He was appointed to the Board on 9 October 2012.

He graduated from Boise State University, USA with a Bachelor of Business Administration. He went to Japan in 1987 to pursue Japanese studies and worked as a Store Assistant on a part-time basis in a Tokyo-based automotive parts manufacturing company. He returned to Malaysia in 1989 and joined Solid Corporation Sdn Bhd.

Ker Meng Oi does not have any family relationship with any Director or substantial shareholder of the Company except for Ker Min Choo and Ker Mong Keng who are his siblings, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

He attended 4 out of 5 Board meetings during the financial year ended 30 April 2015.

ONG KHENG SWEE

*Executive Director
Malaysian, aged 57*

Ong Kheng Swee is our Executive Director and Chief Financial Officer. He is a Director since incorporation of our Company on 12 September 2012.

Mr Ong is a Fellow of the Association of Chartered Certified Accountants of United Kingdom, a member of the Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia. He held various senior positions in both the professional sector (having worked with two major international accounting firms) and in the commercial sector as financial controller, group finance director and management consultant in various industries including petrochemicals, ceramic tiles, minerals and glass. He joined the Solid Group in 1998 as Group Finance Director. He is currently an Independent Non-Executive Director of Power Root Berhad and Emas Kiara industries Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

Ong Kheng Swee does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

He attended 5 out of 5 Board meetings during the financial year ended 30 April 2015.

AZAHAR BIN BAHARUDIN

*Independent Non-Executive Director
Malaysian, aged 58*

Azahar bin Baharudin is our Independent Non-Executive Director. He was appointed to the Board on 9 October 2012.

He is a graduate from MARA Institute of Technology.

He has considerable experience in the banking and finance field with his tenure at two Malaysian financial institutions and subsequently as business development head and consultant in the financial services and legal sector.

He is currently an Independent Non-Executive Director of Power Root Berhad and Gromutual Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

Azahar bin Baharudin does not have any family relationship with any Director or substantial shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past ten (10) years.

He attended 5 out of 5 Board meetings during the financial year ended 30 April 2015.

TAN LAY BENG

*Independent Non-Executive Director
Malaysian, aged 61*

Tan Lay Beng is our Independent Non-Executive Director. She was appointed to the Board on 18 August 2014.

She is a Fellow of the Association of Chartered Certified Accountants of United Kingdom, a member of the Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia.

She has wide experience in accounting, audit and tax having worked with a mid-size and an international accounting firm before starting her own consulting practice in 1999. She is also the current Chairman of the Southern Branch of the Chartered Tax Institute of Malaysia.

Tan Lay Beng does not have any family relationship with any Director or substantial shareholder of the Company, nor does she have any conflict of interest with the Group. She has not been convicted of any offences within the past ten (10) years.

She attended 3 out of 5 Board meetings during the financial year ended 30 April 2015.

EXHIBITIONS



EXHIBITIONS

Cont'd



COMPANY EVENTS



COMPANY EVENTS

Cont'd





CHAIRMAN'S STATEMENT

On behalf of the
Board of Directors,

I am pleased to present to you the Annual Report of Solid Automotive Berhad for the financial year ended 30 April 2015, the second since our listing on the Main Market of Bursa Malaysia Securities Berhad on 12 September 2013.



CHAIRMAN'S STATEMENT

Cont'd

FINANCIAL PERFORMANCE

For the financial year ended 30 April 2015 ("FYE 2015"), the Group achieved revenue of RM133.40 million an increase of 13.0% from RM118.08 million recorded in the previous year. The Profit After Tax ("PAT") for FYE 2015 of RM9.49 million showed an increase of 27.4% over the previous year's ("FYE 2014") PAT of RM7.45 million. The FYE 2014 PAT included a charge for listing expenses of RM1.55 million.

DIVIDENDS

Subsequent to the financial year end, on 17 June 2015, the Company paid an interim single tier dividend of 1.0 sen per ordinary share amounting to RM1.50 million in respect of FYE 2015

The Board is pleased to recommend a final single tier dividend of 2.0 sen per ordinary share amounting to RM3.30 million for FYE 2015, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

As such, the total dividends for FYE 2015 would be 3.0 sen per ordinary share amounting to RM4.80 million and representing a dividend payout ratio of approximately 50.6%.

YEAR UNDER REVIEW

The revenue for the year was derived principally from our automotive electrical parts segment, which contributed approximately 77.3% of our total revenue, while the automotive engine and mechanical parts and others contributed approximately 22.7%. On a geographical basis, our domestic market (including Singapore) contributed approximately 60.0% while exports contributed 40%. The main market for our exports continues to be the Middle East.

PROSPECTS FOR THE COMING YEAR

The Malaysian economy is facing concerns about economic developments and the rising cost of doing business, while our export market is affected by the global economic uncertainties especially in Europe, which may spill over to the rest of the world.

The Group will continue to focus on its sales and marketing efforts in both the domestic and export market to promote our in-house brands and expand our product range as well as improving operational efficiencies and productivity and strengthening our supply chain management.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Solid Group seeks to develop sustainable businesses that enhance long term shareholders value and being a responsible corporate citizen to our stakeholders.

Workplace

We set high standards for recruiting, developing, retaining and motivating our employees. We stress good health, safety at work and treating all fairly and without discrimination.

Marketplace

We support responsible branding, marketing and promotion, vendor and customer relationship management activities. We are committed to corporate governance of the highest standard that provide strong business ethics and enhance the company's reputation.

Environment

We are committed to the 3R's – reduce, reuse and recycle in all aspects of our business and support the use of sustainable materials and packaging to minimise the impact on our environment.

Community

We support charitable causes and cultural activities that seek to improve and enhance the quality of life in our community and contribute to enhancing education of the community.

APPRECIATION AND ACKNOWLEDGMENT

On behalf of the Board, I would like to take this opportunity to convey our deep gratitude and appreciation to our shareholders as well as our other stakeholders for their continuous support. Further I would also like to express my appreciation to the Board of Directors, management and staff for their contributions and commitments to the Solid Group.

KEK KOK SWEE

Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“Board”) of Solid Automotive Berhad (“Solid” or “the Company”) is committed to ensuring that the principles and practices of good corporate governance are adhered to within the Company and its subsidiaries (“the Group”).

Save as disclosed otherwise, the Board considers that it has complied with the principles and recommendations of the Malaysian Code of Corporate Governance 2012 (“the Code”) and paragraph 15.25 and Practice Note 9 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board will continuously assess and where appropriate, implement relevant practices and procedures to further enhance the corporate governance environment in the Group. The following sections describe the manner and extent to which the Group has applied the Principles of the Code.

1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Board is responsible for the overall performance of the Group and to discharge its fiduciary and leadership responsibilities, it assumes, amongst other roles and responsibilities, the following:

- setting the strategic direction of the Group;
- overseeing and assessing the performance of management;
- establishing, approving and reviewing the Group’s enterprise risk management framework, policies and processes;
- reviewing the adequacy and integrity of the Group’s internal control system and management information system;
- ensuring a proper succession plan for senior management;
- setting and reviewing policies for corporate conduct and shareholder communication.

The Board has established the Board Charter which outlines the duties and responsibilities of directors, including the division of responsibilities and authorities between the Board and the Executive Management as well as between the Chairman of the Board and the Managing Director, with matters reserved for the Board for review and decision clearly defined. The Board Charter sets out the purpose, Board’s strategic intent, responsibilities and authorities as well as terms of reference. The Board Charter will be reviewed periodically and is published on the Group’s corporate website.

The Board has formalised ethical conduct through a code of conduct that includes whistleblowing. Compliance is ensured through appropriate internal policies and procedures. The code of conduct will be reviewed periodically and is published on the Group’s corporate website.

The Group has put in place strategies to promote sustainability in all aspects of the conduct of its business including governance, environmental and social and is published on the Group’s corporate website.

All members of the Board have unrestricted access to company information and management. There are agreed upon procedures for directors whether as a full Board or in their individual capacities, in furtherance of their duties to seek independent professional advice, where necessary, at the Company’s expense.

The Board is assisted by a suitably qualified and competent Company Secretary in the discharge of its functions, and who also serve in that capacity in the various Board Committees.

Members of the Board are expected to devote sufficient time and effort in discharging their individual responsibilities with reasonable due care, skills and diligence.

CORPORATE GOVERNANCE STATEMENT

Cont'd

2: STRENGTHEN COMPOSITION

As at the date of this report, the Board comprises of seven (7) members of whom four (4) are Executive Directors and three (3) are Independent Non-Executive Directors. The profile of each Director is presented on page 4 and 5 of this Annual Report.

The Nominating Committee comprises of the following directors during the financial year under review:-

<i>Chairman:</i>	Kek Kok Swee	(Independent Non-Executive Director)
	Chee Ho Chun	(Independent Non-Executive Director) (resigned on 1 July 2014)
<i>Members:</i>	Azahar Bin Baharudin	(Independent Non-Executive Director)
	Tan Lay Beng	(Independent Non-Executive Director) (appointed on 18 August 2014)

The Nominating Committee, in compliance with paragraph 15.08A of MMLR of Bursa Securities, comprises exclusively of non-executive directors, all of whom are independent and is guided by written terms of reference duly approved by the Board with rights, authorities and responsibilities clearly spelt out.

The Board has not nominated a Senior Independent Non-Executive Director to chair the Nominating Committee as the Board is satisfied that Independent Non-Executive Chairman of the Board possesses required skills, knowledge and experience to lead the Nominating Committee to ensure effective and well-balanced board composition that meets the needs of the Company, the Group businesses.

The Nominating Committee is charged with, amongst other duties and responsibilities, the duties of assessing and recommending to the Board the candidature of directors, appointment of directors to Board committees, evaluating the effectiveness of the Board, the Board's committees and individual directors on annual basis as well as facilitating Board inductions and training programs for directors.

The Nominating Committee is in the process of establishing formal guidelines and criteria for the nomination, evaluation and selection procedures for new directors. Such criteria would include competencies, commitment, contribution, leadership performance and boardroom diversity to include women candidates.

The Nominating Committee had established annual procedures for the evaluation of the performance of Board and Board committee as well as individual directors.

For the financial year ended 30 April 2015, the Nomination Committee met twice to review the compliance of composition requirement of the Nomination Committee in accordance with MMLR of Bursa Securities and to review the resignation and appointment of the member of the Board in line with the established assessment process. The Nomination Committee conducted evaluation of the effectiveness of the board as a whole, the committees of the board and the contribution of each individual director as well as independence assessments on Independent Non-Executive Directors.

The Board recognises the need for fair remuneration to be able to attract, retain and motivate Directors that reflect the Board's responsibilities, expertise and the Group's business activities. The Board takes cognisance that Directors remuneration should be aligned with the business strategy and long-term objectives of the Group.

The Remuneration Committee is responsible for recommending to the Board the remuneration framework, policies and packages for the Executive Directors in all its forms. None of the Executive Directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of the non-executive directors and the individual director concerned abstains from decisions pertaining to his own remuneration.

CORPORATE GOVERNANCE STATEMENT

Cont'd

2: STRENGTHEN COMPOSITION *Cont'd*

As at the date of this report, the Remuneration Committee is in the process of formulating the remuneration framework and policies for directors.

The Remuneration Committee comprises of three (3) members, majority of whom are Non-Executive Directors in compliance with the Code. The Remuneration Committee is governed by written terms of reference approved by the Board.

The Remuneration Committee comprises of the following Directors during the financial year under review:-

<i>Chairman:</i>	Kek Kok Swee	(Independent Non-Executive Director)
<i>Members:</i>	Azahar Bin Baharudin	(Independent Non-Executive Director)
	Ker Min Choo	(Executive Director)

The Remuneration Committee met twice during the financial year with attendance by all members of the Committee for the review of remuneration package of Executive Directors.

The total remuneration of Directors during the financial year ended 30 April 2015, distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components are disclosed below:-

	Basic Salary, Bonus, Incentives. Allowance, EPF & SOCSO RM'000	Fees RM'000
Executive Directors	1,637	180
Non-Executive Directors	-	120

Detailed disclosure is not made for individual director's remuneration as prescribed by the Code as the Board is of the view that the transparency and accountability aspect of corporate governance in respect of Directors' remuneration are adequately addressed by the band disclosure as disclosed below:

Remuneration bands per annum	Executive	Non-Executive
Below RM50,000	-	3
RM350,000 to RM400,000	1	-
RM400,000 to RM450,000	1	-
RM450,000 to RM500,000	1	-
RM500,000 to RM550,000	1	-

3: REINFORCE INDEPENDENCE

The Chairman of the Board is an Independent Director. The position of the Chairman and the Managing Director is separated and there is a clear division of responsibility between the Chairman and the Managing Director of the Company to ensure an appropriate balance of role, responsibilities and accountability to provide a balance of power and authority at the Board level. The independent non-executive Chairman is responsible for the leading of the Board and oversight of the management, while the Managing Director is responsible for managing the Group's business and day-to-day management of the Group.

CORPORATE GOVERNANCE STATEMENT

Cont'd

3: REINFORCE INDEPENDENCE *Cont'd*

The Independent Non-Executive Directors bring independent and objective judgment to the Board deliberations. Being from diverse backgrounds and impartial, their contributions during Board and Board Committee meetings are unbiased and provide a pivotal point for deliberations.

All Independent Non-Executive Directors shall dedicate sufficient time and attention to fulfil their roles.

The Nomination Committee carried out Independence assessments of the independent director during the annual performance evaluation of the contribution of individual directors.

The Codes recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. At present, there is no independent director with a cumulative term of nine (9) years or more.

Appointment of new Directors to the Board or Board Committee is recommended to the Nomination Committee for consideration and approved by the Board in accordance to the formal policy and procedures on nomination and selection of Directors. All Board members who are newly appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election. All Directors (including the Managing Director) will retire from office, by rotation at least once every three years and shall be eligible for re-election. Director over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Company Act, 1965. At present, there are no directors above the age of seventy (70).

4: FOSTER COMMITMENT

The Directors are required to commit sufficient time and attention in order to discharge their duty and responsibility with reasonable due care, skills and diligence to the Board.

Directors are required to inform the Chairman before accepting any new appointments to directorships and indicate the time that will be spent on the new appointment.

The Board meets at regular intervals during the financial year under review to effectively discharge its functions and responsibilities.

The Board met five (5) times during the financial year ended 30 April 2015 and the attendance of each Director at the Board Meetings is as follows:

Director	Designation	No. of Meetings Attended
Kek Kok Swee ¹	Chairman, Independent Non-Executive Director	5/5
Ker Min Choo	Managing Director	5/5
Ker Mong Keng	Executive Director	5/5
Ker Meng Oi	Executive Director	4/5
Ong Kheng Swee	Executive Director	5/5
Azahar Bin Baharudin	Independent Non-Executive Director	5/5
Tan Lay Beng ²	Independent Non-Executive Director	3/5
Chee Ho Chun ³	Chairman, Independent Non-Executive Director	1/5

Note 1: Kek Kok Swee was appointed Chairman on 16 July 2014

Note 2: Tan Lay Beng was appointed on 18 August 2014

Note 3: Chee Ho Chun resigned on 1 July 2014

CORPORATE GOVERNANCE STATEMENT

Cont'd

4: FOSTER COMMITMENT *Cont'd*

The Board shall meet at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions are required to be made between the scheduled meetings. The directors will receive the agenda and the Board papers prior to the Board meeting. This will allow sufficient time for the director to review and seek clarifications from management on any matters they may require. The Board is assisted by a suitably qualified and competent Company Secretary, who attends all Board and Board Committee meetings. The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the deliberations and resolutions passed at the meetings are recorded and maintained in the statutory register kept at the registered office of the Company.

In discharging its fiduciary duties, the Board has delegated specific responsibilities to three (3) subcommittees, namely, Audit Committee, Remuneration Committee and Nominating Committee. The Committees have the responsibility to examine particular issues delegated and report to the Board with their recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

All committees have written terms of references and/or authorities and responsibilities and the Board receives reports on their proceedings and deliberations. The Chairman of the respective committees will brief the Board on the matters discussed at the committee meetings and minutes of these meetings are circulated at the Board meetings.

Newly appointed directors will be given induction briefings by the Executive Directors and senior management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors.

The Directors are encouraged to review their individual training needs periodically to keep abreast of developments in the market environment, regulatory and statutory requirements.

All the Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities.

During the financial year ended 30 April 2015, all Directors received regular briefings and updates on the Group's business and operations, as well as being updated on new regulations and statutory requirements.

During the financial year, the Board members have attended the following seminars and briefings conducted by regulatory bodies or professional organizations:

Name of Directors	Seminars and Briefing Attended
Ker Min Choo	Review on GST Pre-Implementation Study by Crowe Horwath CPE Sdn Bhd; Automechanika Shanghai 2014 by Messe Frankfurt (HK) Ltd; Saudi International Motor Show & Autocare 2014 by Al Harithy Company for Exhibitions Ltd
Ker Mong Keng	Automechanika Shanghai 2014 by Messe Frankfurt (HK) Ltd
Ker Meng Oi	Automechanika Kuala Lumpur 2015 by Messe Frankfurt (HK) Ltd
Ong Kheng Swee	Personal Data Protection Act 2010 by Malaysian Institute of Accountants; Review on GST Pre-Implementation Study by Crowe Horwath CPE Sdn Bhd; 2015 Budget Outlook & Tax Planning by Crowe Horwath CPE Sdn Bhd; Shares with No Par Value, Share Buybacks and Redeemable Preference Share – Proposed Companies Bill 2013 by Malaysian Institute of Accountants; Audit Committee Institute Breakfast Roundtable titled the Impact of Cyber Security at Board Levels by KPMG

CORPORATE GOVERNANCE STATEMENT

Cont'd

4: FOSTER COMMITMENT *Cont'd*

Name of Directors	Seminars and Briefing Attended
Kek Kok Swee	2015 Budget Outlook & Tax Planning by Crowe Horwath CPE Sdn Bhd; Board Chairman Series: The role of the Chairman by Bursa Malaysia and The ICLIF Leadership and Governance Centre
Azahar bin Baharudin	Corporate Governance Statement Reporting Workshop by Securities Industry Development Corporation (SIDC)
Tan Lay Beng	National Tax Conference 2014 by Chartered Tax Institute of Malaysia; 2015 Budget Seminar by Chartered Tax Institute of Malaysia (CTIM); 2015 Budget Seminar by Malaysian Institute of Accountants; 2015 Budget Seminar- Chairman by Chartered Tax Institute of Malaysia (CTIM); Understanding & Applying the 24 Malaysian GST Tax Codes by Malaysian Institute of Accountants;

5: UPHOLDING INTEGRITY IN FINANCIAL REPORTING

The Board aims to ensure that all financial disclosures and announcements to shareholders, investors and the regulatory authorities are fair, accurate and meaningful in accordance with the MMLR.

The annual financial statements to shareholders and quarterly announcement of financial results were reviewed by the Audit Committee and approved by the Board of Directors to ensure accuracy, adequacy and completeness of information prior to release to regulatory authorities.

The Audit Committee's terms of reference, the number of meetings held during the financial year and the attendance of each member can be found on pages 20 to 24 of the Audit Committee Report. A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report on pages 20 and 21 of this Annual Report.

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report. The Board and the Audit Committee has maintained an appropriate and transparent relationship with its external auditors.

The Board recognizes the importance of the independence and capability of external auditors on the reliability and quality to the annual financial statements prepared for the stakeholders.

On annual basis prior to the commencement of the audit engagement, through Audit Planning Memorandum, the external auditors of the Group confirms to the Audit Committee on their independence in relation to their audit of the annual financial statements.

6: RECOGNISE AND MANAGE RISKS

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls and robust risk management framework to safeguard shareholders' investment and the Group's assets.

The Statement on Risk Management and Internal Control made in pursuance of paragraph 15.26(b) of the Listing Requirements of Bursa Securities is separately set out on pages 25 to 27 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

Cont'd

7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board is committed to maintaining effective communications with its shareholders and investors. The main communication channels with shareholders and investors are the announcements made through Bursa Securities and the Annual Report. All material announcements to be made through Bursa Securities are to be approved by the Board prior to its release to Bursa Securities. The Board observes all disclosure requirements as laid down by MMLR and the Capital Markets and Services Act 2007 with regard to dissemination of material corporate information on timely basis.

The Board has established a formal Corporate Disclosure Policy to set out the policies and procedures for disclosure of material information of the Group and which will be applicable to all employees and Directors of the Group.

For effective dissemination of material information, the Company's website incorporates an "Investor Relations" section which provides all relevant information on the Company and is accessible by the public via <http://www.solidautomotive.com>. Furthermore, email addresses are provided in "Investor Relations" section of Company's website to which concerns or request of any investor can be forwarded to.

8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting is the principal forum for dialogue with shareholders. The shareholders are given the opportunity and are encouraged to participate in general meetings of the Company. Notice of the Annual General Meeting and Annual Reports are sent out to shareholders at least 21 days before the date of the meeting.

Shareholders are kept well informed of developments and performances of the Group through announcements made to Bursa Securities and press releases (where appropriate) as well as the Annual Report. The Annual Report provides information and disclosures on the Group and complies with the relevant regulations and guidelines.

In line with the recommendation of the Code, at the announcement of all General Meetings, the Chairman will inform the shareholders of their right to demand a vote by poll.

ADDITIONAL COMPLIANCE INFORMATION

● Utilisation of Proceeds

The net proceeds from the IPO was utilised as follows:

	Proposed Utilization RM'000	Actual Utilization to 30 April 2015 RM'000	Balance RM'000
Capital Expenditure	12,000	(12,000)	-
Working Capital	5,315	(5,315)	-
Estimated Listing Expenses	2,500	(2,500)	-
Total	19,815	(19,815)	-

CORPORATE GOVERNANCE STATEMENT

Cont'd

ADDITIONAL COMPLIANCE INFORMATION *Cont'd*

- **Material Contracts involving Directors and Major Shareholders' Interests**

There were no material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interests still subsisting at the end of the financial year ended 30 April 2015.

- **Sanctions and/or Penalties imposed**

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties by regulatory bodies.

- **Share buy-backs**

There was no share buy-back by the Company during the financial year.

- **Options, Warrants or Convertible Securities Exercised**

There were no outstanding warrants or convertible securities pending exercise for the financial year ended 30 April 2015.

- **American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) programme**

The Company has not sponsored any ADR or GDR programme for the financial year ended 30 April 2015.

- **Non-audit fees**

During the financial year ended 30 April 2015, the non-audit fee incurred for services rendered by external auditors to the Group amounted to RM 41,000.

- **Variation of Results**

There were no profit estimations, forecasts or projections made or released by the Company during the financial year.

The audited financial results for the financial year ended 30 April 2015 did not differ by 10% or more from the unaudited full year's results previously announced on 29 June 2015 to Bursa Securities.

- **Profit Guarantee**

The Company did not give any profit guarantee during the financial year.

- **Recurrent Related Party Transaction**

At the Annual General Meeting ("AGM") to be held on 22 September 2015, the Company intends to seek the shareholders' approval for the renewal of the shareholders' mandate for the recurrent related party transactions ("RRPT"), which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to its related parties than those generally available to the public.

Further details of which are disclosed in the Circular to shareholders dated 27 August 2015 despatched together with the Annual Report 2015.

AUDIT COMMITTEE REPORT

A. ESTABLISHMENT AND COMPOSITION

The Audit Committee comprises the following members:-

Chairman:

Encik Azahar bin Baharudin (Independent Non-Executive Director)

Members:

Mr. Kek Kok Swee (Independent Non-Executive Director)

Ms. Tan Lay Beng (Independent Non-Executive Director)(appointed on 18 August 2014)

B. TERMS OF REFERENCE

The terms of reference of the Committee is set out on pages 21 to 24 of this Annual Report.

C. MEETINGS

During the financial year ended 30 April 2015, the Audit Committee held five (5) meetings. Details of each member's meeting attendances are as follows:-

Name of Member	No. of Meetings Attended
Azahar bin Baharuddin	5/5
Kek Kok Swee	5/5
Tan Lay Beng (appointed on 18 August 2014)	3/5

The meetings were appropriately structured through the use of agendas, which were distributed to the members with sufficient notification.

The executive directors, chief financial officer, representatives of the external auditors and internal auditors, at the invitation of the Committee, attended the Committee meetings.

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the year. The main activities undertaken by the Audit Committee during the financial year included the following:-

1. Reviewed and recommended for Board approval the quarterly unaudited financial statements for announcement to Bursa Malaysia Securities Berhad ("Bursa Securities");
2. In respect of the quarterly and annual financial statements, reviewed the Company's compliance with the Bursa Securities' Listing Requirements, accounting standards promulgated by Malaysian Accounting Standards Board and other legal and regulatory requirements;
3. Reviewed the audit report and observations made by the external auditors on the audited financial statements that require appropriate management action and the management's response thereon and reporting them to the Board;

AUDIT COMMITTEE REPORT

Cont'd

D. SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR *Cont'd*

The Committee carried out its duties in accordance with its terms of reference during the year. The main activities undertaken by the Audit Committee during the financial year included the following:- *Cont'd*

4. Considered and recommended to the Board for approval of the audit fees payable to the external auditors as disclosed in Note 25 to the financial statements;
5. Reviewed the external auditors' scope of work and audit plan for the financial year ended 30 April 2015;
6. Met with the external auditors, without the presence of the executive management, twice during the financial year ended 30 April 2015 to discuss any matters which the external auditors may wish to raise;
7. Reviewed the independence and objectivity of the external auditors and the services provided, including non-audit services;
8. Reviewed and approved appointment of the outsourced internal auditors. Reviewed and approved the Risk Management Framework and Internal Audit plan and progress of the approved internal audit plan and internal audit reports, which highlighted internal audit findings, recommendations, management response and action plan. Discussed with management actions taken to improve and enhance the internal control systems based on the improvement opportunities highlighted in the internal audit reports;
9. Reviewed related party transactions entered into by the Group and ensured all transactions are at arms length's basis;
10. Reviewed the annual report (which includes the Corporate Governance Statement, Audit Committee Report and Statement on Risk Management and Internal Control), and the audited financial statements of the Group and recommended to the Board for approval.

E. INTERNAL AUDIT FUNCTION

The internal audit function of the Group was outsourced to a professional consulting firm to undertake independent, objective, regular and systematic reviews of the internal controls system. The outsourced internal auditors report directly to the Audit Committee and conduct internal audit reviews according to the internal audit plans approved by the Audit Committee to ensure the adequacy of the scope, function and resources being allocated to the internal audit function. The cost incurred in connection with the internal audit function during the financial year amounted to RM58,000. The Group's internal auditors table the results of their review to the Audit Committee at their scheduled meetings, highlighting their findings, recommendations, areas of improvement opportunities, management response and action plan.

F. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objectives

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling the following oversight objectives on the Group activities:-

- Assess the Group's processes relating to its risk management control environment;
- Oversee financial reporting; and
- Evaluate the internal and external audit processes.

AUDIT COMMITTEE REPORT

Cont'd

F. TERMS OF REFERENCE OF THE AUDIT COMMITTEE *Cont'd*

Composition

The Board shall elect and appoint Committee members from amongst their members, comprising no fewer than three (3) Directors, all of whom shall be Non-Executive Directors and a majority of whom shall be Independent Directors of the Company. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall at all times ensure that at least one (1) member of the Committee shall be:-

- A member of the Malaysian Institute of Accountants (“MIA”); or
- If he or she is not a member of MIA, he must have at least (3) years of working experience, and:-
 - i. He or she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - ii. He or she must be a member of the associations of accountants specified in Part II of the Accountants Act, 1967.

If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director.

The Board shall review the terms of office of each of its members at least once (1) every three (3) years.

Quorum and Committee’s Procedures

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (“the Secretary”). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee. The minutes shall be circulated to members of the Board.

The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend the meetings.

The Chairman shall submit an annual report to the Board summarising the Committee’s activities during the year and the related significant results and findings.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

AUDIT COMMITTEE REPORT *Cont'd*

F. TERMS OF REFERENCE OF THE AUDIT COMMITTEE *Cont'd*

Authority

The Committee is authorised to seek any information it requires from employees, who are required to cooperate with any request made by the Committee.

The Committee shall have full and unlimited access to any information pertaining to the Group.

The Committee shall have direct communication channels with the internal and external auditors and with senior management of the Group and shall be able to convene meetings with the external auditors, the internal auditors, or both, excluding the attendance of other directors and other employees of the Group, whenever deemed necessary.

The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities' Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

Responsibilities and Duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:-

1. Review the appointment of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
2. Review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money;
3. Review with the external auditor before the commencement of each audit, the audit scope and plan, including any changes to the planned scope of the audit plan;
4. Review major audit findings and the management's response during the year with management, external auditors and internal auditors, including the status of previous audit recommendations;
5. To discuss any problems and reservations arising from the interim and final audits and any matters the auditors may wish to discuss (in the absence of management, where necessary);
6. For the outsourced internal audit function,
 - Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit function and that it has the necessary authority to carry out its work; and
 - Review the internal audit program and the results of the internal audit process and where necessary action is taken on the recommendations of the internal audit function.
7. Review the adequacy and integrity of the internal control systems, including enterprise risk management, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems;

AUDIT COMMITTEE REPORT

Cont'd

F. TERMS OF REFERENCE OF THE AUDIT COMMITTEE *Cont'd*

Responsibilities and Duties *Cont'd*

8. Review the quarterly results and the annual financial statements, prior to the approval by the Board focusing particularly on:-
 - Changes in or implementation of major accounting policy changes;
 - Significant or unusual events;
 - Compliance with accounting standards and other legal requirements; and
 - Going concern assumptions.
9. Review procedures in place to ensure that the Group is in compliance with the Companies Act, 1965, Bursa Securities' Listing Requirements and other legislative and reporting requirements;
10. Review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on management integrity;
11. Direct and where appropriate supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts;
12. Prepare reports as the circumstances dictate or at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities; and
13. Any other activities, as authorised by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”) in relation to requirement to prepare statement about the state of internal control of the listed issuer as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”), the Board of Directors (“the Board”) of Solid Automotive Berhad (“the Company”) (collectively with its subsidiaries, “the Group”) is pleased to present the statement on the risk management and internal control of the Group for the financial year ended 30 April 2015.

BOARD RESPONSIBILITIES

The Board of Directors (“the Board”) affirms its overall responsibility for maintaining a sound risk management and internal control system and for reviewing their adequacy and effectiveness so as to safeguard all its stakeholders’ interests and protecting the Group’s assets. The Board has delegated these aforementioned responsibilities to the Audit Committee whereby the Audit Committee is assigned with the duty, through its terms of reference approved by the Board, to review and consider the adequacy and effectiveness of the risk management and internal control system of the Group. Through the Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Audit Committee by the Management, the internal audit function and the external auditors.

However, in view of the limitations that are inherent in any system of internal controls, the system of internal controls is designed to manage, rather than to eliminate, the risk of failure to achieve the Group’s business objectives. Accordingly, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

RISK MANAGEMENT

The Board recognises risk management as an integral part of system of internal controls and good corporate governance practice in pursuit of its strategic objectives. The Board acknowledges its responsibility to maintain on-going commitment to identify, evaluate and manage significant risks faced by the Group systematically during the financial year under review. The Board has in place a systematic risk management system whereby significant risks are identified and assessed in terms of likelihood of their occurrence and the impact on the achievement of the Group’s business and corporate objectives.

The Risk Management of the Group is delegated to the Risk Management Committee comprising the Chief Financial Officer and members of the Group’s senior and middle level management. The Risk Management Committee conducts yearly meetings to assess and monitor the Group’s risk as well as to discuss, evaluate and address matters associated with strategic, financial, operational and governance aspects of the Group.

The Risk Management Committee undertook a review exercise to update the Group’s key risk profile during the financial year ended 30 April 2015 in order to adequately and effectively identify, assess and manage the key business risks which the Group is facing, taking into account key business risks that may have emerged from the external and internal operating environment. The key risk profile was presented to the Audit Committee for review and deliberation in order to provide reasonable assurance that the key business risks of the Group are in line and managed within the risk appetite of the Board in pursuit of the strategic objectives of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL AUDIT FUNCTION

The Audit Committee, in consultation with the internal auditor, has formulated an internal audit plan for the financial year ended 30 April 2015 using a risk based approach.

The Group's internal audit function is outsourced to an independent professional firm in order to provide the Audit Committee with the assurance it requires on the adequacy and effectiveness of the Group's system of internal control. The internal audit function reports to the Audit Committee directly and is governed by the engagement letter detailing the scope of works, accountability/responsibility, authority, independence and confidentiality.

The Group relies on the internal audit function to provide the Board with the required level of assurance that its systems of internal controls are operating adequately and effectively in order to provide reasonable assurance that the business objectives of the Group are achievable. Regular internal audit reviews are preformed based on the internal audit plan approved by the Audit Committee. Upon completion of the internal audit work, the internal audit reports are presented to the Audit Committee during the quarterly meetings. During these meetings, the internal audit findings and recommendations as well as management responses and action plans are presented and deliberated. Updates on the status of action plans as identified in the previous internal audit reports were also presented for the Audit Committee's review and deliberation for the financial year under review.

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control systems are described below:

- **Board of Directors/Board Committees**

Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.

- **Integrity and Ethical Value**

The tone from the top on integrity and ethical value are enshrined in formal Code of Conduct established and approved by the Board. This formal code forms the foundation of integrity and ethical value for the Group. Formal Whistle-Blowing Policy is in place to provide a channel for employees and other interested parties to confidentially bring to the attention of the Audit Committee any concerns related to matters covered by the Group's Code of Conduct, legal issues and accounting or audit matters.

- **Organisation Structure and Authorisation Procedures**

The Group has a formal organisation structure in place to ensure appropriate level of authorities and responsibilities are delegated accordingly to competent staff in achieving operational effectiveness and efficiency. The authorisation requirements for key processes are stated in the duly approved authority limit charts.

- **Policies and Procedures**

The Group has documented policies and procedures for key business processes that are regularly reviewed and updated to ensure their relevance to support the Group's business activities in achieving the Group's business objectives. Standard operating procedures and work instructions are established by JBS Auto-Tech Sdn Bhd in compliance with the international Standard Organisation ("ISO") certification.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

INTERNAL CONTROL SYSTEM *Cont'd*

- **Human Resource Management**

The Group put in place consistent human resource practice throughout the Group to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing the necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

- **Information and Communication**

At operational level, clear reporting lines established across the Group and operation and management accounts are prepared for dissemination to relevant personnel for effective communication of critical information throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

- **External Bodies Certification**

JBS Auto-Tech Sdn Bhd is certified and in compliance with the ISO 9001:2008 (Quality Management System).

- **Monitoring and Review**

The quarterly financial statements containing key financial results are presented to the Board for their review.

ASSURANCE PROVIDED BY THE GROUP MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

During the financial year under review, the performance of the Group were reviewed and deliberated by the Board, including, but not limited to, the adequacy and effectiveness of specific risk management and internal control system of the Group put in place to address potential business risks identified by the Management and/or the Board. Through these reviews by the Board with Managing Director and Senior Management of the Group, the Board is of the view that the risk management and internal control systems are properly formulated and put in place. The Board is not aware of any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

In line with the Guidelines, the Managing Director, being highest ranking executive in the Company and the Chief Financial Officer, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

CONCLUSION

The Board is firmly committed towards maintaining a sound and effective risk management framework and internal control system throughout the Group and will continuously review the internal controls and, where necessary, put in place appropriate structures to further enhance the Group's systems of internal controls.

The background of the page is a faded, high-contrast image of mechanical components, likely from an engine or industrial machinery. It features various bolts, nuts, and curved metal surfaces, creating a technical and industrial aesthetic.

FINANCIAL STATEMENTS

Directors' Report	29
Statement by Directors	34
Statutory Declaration	34
Independent Auditors' Report	35
Statements of Financial Position	37
Statements of Profit or Loss and Other Comprehensive Income	38
Statements of Changes in Equity	39
Statements of Cash Flows	42
Notes to the Financial Statements	44

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	9,494,111	8,627,673
Attributable to:-		
Owners of the Company	9,546,535	8,627,673
Non-controlling interests	(52,424)	-
	9,494,111	8,627,673

DIVIDENDS

Since the end of the previous financial year, the amounts of dividends paid by the Company were as follows:-

	RM
In respect of previous financial year:	
A final single tier dividend of 2.0 sen per ordinary share paid on 2 December 2014	3,000,000

Subsequent to the financial year ended, an interim dividend of 1.0 sen per ordinary share amounting to RM1,500,000 in respect of the current financial year has been paid on 17 June 2015.

The directors now recommend the payment of a final single tier tax-exempt dividend of 2.0 sen per ordinary share amounting to RM3,300,000 in respect of the financial year under review, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

DIRECTORS' REPORT

Cont'd

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the making of additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

Cont'd

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

KER MIN CHOO
ONG KHENG SWEE
AZAHAR BIN BAHARUDIN
KEK KOK SWEE
KER MENG OI
KER MONG KENG
TAN LAY BENG



DIRECTORS' REPORT

Cont'd

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.50 Each			
	AT 1.5.2014	BOUGHT	TRANSFERRED/ SOLD	AT 30.4.2015
<i>Direct Interests In The Company</i>				
Ker Min Choo	40,450,113	-	-	40,450,113
Ong Kheng Swee	2,964,486	-	(900,000)	2,064,486
Kek Kok Swee	7,405,391	-	(5,905,391)	1,500,000
Ker Meng Oi	7,530,541	-	(2,000,000)	5,530,541
Ker Mong Keng	36,725,075	-	-	36,725,075
<i>Indirect Interests In The Company*</i>				
Ker Min Choo	37,546	-	-	37,546
Ong Kheng Swee	-	900,000	-	900,000
Kek Kok Swee	-	4,500,000	-	4,500,000
Ker Mong Keng	24,000	-	-	24,000

Note:-

* - Held through spouse or children

By virtue of the director's shareholdings in the shares of the Company, Ker Min Choo and Ker Mong Keng are deemed to have an interest in the Company and its related corporations to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year did not have any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

Cont'd

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 36 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 37 to the financial statements.

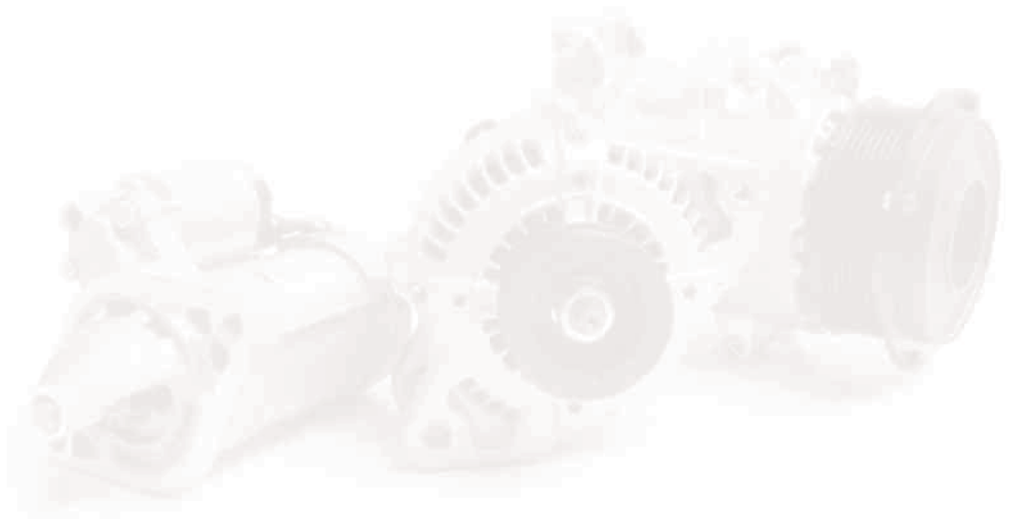
AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 18 August 2015.

Ker Min Choo

Ong Kheng Swee



STATEMENT BY DIRECTORS

We, Ker Min Choo and Ong Kheng Swee, being two of the directors of Solid Automotive Berhad, state that, in the opinion of the directors, the financial statements set out on pages 37 to 94 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 April 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 38, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 18 August 2015.

Ker Min Choo

Ong Kheng Swee

STATUTORY DECLARATION

I, Ong Kheng Swee, being the director primarily responsible for the financial management of Solid Automotive Berhad, do solemnly and sincerely declare that the financial statements set out on pages 37 to 94 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by
the abovenamed Ong Kheng Swee
at Johor Bahru in the state of Johor
on this 18 August 2015.

Ong Kheng Swee

Before me

Mohdzar Bin Khalid
Commissioner for Oaths
No. J 204

INDEPENDENT AUDITORS' REPORT

To the Members of Solid Automotive Berhad

Report on the Financial Statements

We have audited the financial statements of Solid Automotive Berhad, which comprise the statements of financial position as at 30 April 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 94.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 April 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.



INDEPENDENT AUDITORS' REPORT

To the Members of Solid Automotive Berhad
Cont'd

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 38 on page 95 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

18 August 2015

Johor Bahru

Wong Tak Mun
Approval No: 1793/09/16 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 30 April 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	76,448,363	57,398,363
Property, plant and equipment	6	37,116,430	22,614,073	-	-
Investment properties	7	11,358,017	690,310	-	-
Deferred tax assets	8	183,155	-	-	-
Other investments	9	102,610	102,600	-	-
		48,760,212	23,406,983	76,448,363	57,398,363
CURRENT ASSETS					
Inventories	10	44,633,411	41,940,796	-	-
Trade receivables	11	31,428,479	30,215,388	-	-
Other receivables, deposits and prepayments	12	2,802,549	1,576,959	3,000	92,000
Amount owing by subsidiaries	13	-	-	5,837,027	6,772,952
Tax recoverable		192,409	103,274	-	-
Fixed deposits with licensed banks	14	-	12,235,825	-	12,235,825
Cash and bank balances		9,063,788	4,551,046	8,234	29,514
		88,120,636	90,623,288	5,848,261	19,130,291
TOTAL ASSETS		136,880,848	114,030,271	82,296,624	76,528,654
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	75,000,000	75,000,000	75,000,000	75,000,000
Reserves	16	22,258,510	15,300,973	6,968,710	1,341,037
Equity attributable to owners of the Company		97,258,510	90,300,973	81,968,710	76,341,037
Non-controlling interests		409,765	494,456	-	-
TOTAL EQUITY		97,668,275	90,795,429	81,968,710	76,341,037
NON-CURRENT LIABILITIES					
Long-term borrowings	17	8,495,381	2,395,126	-	-
Deferred tax liabilities	8	-	35,266	-	-
		8,495,381	2,430,392	-	-
CURRENT LIABILITIES					
Trade payables	18	9,061,122	10,946,587	-	-
Other payables and accruals	19	4,618,076	3,614,607	327,914	145,742
Short-term borrowings	20	15,529,252	5,136,531	-	-
Tax payable		648,909	534,792	-	41,875
Provision for warranty	23	859,833	571,933	-	-
		30,717,192	20,804,450	327,914	187,617
TOTAL LIABILITIES		39,212,573	23,234,842	327,914	187,617
TOTAL EQUITY AND LIABILITIES		136,880,848	114,030,271	82,296,624	76,528,654

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 30 April 2015

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
REVENUE	24	133,398,745	118,081,184	9,087,008	2,788,408
COST OF SALES		(95,768,706)	(83,266,583)	-	-
GROSS PROFIT		37,630,039	34,814,601	9,087,008	2,788,408
OTHER INCOME		1,700,763	1,080,382	268,738	259,083
		39,330,802	35,894,983	9,355,746	3,047,491
ADMINISTRATIVE EXPENSES		(14,205,073)	(11,380,290)	(680,160)	(442,256)
SELLING AND DISTRIBUTION EXPENSES		(11,120,990)	(11,602,549)	-	-
FINANCE COSTS		(712,537)	(1,986,531)	-	(1,548,231)
PROFIT BEFORE TAX	25	13,292,202	10,925,613	8,675,586	1,057,004
INCOME TAX EXPENSE	26	(3,798,091)	(3,479,400)	(47,913)	(62,000)
PROFIT AFTER TAX		9,494,111	7,446,213	8,627,673	995,004
OTHER COMPREHENSIVE INCOME					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		411,002	562,326	-	-
		411,002	562,326	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,905,113	8,008,539	8,627,673	995,004
PROFIT AFTER TAX ATTRIBUTABLE TO:-					
Owners of the Company		9,546,535	7,455,638	8,627,673	995,004
Non-controlling interests		(52,424)	(9,425)	-	-
		9,494,111	7,446,213	8,627,673	995,004
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		9,957,537	8,017,964	8,627,673	995,004
Non-controlling interests		(52,424)	(9,425)	-	-
		9,905,113	8,008,539	8,627,673	995,004
EARNINGS PER SHARE (SEN)					
27					
Basic		6.36	5.44		
Diluted		Not applicable	Not applicable		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2015

The Group	Note	Non-Distributable			Distributable			Total RM
		Share Capital RM	Share Premium RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable To Owners Of The Company RM	Non- Controlling Interests RM
Balance at 1.5.2013		57,308,000	-	(43,360,988)	139,775	51,398,979	65,485,766	517,445
Profit after tax for the financial year		-	-	-	-	7,455,638	7,455,638	(9,425)
Other comprehensive income for the financial year:								
- Foreign currency translation differences		-	-	-	562,326	-	562,326	-
Contributions by and distributions to owners of the Company:-		-	-	-	562,326	7,455,638	8,017,964	(9,425)
- Issuance of shares pursuant to public issue	15 & 16	17,692,000	2,123,040	-	-	-	19,815,040	-
- Dividends:								
- by the Company	28	-	-	-	-	(900,000)	(900,000)	-
- by a subsidiary to non-controlling interests		-	-	-	-	-	-	(13,564)
- by subsidiaries to previous owners		-	-	-	-	(1,301,754)	(1,301,754)	-
Total transactions with owners		17,692,000	2,123,040	-	-	(2,201,754)	17,613,286	(13,564)
Listing expenses	16.1	-	(816,043)	-	-	-	(816,043)	-
Balance at 30.4.2014/1.5.2014		75,000,000	1,306,997	(43,360,988)	702,101	56,652,863	90,300,973	494,456
								90,795,429

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2015

Cont'd

The Group	Note	Non-Distributable			Distributable			Attributable To Owners Of The Company			Non-Controlling Interests	Total
		Share Capital	Share Premium	Merger Deficit	Foreign Exchange Translation Reserve	Retained Profits		RM	RM	RM		
Balance at 30.4.2014/1.5.2014		75,000,000	1,306,997	(43,360,988)	702,101	56,652,863		90,300,973	494,456	90,795,429		
Profit after tax for the financial year		-	-	-	-	9,546,535		9,546,535	(52,424)	9,494,111		
Other comprehensive income for the financial year:												
- Foreign currency translation differences		-	-	-	411,002	-		411,002	-	411,002		
Contributions by and distributions to owners of the Company:-		-	-	-	411,002	9,546,535		9,957,537	(52,424)	9,905,113		
- Dividends:												
- by the Company	28	-	-	-	-	(3,000,000)		(3,000,000)	-	(3,000,000)		
- by a subsidiary to non-controlling interests		-	-	-	-	-		-	(32,267)	(32,267)		
Total transactions with owners		-	-	-	-	(3,000,000)		(3,000,000)	(32,267)	(3,032,267)		
Balance at 30.4.2015		75,000,000	1,306,997	(43,360,988)	1,113,103	63,199,398		97,258,510	409,765	97,668,275		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 April 2015
Cont'd

The Company	Note	Share Capital RM	Share Premium RM	(Accumulated Loss)/ Retained Profit RM	Total RM
Balance at 1.5.2013		1	-	(60,964)	(60,963)
Profit after tax/Total comprehensive income for the financial year		-	-	995,004	995,004
Contributions by and distribution to owners of the Company:					
- Issuance of new shares pursuant to:	15 & 16				
- acquisition of subsidiaries		57,307,999	-	-	57,307,999
- public issue		17,692,000	2,123,040	-	19,815,040
- Dividend	28	-	-	(900,000)	(900,000)
Total transactions with owners		74,999,999	2,123,040	(900,000)	76,223,039
Listing expenses	16.1	-	(816,043)	-	(816,043)
Balance at 30.4.2014/1.5.2014		75,000,000	1,306,997	34,040	76,341,037
Profit after tax/Total comprehensive income for the financial year		-	-	8,627,673	8,627,673
Distribution to owners of the Company:					
- Dividend	28	-	-	(3,000,000)	(3,000,000)
Balance at 30.4.2015		75,000,000	1,306,997	5,661,713	81,968,710

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 April 2015

	Note	The Group		The Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before tax		13,292,202	10,925,613	8,675,586	1,057,004
Adjustments for:-					
Allowance for impairment losses on trade receivables		579,785	90,116	-	-
Bad debts written off		-	1,105	-	-
Depreciation of investment properties		103,196	17,461	-	-
Depreciation of property, plant and equipment		2,039,064	1,582,074	-	-
Dividend income		-	-	(9,087,008)	(2,788,408)
Gain on disposal of property, plant and equipment		(42,166)	(71,654)	-	-
Interest expense		646,879	379,650	-	-
Interest income		(358,592)	(379,191)	(268,738)	(259,083)
Listing expenses	16.1	-	1,548,231	-	1,548,231
(Gain)/Loss on foreign exchange					
- unrealised		(29,178)	11,952	-	-
Property, plant and equipment written off		104	10,584	-	-
Provision for warranty		1,113,900	730,081	-	-
Rental income		-	(29,129)	-	-
Reversal of impairment losses on trade receivables		(132,308)	(311,152)	-	-
Utilisation of warranty		(826,000)	(158,148)	-	-
Operating profit/(loss) before working capital changes		16,386,886	14,347,593	(680,160)	(442,256)
Increase in inventories		(2,692,615)	(7,450,853)	-	-
(Increase)/Decrease in trade and other receivables		(1,419,763)	(4,841,969)	89,000	(92,000)
(Decrease)/Increase in trade and other payables		(1,896,750)	2,460,285	182,172	84,778
CASH FROM/(FOR) OPERATIONS		10,377,758	4,515,056	(408,988)	(449,478)
Income tax paid		(4,002,671)	(3,416,078)	(90,176)	(20,125)
Income tax refund		8,390	303,098	388	-
Interest paid		(646,879)	(379,650)	-	-
Interest received		98,450	120,108	8,596	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		5,835,048	1,142,534	(490,180)	(469,603)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOW

For the Financial Year Ended 30 April 2015

Cont'd

		The Group		The Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of a subsidiary	30	(19,023,925)	-	(19,050,000)	(250,303)
Repayment from/(Advances to) subsidiaries		-	-	6,941,814	(6,772,952)
Dividend received		-	-	3,081,119	2,788,408
Fixed deposit interest income received		260,142	259,083	260,142	259,083
Purchase of property, plant and equipment	29	(8,243,414)	(4,683,399)	-	-
Proceeds from disposal of property, plant and equipment		51,500	82,875	-	-
Rental received		-	29,129	-	-
Repayment from a subsidiary for the acquisition of a sub-subsidiary		-	-	-	159,939
NET CASH FOR INVESTING ACTIVITIES		(26,955,697)	(4,312,312)	(8,766,925)	(3,815,825)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(3,018,908)	(2,215,318)	(3,000,000)	(900,000)
Payment of listing expenses		-	(1,285,545)	-	(1,285,545)
Proceeds from issuance of shares	15 & 16	-	19,815,040	-	19,815,040
Repayment of foreign currency loan		-	(5,721,094)	-	-
Net drawdown of term loans		8,699,821	2,353,365	-	-
Net drawdown of bankers' acceptance		8,049,000	946,000	-	-
Repayment to previous owners		-	(907,277)	-	-
Repayment of hire purchase obligations		(377,845)	(498,773)	-	-
Reimbursement of listing expenses paid on behalf by a subsidiary		-	-	-	(1,078,729)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		13,352,068	12,486,398	(3,000,000)	16,550,766
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(7,768,581)	9,316,620	(12,257,105)	12,265,338
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		45,498	81,449	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		16,786,871	7,388,802	12,265,339	1
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	9,063,788	16,786,871	8,234	12,265,339

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : Suite 7E, Level 7, Menara Ansar
65, Jalan Trus
80000 Johor Bahru

Principal place of business : No. 5, Jalan Dataran 5
Taman Kempas
81200 Johor Bahru

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 August 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

MFRSs and IC Interpretations (including the Consequential Amendments)

MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

3. BASIS OF PREPARATION *Cont'd*

- 3.2 The Group has not applied in advance the following applicable accounting standards and interpretations (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 IC Interpretations (including the Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above mentioned accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the Group's financial statements upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation for property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *Cont'd*

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require management to consider the future demand for the products and subsequent events. The Group also adopts the write-down policy for slow-moving inventories by marking down the carrying amount of those slow-moving inventories which are aged more than 2 years by using certain percentages which are derived base on the past historical movement trend of the inventories and judgement of the directors and management.

In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(e) Classification between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administration purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *Cont'd*

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(h) Provision for warranty

Judgement has been applied in determining the provision for warranty for products sold under warranty terms of one year from the date of sale. The provision is computed based on the return percentage on products sold with defects which cannot be claimed from suppliers. Based on the past experience, it is probable that certain claims will be made within the given warranty period.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transaction, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.2 BASIS OF CONSOLIDATION *Cont'd*

(a) Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

An acquisition that resulted in a business combination involving common control entities is outside the scope of MFRS 3 Business Combinations. For such common control combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the audited financial statements.

In applying merger accounting, financial statements items of the combining entities or businesses for the reporting period in which common control combination occurs are included in the audited financial statements of the Group as if the combination had occurred from the date when the combining entities or businesses come under the control of the controlling party or parties.

However, in the future, acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of fair value of the acquiree's identifiable net assets at the date of the acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Under merger accounting, the Group recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amount as if such audited financial statements had been prepared by the controlling party including adjustments required for conforming to the Groups' accounting policies and applying those policies to all period presented. There is no recognition of any goodwill or a gain from a bargain purchase at the time of the common control combination. The effect of all transactions and balances between combining entities, whether occurring before or after the combination, are eliminated in preparing the audited financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.2 BASIS OF CONSOLIDATION *Cont'd*

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if the results in the non-controlling interests having a deficit balance.

At the end of the reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes in Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amount previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.3 FUNCTIONAL AND FOREIGN CURRENCIES *Cont'd*

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenue and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

4.4 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.4 FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or noncurrent. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.4 FINANCIAL INSTRUMENTS *Cont'd*

(a) Financial Assets *Cont'd*

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.4 FINANCIAL INSTRUMENTS *Cont'd*

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease period of 50 to 99 years
Buildings	2% to 14%
Fixture, furniture and equipment	10% to 25%
Motor vehicles	20%
Plant and machinery	10% to 15%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.6 PROPERTY, PLANT AND EQUIPMENT *Cont'd*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.7 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Building portion of investment properties are depreciated on the straight-line method over its estimated useful life whereas freehold land portion is not subject to depreciation.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.8 IMPAIRMENT *Cont'd*

(a) Impairment of Financial Assets *Cont'd*

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.9 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalized in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.6 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials and trading goods is determined on the weighted average basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and costs necessary to make the sale.

4.11 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

4.13 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimate expenditure required to settle the obligation. The unwinding of the discount is recognised as an interest expense in profit or loss.

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.15 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.15 RELATED PARTIES *Cont'd*

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.17 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *Cont'd*

4.17 FAIR VALUE MEASUREMENTS *Cont'd*

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.18 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualified asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

4.19 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Dividend Income

Dividend Income from investment is recognised when the right to receive dividend payment is established.

(d) Rental Income

Rental income is recognised on an accrual basis.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2015	2014
	RM	RM
Unquoted shares, at cost		
- in Malaysia	66,936,863	47,886,863
- outside Malaysia	9,511,500	9,511,500
	76,448,363	57,398,363

The details of the subsidiaries are as follows:-

Name Of Subsidiary	Country Of Incorporation	Effective Equity Interest		Principal Activities
		2015 %	2014 %	
Solid Corporation Sdn. Bhd. ("Solid Corporation")	Malaysia	99.56	99.56	Trading and distribution of automotive electrical parts and components
Twinco Far East Sdn. Bhd.	Malaysia	100.00	100.00	Trading and distribution of automotive engine and mechanical parts and components
CMKS (Malaysia) Sdn. Bhd.	Malaysia	100.00	-	Investment and property holding
Auto Empire Impex Pte. Ltd.*	Singapore	100.00	100.00	Trading and distribution of automotive engine and mechanical parts and components
Subsidiaries of Solid Corporation				
JBS Auto-Tech Sdn. Bhd. ("JBS")	Malaysia	80.00	80.00	Remanufacture and assembly of automotive alternators and starters.
Uni Point Marketing (M) Sdn. Bhd.	Malaysia	100.00	100.00	Trading and distribution of automotive electrical parts and components
HKT Auto Electrical Parts Sdn. Bhd.	Malaysia	100.00	100.00	Dormant

Note:-

* - This subsidiary is audited by other firm of chartered accountants.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

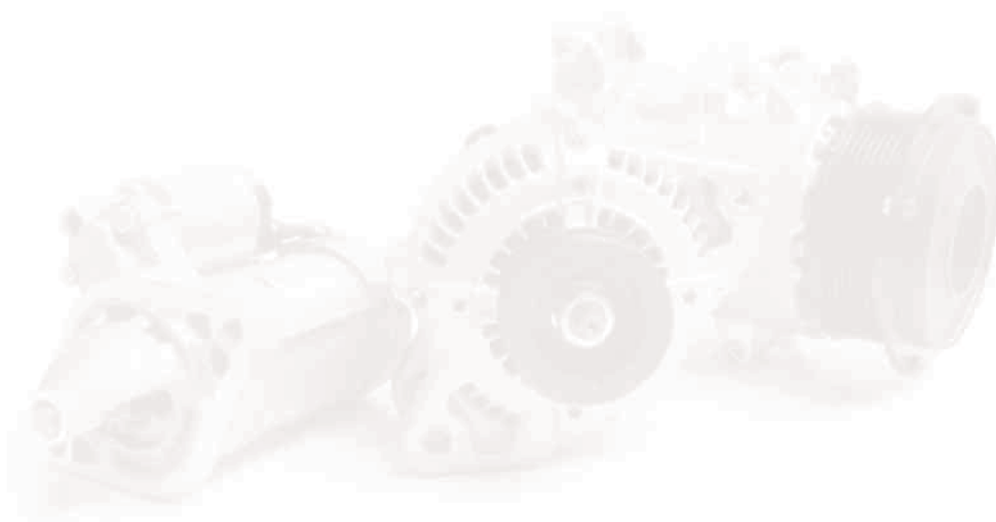
5. INVESTMENTS IN SUBSIDIARIES *Cont'd*

(a) During the financial year, the Company acquired 100% equity interest in CMKS (Malaysia) Sdn Bhd. for a cash consideration of RM19,050,000. The effects of the acquisition of the above subsidiary on the financial results and positions of the Group are reported in Note 30 to the financial statements.

(b) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2015 %	2014 %	2015 RM	2014 RM
Solid Corporation	0.44	0.44	235,214	233,034
JBS	20.00	20.00	174,551	261,422
			409,765	494,456

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.5.2014 RM	Additions RM	Acquisition of a subsidiary RM	Disposals RM	Written off RM	Translation differences RM	Depreciation charges RM	At 30.4.2015 RM
Net Book Value								
Freehold land	6,006,328	-	-	-	-	-	-	6,006,328
Leasehold land	5,116,848	5,666,719	3,767,706	-	-	-	(154,344)	14,396,929
Buildings	6,986,122	1,751,424	4,404,540	-	-	-	(522,308)	12,619,778
Fixtures, furniture and equipment	1,969,907	214,421	-	-	(104)	5,898	(466,003)	1,724,119
Motor vehicles	2,079,585	694,450	11	(9,334)	-	7,100	(832,167)	1,939,645
Plant and machinery	455,283	38,400	190	-	-	-	(64,242)	429,631
	22,614,073	8,365,414	8,172,447	(9,334)	(104)	12,998	(2,039,064)	37,116,430

The Group	At 1.5.2013 RM	Additions RM	Transfer to investment properties RM	Disposals RM	Written off RM	Translation differences RM	Depreciation charges RM	At 30.4.2014 RM
Net Book Value								
Freehold land	6,593,693	-	(587,365)	-	-	-	-	6,006,328
Leasehold land	2,321,104	2,916,672	-	-	-	-	(120,928)	5,116,848
Buildings	6,296,836	1,000,000	(120,406)	-	-	-	(190,308)	6,986,122
Fixtures, furniture and equipment	1,964,975	506,781	-	(11,221)	(10,584)	2,916	(482,960)	1,969,907
Motor vehicles	1,962,437	837,487	-	-	-	16,655	(736,994)	2,079,585
Plant and machinery	247,374	258,793	-	-	-	-	(50,884)	455,283
	19,386,419	5,519,733	(707,771)	(11,221)	(10,584)	19,571	(1,582,074)	22,614,073

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

6. PROPERTY, PLANT AND EQUIPMENT *Cont'd*

The Group At 30.4.2015	At cost RM	Accumulated impairment RM	Accumulated depreciation RM	Net book value RM
Freehold land	6,006,328	-	-	6,006,328
Leasehold land	15,453,979	-	(1,057,050)	14,396,929
Buildings	48,859,531	(19,077,919)	(17,161,834)	12,619,778
Fixtures, furniture and equipment	17,268,673	(1,105,232)	(14,439,322)	1,724,119
Motor vehicles	8,602,855	(77,558)	(6,585,652)	1,939,645
Plant and machinery	178,573,322	(4,325,847)	(173,817,844)	429,631
	274,764,688	(24,586,556)	(213,061,702)	37,116,430

At 30.4.2014	At cost RM	Accumulated depreciation RM	Net book value RM
Freehold land	6,006,328	-	6,006,328
Leasehold land	5,539,358	(422,510)	5,116,848
Buildings	7,701,269	(715,147)	6,986,122
Fixtures, furniture and equipment	5,453,814	(3,483,907)	1,969,907
Motor vehicles	6,063,904	(3,984,319)	2,079,585
Plant and machinery	935,331	(480,048)	455,283
	31,700,004	(9,085,931)	22,614,073

- (a) Included in the net book value of the property, plant and equipment of the Group are the following assets acquired under hire purchase terms:-

	The Group	
	2015 RM	2014 RM
Motor vehicles	812,815	773,958

- (b) The following assets have been pledged to the financial institutions as security for banking facilities granted to the Group:-

	The Group	
	2015 RM	2014 RM
Freehold land	3,897,042	3,897,042
Leasehold land	9,452,949	3,882,177
Buildings	5,646,776	4,293,448
	18,996,767	12,072,667

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

7. INVESTMENT PROPERTIES

The Group	At 1.5.2014 RM	Acquisition of a subsidiary RM	Depreciation charges RM	At 30.4.2015 RM
<i>Net Book Value</i>				
Freehold land	587,365	-	-	587,365
Leasehold land	-	5,012,294	(2,125)	5,010,169
Buildings	102,945	5,758,609	(101,071)	5,760,483
	690,310	10,770,903	(103,196)	11,358,017

The Group	At 1.5.2013 RM	Transfer from Property, plant and equipment RM	Depreciation charges RM	At 30.4.2014 RM
<i>Net Book Value</i>				
Freehold land	-	587,365	-	587,365
Buildings	-	120,406	(17,461)	102,945
	-	707,771	(17,461)	690,310

The Group At 30.4.2015	At cost RM	Accumulated impairment RM	Accumulated depreciation RM	Net book value RM
Freehold land	587,365	-	-	587,365
Leasehold land	5,977,718	-	(967,549)	5,010,169
Buildings	48,543,643	(22,949,434)	(19,833,726)	5,760,483
	55,108,726	(22,949,434)	(20,801,275)	11,358,017
At 30.4.2014				
Freehold land	587,365	-	-	587,365
Buildings	293,353	-	(190,408)	102,945
	880,718	-	(190,408)	690,310

The fair value of the investment properties as at the end of the reporting period is approximately RM12,332,100. This estimated fair value is based on valuations performed by accredited independent valuers in 2013 and 2014 using the comparison method.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

8. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2015	2014
	RM	RM
At 1 May 2014/2013	(35,266)	(14,739)
Recognised in profit or loss (Note 26)	218,421	(20,527)
At 30 April 2015/2014	183,155	(35,266)

The deferred tax assets/(liabilities) are attributable to the following:-

	The Group	
	2015	2014
	RM	RM
Deferred tax liabilities:-		
- Accelerated capital allowances	(176,600)	(371,200)
- Unrealised foreign exchange gain	(106,500)	-
	(283,100)	(371,200)
Deferred tax assets:-		
- Unabsorbed capital allowances	4,800	-
- Impairment losses on trade receivables	133,600	24,800
- Inventories written down	166,600	67,800
- Unrealised foreign exchange loss	-	2,800
- Provision for warranty	88,100	140,300
- Others	73,155	100,234
	466,255	335,934
Net deferred tax assets/(liabilities)	183,155	(35,266)

No deferred tax asset is recognised in a subsidiary in respect of the following due to the uncertainty of its recoverability:-

	The Group	
	2015	2014
	RM	RM
Unabsorbed capital allowances	23,400	30,000
Unutilised tax losses	16,900	312,000
Impairment losses on trade receivables	14,700	-
Provision for warranty	118,200	-
	173,200	342,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

9. OTHER INVESTMENTS

	The Group	
	2015	2014
	RM	RM
Transferable golf club memberships, at cost	102,610	102,600

10. INVENTORIES

	The Group	
	2015	2014
	RM	RM
At cost:-		
Raw materials	2,142,585	2,219,770
Work-in-progress	965,758	771,798
Finished goods	3,302,090	3,227,723
Goods-in-transit	2,477,965	4,653,130
Trading goods	33,863,667	29,459,130
	42,752,065	40,331,551
At net realisable value:-		
Raw materials	775,150	626,158
Finished goods	395,901	-
Trading goods	710,295	983,087
	44,633,411	41,940,796

The amount of inventories recognised as an expense in cost of sales was RM92,172,443 (2014: RM79,557,327).

11. TRADE RECEIVABLES

	The Group	
	2015	2014
	RM	RM
Trade receivables	32,708,889	31,048,183
Less: Allowance for impairment losses	(1,280,410)	(832,795)
	31,428,479	30,215,388
Allowance for impairment losses:-		
At 1 May 2014/2013	832,795	1,147,693
Addition during the financial year	579,785	90,116
Reversal during the financial year	(132,308)	(311,152)
Written off during the financial year	-	(98,809)
Foreign exchange translation differences	138	4,947
At 30 April 2015/2014	1,280,410	832,795

The Group's normal trade credit terms range from 30 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other receivables	681,616	316,351	-	90,000
Deposits	1,749,014	464,336	3,000	2,000
Prepayments	371,919	796,272	-	-
	2,802,549	1,576,959	3,000	92,000

13. AMOUNT OWING BY SUBSIDIARIES

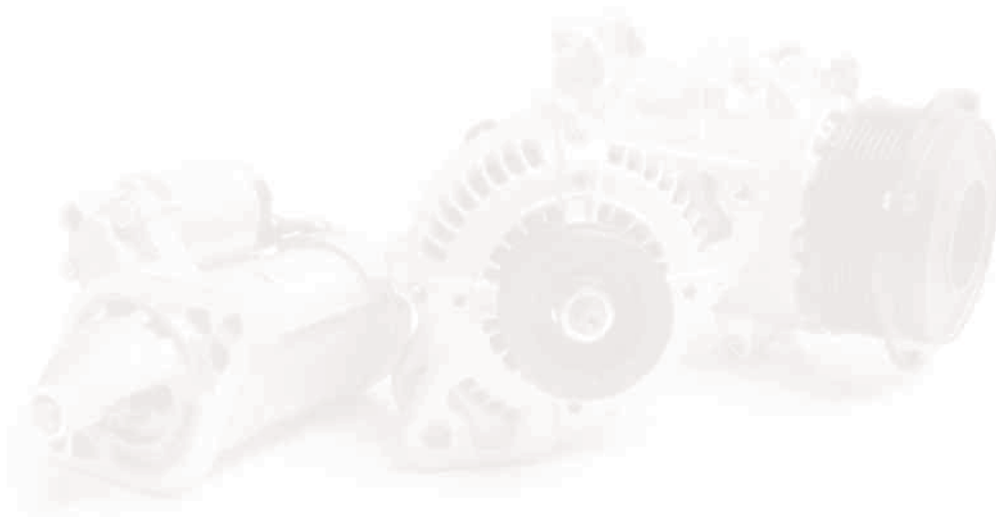
	The Company	
	2015	2014
	RM	RM
Amount Owing By Subsidiaries		
Non-trade balances	5,837,027	6,772,952

The above represents unsecured interest-free advances and dividends receivable. The amounts owing are repayable on demand.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Company at the end of the previous reporting period bore effective interest rates of 3.50% per annum. The fixed deposits had maturity periods of 3 months.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

15. SHARE CAPITAL

	The Company			
	2015	2014	2015	2014
	Number of shares		RM	RM
Authorised				
Ordinary shares of RM0.50 each	200,000,000	200,000,000	100,000,000	100,000,000
Issued And Fully Paid-Up				
<i>Ordinary shares of RM0.50 each</i>				
At 1 May 2014/2013	150,000,000	2	75,000,000	1
Issuance of shares pursuant to initial public offering:-				
- acquisition of subsidiaries*	-	114,615,998	-	57,307,999
- public issue	-	35,384,000	-	17,692,000
At 30 April 2015/2014	150,000,000	150,000,000	75,000,000	75,000,000

Note:-

* - In the previous financial year, the share capital of RM57,307,999 was presented based on the share capital in issue pursuant to the acquisitions of subsidiaries, which were consolidated using the merger method of accounting.

In the previous financial year, the Company increased its issued and paid-up share capital from RM1 to RM75,000,000 as part of its listing scheme on the Main Market of Bursa Malaysia Securities Berhad. The issued and paid-up share capital was increased in the following manner:-

- Acquisitions of subsidiaries by issuance of 114,615,998 new ordinary shares of RM0.50 each; and
- Public issue of 35,384,000 new ordinary shares of RM0.50 each at an issue price of RM0.56 per share.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

16. RESERVES

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable reserves:-				
- Share premium	1,306,997	1,306,997	1,306,997	1,306,997
- Merger deficit	(43,360,988)	(43,360,988)	-	-
- Foreign exchange translation reserve	1,113,103	702,101	-	-
	(40,940,888)	(41,351,890)	1,306,997	1,306,997
Distributable reserve:-				
- Retained profits	63,199,398	56,652,863	5,661,713	34,040
	22,258,510	15,300,973	6,968,710	1,341,037

16.1 SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	The Group and The Company	
	2015 RM	2014 RM
At 1 May 2014/2013	1,306,997	-
Premium from public issue	-	2,123,040
Listing expenses	-	(816,043)
At 30 April 2015/2014	1,306,997	1,306,997

Share premium comprises the premium paid on subscription of shares in the Company and above the par value of the shares net of listing expenses. In the previous financial year, the total listing expenses for the Initial Public Offering exercise amounted to RM2,364,274, out of which RM816,043 were written off against share premium. The balance of the listing expenses of RM1,548,231 were recognised in the profit or loss as disclosed in Note 25 to the financial statements.

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

16.2 MERGER DEFICIT

The merger deficit represents the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

16. RESERVES *Cont'd*

16.3 FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

16.4 RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

17. LONG-TERM BORROWINGS

	The Group	
	2015	2014
	RM	RM
Hire purchase payables (Note 21)	117,131	319,664
Term loans (Note 22)	8,378,250	2,075,462
	8,495,381	2,395,126

18. TRADE PAYABLES

The normal trade credit term granted to the Group is 30 to 90 days. Included in trade payables of the Group is amounting to RM40,247 (2014: RM Nil) represent amount owing to a company in which certain directors have substantial financial interests.

19. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables	2,916,329	2,350,328	6,414	4,742
Accruals	1,467,927	1,097,588	321,500	141,000
Dividend payable	21,580	-	-	-
Payroll liabilities	212,240	166,691	-	-
	4,618,076	3,614,607	327,914	145,742

Included in other payables of the Group amounting to RM7,924 (2014: RM12,083) represent amount owing to a company in which certain directors have substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

20. SHORT-TERM BORROWINGS

	The Group	
	2015	2014
	RM	RM
Bankers' acceptance	12,121,000	4,072,000
Hire purchase payables (Note 21)	305,648	358,960
Term loans (Note 22)	3,102,604	705,571
	15,529,252	5,136,531

- (a) The bankers' acceptance is drawn for a period ranging from 79 to 149 days.
- (b) Bankers' acceptance, foreign currency loan and term loans are secured by way of:-
- (i) legal charges over the landed properties of the Group as disclosed in Note 6 to the financial statements;
 - (ii) a corporate guarantee by the company; and
 - (iii) joint and several guarantee by certain directors of the Group.

21. HIRE PURCHASE PAYABLES

	The Group	
	2015	2014
	RM	RM
Minimum hire purchase payments:		
- not later than one year	356,932	385,155
- later than one year and not later than five years	121,513	337,071
	448,445	722,226
Less: Future finance charges	(25,666)	(43,602)
Present value of hire purchase payables	422,779	678,624
<u>Current (Note 20)</u>		
Not later than one year	305,648	358,960
<u>Non-Current (Note 17)</u>		
Later than one year and not later than five years	117,131	319,664
	422,779	678,624

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

22. TERM LOANS

	The Group	
	2015	2014
	RM	RM
<u>Current (Note 20)</u>		
Not later than one year	3,102,604	705,571
<u>Non-Current (Note 17)</u>		
Later than one year and not later than two years	3,122,621	589,649
Later than two years and not later than five years	5,255,629	1,485,813
	8,378,250	2,075,462
	11,480,854	2,781,033

The term loans are secured in the same manner as the short term borrowings as disclosed in Note 20 to the financial statements.

23. PROVISION FOR WARRANTY

	The Group	
	2015	2014
	RM	RM
At 1 May 2014/2013	571,933	-
Addition during the financial year	1,113,900	730,081
Utilisation during the financial year	(826,000)	(158,148)
At 30 April 2015/2014	859,833	571,933

24. REVENUE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sales of goods	133,281,295	118,081,184	-	-
Rental income	117,450	-	-	-
Dividend income	-	-	9,087,008	2,788,408
	133,398,745	118,081,184	9,087,008	2,788,408

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

25. PROFIT BEFORE TAX

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before tax is arrived after charging:-				
Allowance for impairment losses on trade receivables	579,785	90,116	-	-
Audit fee				
- current financial year	134,014	124,811	20,000	20,000
- underprovision in the previous financial year	-	11,200	-	1,200
Bad debts written off	-	1,105	-	-
Depreciation of investment properties	103,196	17,461	-	-
Depreciation of property, plant and equipment	2,039,064	1,582,074	-	-
Directors' fee	368,516	152,768	300,000	120,000
Directors' non-fee emoluments	3,823,985	2,200,808	-	-
Interest expense	646,879	379,650	-	-
Listing expenses	-	1,548,231	-	1,548,231
Loss on foreign exchange:				
- realised	19,182	530,559	-	-
- unrealised	-	11,952	-	-
Property, plant and equipment written off	104	10,584	-	-
Provision for warranty	1,113,900	730,081	-	-
Rental expenses:				
- equipment	19,131	16,575	-	-
- premises	768,977	806,006	-	-
Staff costs:				
- defined contribution plan	1,000,709	1,108,387	-	-
- salaries and other benefits	10,334,704	11,003,559	-	-
and after crediting:-				
Bad debts recovered	-	3,577	-	-
Dividend income	-	-	5,513,755	2,788,408
Gain on disposal of property, plant and equipment	42,166	71,654	-	-
Gain on foreign exchange:				
- realised	589,056	-	-	-
- unrealised	29,178	-	-	-
Interest income	358,592	379,191	268,738	259,083
Rental income	117,450	29,129	-	-
Reversal of impairment losses on trade receivables	132,308	311,152	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

26. INCOME TAX EXPENSE

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Income tax:				
- Malaysian tax	3,804,301	3,490,512	48,301	62,000
- foreign tax	62,458	62,698	-	-
- under/overprovision in the previous financial year	149,753	(94,337)	(388)	-
	4,016,512	3,458,873	47,913	62,000
Deferred taxation (Note 8):				
- relating to origination or reversal of temporary differences	(215,321)	(194,473)	-	-
- effect of proposed change in corporate income tax rate from 25% to 24% on deferred tax	-	(8,900)	-	-
- (over)/underprovision in the previous financial year	(3,100)	223,900	-	-
	(218,421)	20,527	-	-
	3,798,091	3,479,400	47,913	62,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

26. INCOME TAX EXPENSE *Cont'd*

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	13,292,202	10,925,613	8,675,586	1,057,004
Tax at the statutory tax rate of 25% (2014: 25%)	3,323,051	2,731,404	2,168,897	264,251
Tax effects of:-				
Non-taxable income	(2,091)	(23,848)	(2,271,752)	(697,102)
Non-deductible expenses	472,235	773,812	151,156	494,851
Deferred tax assets not recognised during the financial year	65,647	37,994	-	-
Effects of differential in tax rates of a subsidiary	(159,839)	(160,625)	-	-
Effect of proposed change in corporate income tax rate from 25% to 24% on deferred tax	22,644	(8,900)	-	-
Utilisation of deferred tax asset previously not recognised	(70,209)	-	-	-
Under/(Over)provision of income tax in the previous financial year	149,753	(94,337)	(388)	-
(Over)/Underprovision of deferred taxation in the previous financial year	(3,100)	223,900	-	-
Income tax expense for the financial year	3,798,091	3,479,400	47,913	62,000

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective from year of assessment 2016.

27. EARNINGS PER SHARE

	The Group	
	2015	2014
Profit attributable to owners of the Company (RM)	9,546,535	7,455,638
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 May 2014 / 2013	150,000,000	114,616,000
Effect of public issue	-	22,393,710
Weighted average number of ordinary shares at 30 April 2015/2014	150,000,000	137,009,710
Basic earnings per share (Sen)	6.36	5.44

The diluted earnings per share were not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

28. DIVIDEND

	The Company	
	2015 RM	2014 RM
Final tax-exempt dividend of 2.0 per ordinary share in respect of the previous financial year	3,000,000	-
Interim tax-exempt dividend of 0.6 sen per ordinary share in respect of the previous financial year	-	900,000
	3,000,000	900,000

Subsequent to the financial year ended, an interim dividend of 1.0 sen per ordinary share amounting to RM1,500,000 in respect of the current financial year has been paid on 17 June 2015.

At the forthcoming Annual General Meeting, a final single tier tax-exempt dividend of 2.0 sen per ordinary share amounting to RM3,300,000 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the financial year ending 30 April 2016.

29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group	
	2015 RM	2014 RM
Cost of property, plant and equipment purchased	8,365,414	5,519,733
Deposits paid in the previous financial year	-	(521,334)
Amount financed through hire purchase	(122,000)	(315,000)
Cash disbursed for purchase of property, plant and equipment	8,243,414	4,683,399

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

30. ACQUISITION OF A SUBSIDIARY

During the financial year, the Group acquired 100% equity interest in CMKS (Malaysia) Sdn. Bhd.

The fair values of the identifiable assets and liabilities of CMKS (Malaysia) Sdn. Bhd. at the date of acquisition were:-

	At Date of Acquisition	
	Carrying Amount	Fair Value Recognised
	RM	RM
Properties	12,232,000	20,154,000
Motor vehicles	11	11
Plant and machinery	190	190
Other investment	10	10
Other receivables and deposits	969,162	969,162
Cash and bank balances	26,075	26,075
Other payables and accruals	(888,597)	(888,597)
Net identifiable assets and liabilities	12,338,851	20,260,851
Less: Fair value adjustment on properties		(1,210,851)
Total purchase consideration		19,050,000
Less: Cash and bank balances of a subsidiary acquired		(26,075)
Net cash outflow for acquisition of a subsidiary		19,023,925

The acquired subsidiary has contributed the following results to the Group:-

	2015
	RM
Revenue	21,450
Loss after tax	(149,121)

31. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Fixed deposits with licensed banks	-	12,235,825	-	12,235,825
Cash and bank balances	9,063,788	4,551,046	8,234	29,514
	9,063,788	16,786,871	8,234	12,265,339

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

32. DIRECTORS' REMUNERATION

- (a) The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Directors of the Company				
Executive directors:				
- fee	180,000	-	180,000	-
- non-fee emoluments	1,637,450	1,612,420	-	-
Non-Executive directors				
- fee	120,000	120,000	120,000	120,000
	1,937,450	1,732,420	300,000	120,000
Directors of the Subsidiaries				
Executive directors:				
- fee	68,516	32,768	-	-
- non-fee emoluments	2,186,535	588,388	-	-
	2,255,051	621,156	-	-
	4,192,501	2,353,576	300,000	120,000

The estimated monetary value of benefits-in-kind provided by the Group to its executive director is RM66,222.

- (b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group	
	2015	2014
	Number Of Directors	
Executive directors:-		
RM250,001 - RM300,000	-	1
RM300,001 - RM350,000	-	1
RM350,001 - RM400,000	1	-
RM400,001 - RM450,000	1	-
RM450,001 - RM500,000	1	-
RM500,001 - RM550,000	1	2
Non-Executive directors:-		
Below RM50,000	3	3
	7	7

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

33. SIGNIFICANT RELATED PARTIES DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel, entities within the same group of companies and other entities in which the directors have substantial financial interests.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group	
	2015	2014
	RM	RM
<i>A company in which certain directors have substantial financial interests</i>		
Sales	3,932	26,411
Transport charges paid/payable	849,230	622,438
<i>Directors and a family member</i>		
Rental expenses	387,237	379,976

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Managing Director and Chief Financial Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

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

- | | |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Automotive electrical parts | involved in the trading and distribution of automotive electrical parts and components; |
| (b) Automotive engine and mechanical parts | involved in the trading and distribution of automotive engine and mechanical parts and components; and |
| (c) Others | involved in the remanufacturing of automotive alternators and starters and investment and property holding and provision of management services. |

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related items, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer between operating segments are at arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

34. OPERATING SEGMENTS *Cont'd*

BUSINESS SEGMENTS

2015	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Revenue</u>				
External revenue	102,992,862	28,434,173	1,854,260	133,281,295
Inter-segment revenue	1,096,769	37,235	8,046,279	9,180,283
Rental Income	96,000	-	21,450	117,450
Dividend income	-	-	9,087,008	9,087,008
Total revenue	104,185,631	28,471,408	15,436,184	151,666,036
Consolidation adjustments and eliminations				(18,267,291)
Consolidated revenue				133,398,745
<u>Results</u>				
Results before following adjustments	13,289,928	3,018,652	9,203,749	25,512,329
Consolidation adjustments and eliminations	5,288,184	1,524,282	(14,800,207)	(7,987,741)
Interest expense	(505,700)	(57,077)	(84,102)	(646,879)
Income tax expense	(3,146,376)	(593,728)	(57,987)	(3,798,091)
	14,926,036	3,892,129	(5,738,547)	13,079,618
Other material items of income (Note a)	614,199	265,777	271,324	1,151,300
Depreciation of property, plant and equipment	(1,596,951)	(245,958)	(196,155)	(2,039,064)
Depreciation of investment properties	(41,907)	-	(61,289)	(103,196)
Other material items of expenses (Note b)	(456,963)	(61,828)	(80,280)	(599,071)
Other non-cash expenses (Note c)	(650,600)	-	(463,300)	(1,113,900)
Segment results	12,793,814	3,850,120	(6,268,247)	10,375,687
Unallocated expenses				(881,576)
Consolidated profit after tax				9,494,111

NOTES TO THE FINANCIAL STATEMENTS

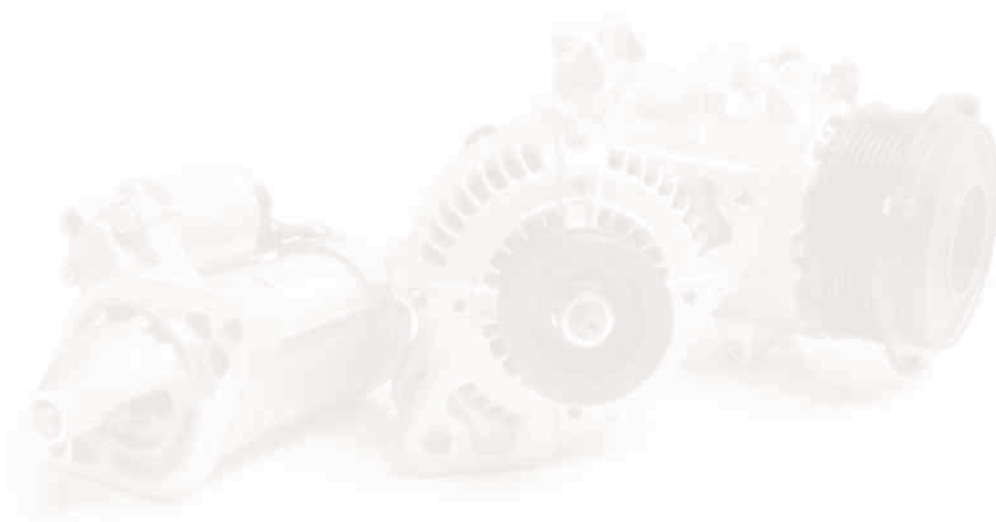
For the Financial Year Ended 30 April 2015

Cont'd

34. OPERATING SEGMENTS *Cont'd*

BUSINESS SEGMENTS *Cont'd*

2015	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Assets</u>				
Segment assets	89,982,195	28,308,306	102,021,226	220,311,727
Eliminations				(83,807,007)
				136,504,720
Unallocated assets				375,765
Consolidated total assets				136,880,485
<u>Liabilities</u>				
Segment liabilities	16,084,362	7,197,913	5,653,314	28,935,589
Eliminations				(11,883,221)
				17,052,368
Unallocated liabilities				22,159,842
Consolidated total liabilities				39,212,210
<u>Other Segment Items</u>				
Additions to non-current assets other than financial instruments:-				
- Investment property	-	-	10,770,903	10,770,903
- Property, plant and equipment	7,876,693	430,826	8,230,342	16,537,861
	7,876,693	430,826	19,001,245	27,308,764



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

34. OPERATING SEGMENTS *Cont'd*

BUSINESS SEGMENTS *Cont'd*

2014	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Revenue</u>				
External revenue	90,827,452	26,278,316	975,416	118,081,184
Inter-segment revenue	508,854	430,712	7,446,482	8,386,048
Dividend income	-	-	2,788,408	2,788,408
Total revenue	91,336,306	26,709,028	11,210,306	129,255,640
Consolidation adjustments and eliminations				(11,174,456)
Consolidated revenue				118,081,184
<u>Results</u>				
Results before following adjustments	11,499,944	2,955,614	3,193,390	17,648,948
Consolidation adjustments and eliminations	7,411,638	(13,412)	(9,573,300)	(2,175,074)
Interest expense	(250,029)	(60,353)	(69,268)	(379,650)
Income tax expense	(2,960,387)	(503,260)	(15,753)	(3,479,400)
	15,701,166	2,378,589	(6,464,931)	11,614,824
Other material items of income (Note a)	324,020	206,113	264,570	794,703
Depreciation of property, plant and equipment	(1,261,081)	(196,879)	(124,114)	(1,582,074)
Depreciation of investment properties	(17,461)	-	-	(17,461)
Other material items of expenses (Note b)	(487,134)	(146,513)	(1,557,795)	(2,191,442)
Other non-cash expenses (Note c)	(271,200)	-	(458,881)	(730,081)
Segment results	13,988,310	2,241,310	(8,341,151)	7,888,469
Unallocated expenses				(442,256)
Consolidated profit after tax				7,446,213

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

34. OPERATING SEGMENTS *Cont'd*

BUSINESS SEGMENTS *Cont'd*

2014	Automotive electrical parts RM	Automotive engine and mechanical parts RM	Others RM	Group RM
<u>Assets</u>				
Segment assets	76,353,508	24,959,963	82,600,980	183,914,451
Eliminations				(69,987,454)
				113,926,997
Unallocated assets				103,274
Consolidated total assets				114,030,271
<u>Liabilities</u>				
Segment liabilities	17,628,922	4,370,165	3,428,243	25,427,330
Eliminations				(10,294,203)
				15,133,127
Unallocated liabilities				8,101,715
Consolidated total liabilities				23,234,842
<u>Other Segment Items</u>				
Additions to non-current assets other than financial instruments:-				
- Property, plant and equipment	5,142,473	56,417	320,843	5,519,733

(a) Other material items of income consist of the following:-

	The Group	
	2015 RM	2014 RM
Bad debts recovered	-	3,577
Gain on disposal of property, plant and equipment	42,166	71,654
Gain on foreign exchange - realised	589,056	-
Gain on foreign exchange - unrealised	29,178	-
Interest income	358,592	379,191
Rental income	-	29,129
Reversal of impairment losses for trade receivables	132,308	311,152
	1,151,300	794,703

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

34. OPERATING SEGMENTS *Cont'd*

BUSINESS SEGMENTS *Cont'd*

(b) Other material items of expenses consist of the following:-

	The Group	
	2015	2014
	RM	RM
Allowance for impairment losses on trade receivables	579,785	90,116
Listing expenses	-	1,548,231
Loss on foreign exchange - realised	19,182	530,559
Loss on foreign exchange - unrealised	-	11,952
Property, plant and equipment written off	104	10,584
	599,071	2,191,442

(c) Other material non-cash expenses consist of the following:-

	The Group	
	2015	2014
	RM	RM
Provision for warranty	1,113,900	730,081

GEOGRAPHICAL INFORMATION

	Revenue		Non-Current Assets	
	2015	2014	2015	2014
	RM	RM	RM	RM
<u>Domestic market:</u>				
Malaysia and Singapore	80,063,774	70,960,338	48,760,212	23,406,983
<u>Overseas market:</u>				
Middle East and Africa	47,639,953	39,140,447	-	-
Others	5,695,018	7,980,399	-	-
	133,398,745	118,081,184	48,760,212	23,406,983

MAJOR CUSTOMERS

There is no existing customer which contributes equal to or more than 10% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro Dollar ("EURO") and Japanese Yen ("JPY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's significant exposure to foreign currency is as follows:-

	USD RM	EURO RM	JPY RM
The Group			
2015			
<u>Financial Assets</u>			
Trade receivables	6,533,187	-	-
Other receivables, deposits and prepayments	149,355	3,328	-
Cash and bank balances	4,050,237	394,720	-
	10,732,779	398,048	-
<u>Financial Liabilities</u>			
Trade payables	(1,496,781)	(21,015)	(605,714)
Other payables and accruals	(40,969)	-	-
	(1,537,750)	(21,015)	(605,714)
Currency exposure	9,195,029	377,033	(605,714)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(a) Market Risk *Cont'd*

(i) Foreign Currency Risk *Cont'd*

The Group's significant exposure to foreign currency is as follows:- *Cont'd*

The Group	USD RM	EURO RM	JPY RM
2014			
<u>Financial Assets</u>			
Trade receivables	5,674,430	-	-
Other receivables, deposits and prepayments	130,475	-	-
Cash and bank balances	1,311,424	3,388	32,426
	7,116,329	3,388	32,426
<u>Financial Liabilities</u>			
Trade payables	(4,106,235)	(257,247)	(861,262)
Other payables and accruals	(66,012)	(34,003)	-
	(4,172,247)	(291,250)	(861,262)
Currency exposure	2,944,082	(287,862)	(828,836)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2015 RM	2014 RM
Effects On Profit After Tax		
USD/RM - strengthened by 18% (2014: 13%)	1,244,478	293,912
- weakened by 18% (2014: 13%)	(1,244,478)	(293,912)
EURO/RM - strengthened by 15% (2014: 18%)	43,379	(38,701)
- weakened by 15% (2014: 18%)	(43,379)	38,701
JPY/RM - strengthened by 10% (2014: 16%)	(45,162)	(99,460)
- weakened by 10% (2014: 16%)	45,162	99,460
Effects On Equity		
SGD/RM - strengthened by 8% (2014: 9%)	898,694	945,551
- weakened by 8% (2014: 9%)	(898,694)	(945,551)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(a) Market Risk *Cont'd*

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 35.1(c) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2015	2014
	RM	RM
Effects On Profit After Tax		
Increase of 25 basis point (bp) (2014: 100 bp)	(26,613)	(51,398)
Decrease of 25 bp (2014: 100 bp)	26,613	51,398

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on customer creditworthiness, changes in customers' payment terms and prior experience.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(b) Credit Risk *Cont'd*

(i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	2015 RM	2014 RM
Malaysia and Singapore	25,126,488	24,828,154
Middle East and Africa	5,006,706	3,682,190
Others	1,295,285	1,705,044
	31,428,479	30,215,388

(iii) Aging analysis

The aging analysis of the Group's trade receivables at the end of the reporting period is as follows:-

	Gross Amount RM	Individual Impairment RM	Carrying Value RM
The Group			
2015			
Not past due	23,079,309	-	23,079,309
Past due:			
- less than 3 months	6,146,455	-	6,146,455
- 3 to 6 months	2,186,823	-	2,186,823
- over 6 months	1,296,302	(1,280,410)	15,892
	32,708,889	(1,280,410)	31,428,479

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(b) Credit Risk *Cont'd*

(iii) Aging analysis *Cont'd*

The aging analysis of the Group's trade receivables at the end of the reporting period is as follows:- *Cont'd*

	Gross Amount	Individual Impairment	Carrying Value
The Group	RM	RM	RM
2014			
Not past due	21,671,794	-	21,671,794
Past due:			
- less than 3 months	7,721,592	-	7,721,592
- 3 to 6 months	709,810	-	709,810
- over 6 months	944,987	(832,795)	112,192
	31,048,183	(832,795)	30,215,388

At the end of reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. Those receivables are not secured by any collateral or credit enhancement.

No collective impairment allowance is provided as based on the past records, the irrecoverable amounts from the sale of goods are very insignificant.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither due nor impaired are regular customers that have been transacting with the Group. The Groups uses aging analysis to monitor the credit quality of the trade receivables.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.1 FINANCIAL RISK MANAGEMENT POLICIES *Cont'd*

(c) Liquidity Risk *Cont'd*

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2015					
Trade payables	-	9,061,122	9,061,122	9,061,122	-
Other payables and accruals	-	4,618,076	4,618,076	4,618,076	-
Hire purchase payables	5.14	422,779	448,445	326,932	121,513
Term loans	2.78	11,480,854	12,407,485	3,408,521	8,998,964
Bankers' acceptance	4.44	12,121,000	12,121,000	12,121,000	-
		37,703,831	38,656,128	29,535,651	9,120,477
2014					
Trade payables	-	10,946,587	10,946,587	10,946,587	-
Other payables and accruals	-	3,614,607	3,614,607	3,614,607	-
Hire purchase payables	4.15	678,624	722,226	385,155	337,071
Term loans	4.75	2,781,033	3,154,717	844,723	2,309,994
Bankers' acceptance	6.52	4,072,000	4,072,000	4,072,000	-
		22,092,851	22,510,137	19,863,072	2,647,065
The Company		Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	
2015					
Other payables and accruals		327,914	327,914	327,914	
2014					
Other payables and accruals		145,742	145,742	145,742	

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.2 CAPITAL RISK MANAGEMENT

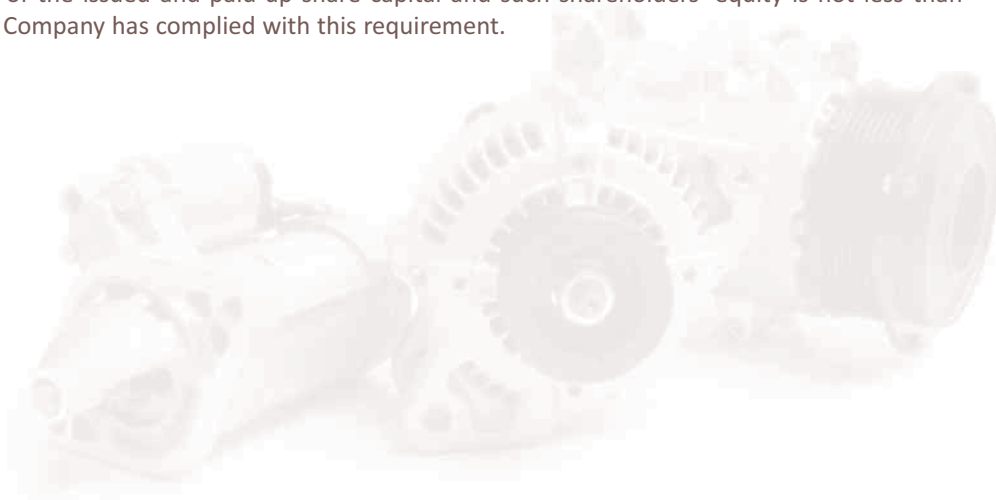
The Group manages its capital that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

	The Group	
	2015	2014
	RM	RM
Hire purchase payables	422,779	678,624
Term loans	11,480,854	2,781,033
Bankers' acceptances	12,121,000	4,072,000
	24,024,633	7,531,657
Less: Fixed deposits with licensed banks	-	(12,235,825)
Less: Cash and bank balances	(9,063,788)	(4,551,046)
Net debt	14,960,845	(9,255,214)
Total equity	97,258,510	90,300,973
Debt-to-equity ratio	15.38%	Not applicable

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial Assets				
<u>Available-for-sale financial assets</u>				
Other investments	102,610	102,600	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	31,428,479	30,215,388	-	-
Other receivables and deposits	2,430,630	780,687	3,000	92,000
Amount owing by subsidiaries	-	-	5,837,027	6,772,952
Fixed deposits with licensed banks	-	12,235,825	-	12,235,825
Cash and bank balances	9,063,788	4,551,046	8,234	29,514
	42,922,897	47,782,946	5,848,261	19,130,291
Financial Liabilities				
<u>Other financial liabilities</u>				
Borrowings				
- long-term	8,495,381	2,395,126	-	-
- short-term	15,529,252	5,136,531	-	-
Trade payables	9,061,122	10,946,587	-	-
Other payables and accruals	4,618,076	3,614,607	327,914	145,742
	37,703,831	22,092,851	327,914	145,742

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015
Cont'd

35. FINANCIAL INSTRUMENTS *Cont'd*

35.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to relatively short-term maturity of the financial statements.

The Group	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		
2015	RM	RM	RM	RM	RM	RM	RM	RM
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	441,915	-	441,915	422,779
Term loans	-	-	-	-	11,480,854	-	11,480,854	11,480,854
<hr/>								
2014								
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	682,161	-	682,161	678,624
Term loans	-	-	-	-	2,781,033	-	2,781,033	2,781,033

The fair values above have been determined using the following basis:-

- (a) The fair values of hire purchase payables and term loans are determined by discounting relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows as follows:-

	The Group	
	2015	2014
	%	%
Hire purchase payables	1.76 - 3.22	2.15 - 3.20
Term loans	2.36 - 4.85	4.85 - 7.85

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) During the financial year, Solid Corporation, a subsidiary of the Company, acquired a piece of leasehold industrial land of 99 years held under individual title H.S(D) 79442, PT No. 11320, Bandar Selayang, Daerah Gombak, Negeri Selangor Darul Ehsan with an area of approximately 818.32 square meters ("the Land"), for a total cash consideration of RM7,168,000 ("Purchase Consideration") together with a 3-storey semi detached factory building.

The purchase consideration was satisfied by both internally generated funds and bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

Cont'd

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR *Cont'd*

- (b) On 27 March 2015, the Company had acquired the entire issued and paid-up share capital of CMKS (Malaysia) Sdn. Bhd. ("CMKS") from CMK Corporation Japan and CMK Asia (Pte) Ltd for a total cash consideration of RM19,050,000 ("Purchase Consideration"). The Purchase Consideration was satisfied via the proceeds raised through the Initial Public Offering of RM12,000,000 and bank borrowings amounted to RM7,050,000. The purpose of the acquisition is to make use of the following properties owned by CMKS:-
- (i) a piece of industrial land and building located at HS(D) 50035, PTD 101353, Mukim of Plentong, Daerah of Johor Bahru, Negeri Johor for the purpose of utilising approximately 150,000 square feet of the factory building for the Group's integrated operation complex and any floor space in excess to the Group's requirements would be rented out to third parties to be identified, to generate recurring income for the Group;
 - (ii) eight (8) units of medium cost flat identified as Parcel Nos. 05-66, 05-68, 05- 70, 05-72, 05-74, 05-76, 05-78 and 05-80 all within Storey No 5th floor, Building No 7, Taman Mawar, Mukim Plentong, District of Johor Bahru is intended to be utilised by the Group as accommodation for our own employees/workers; and
 - (iii) one block of 5 storey residential medium cost walk-up flat with 35 flat units identified as HS(D) 500354 PTD71016 Mukim of Plentong, District of Johor Bahru, State of Johor, known as Block 76, Jalan Tembusu, Taman Air Biru, 81700 Pasir Gudang would be rented to third parties to be identified, to generate recurring income for the Group.

37. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 9 April 2015, the Company had proposed to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company by issuing 15,000,000 new ordinary shares of RM0.50 each at par ("Shares") to third party investor(s). On 29 May 2015, the issue price of the private placement were fixed at RM1.34 for each Shares in the Company which represents a discount of approximately 9.46% to the five day weighted average market price of the Company's shares up to and including 28 May 2015 of RM1.48. The proceeds of the private placement will be utilised in the manner of repayment of bank borrowings and working capital.

The above private placement exercise has been completed on 9 June 2015.

- (b) On 30 July 2015, the Company has proposed to undertake the following exercise:-
- (i) a renounceable rights issue of up to 82,500,000 warrants in the Company ("Warrant(s)") on the basis of one (1) warrant for every two (2) existing ordinary shares of RM0.50 each held in the Company on an entitlement date determined later at an issue price of RM0.20 per Warrant ("Rights Issue");
 - (ii) establishment of an Employees' Share Option Scheme of up to 15% of the issued and paid-up capital of the Company ("ESOS");
 - (iii) increase in the authorised share capital of the Company from RM100,000,000 comprising 200,000,000 of the Company's shares to RM500,000,000 comprising 1,000,000,000 of the Company's shares by way of creation of additional 800,000,000 new ordinary shares of the Company; and
 - (iv) amendments to the Memorandum and Article of Association of the Company.

The proceeds which will be raised from the Rights Issue and ESOS is for working capital purposes.

As at the date of this report, the abovementioned exercise is pending for completion.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 30 April 2015

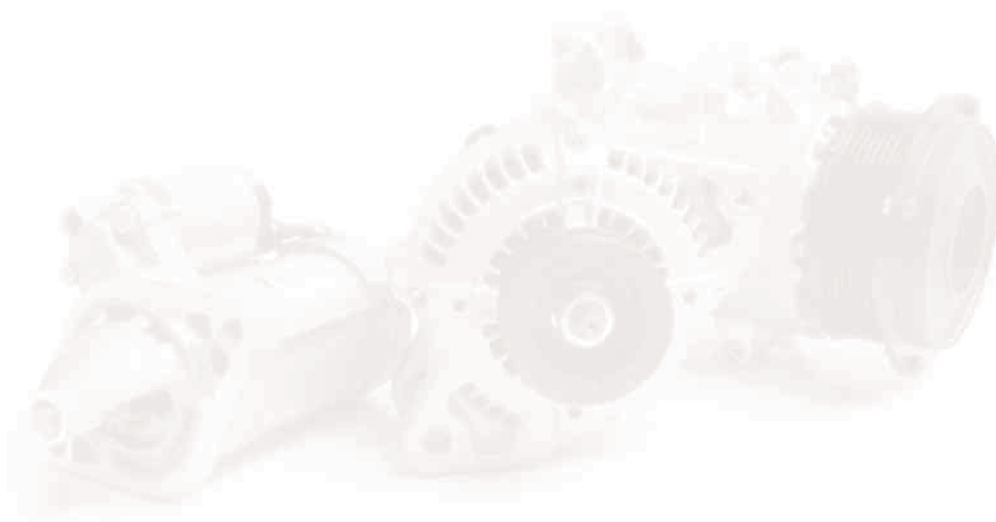
Cont'd

38. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits of the Company and its subsidiaries				
- realised	63,846,898	57,272,014	5,661,713	34,040
- unrealised	(647,500)	(619,151)	-	-
At 30 April	63,199,398	56,652,863	5,661,713	34,040

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



LIST OF PROPERTIES

As at 30 April 2015

No.	Title/Address	Existing use	Tenure of land/ Age of building	Land area/ built up area (sq feet)	Net Book Value RM'000	Year of Acquisition
1	H.S.(D) 160852, PTD 28180 Mukim of Tebrau District of Johor Bahru State of Johor Darul Takzim/ No. 5, Jalan Dataran 5, Taman Kempas 81200 Johor Bahru Johor Darul Takzim	Warehouse cum office	Freehold/ 23 years	43,559/ 41,360	2,544	2005
2	H.S.(D) 160851, PTD 28179 Mukim of Tebrau District of Johor Bahru State of Johor Darul Takzim/ No. 7, Jalan Dataran 5, Taman Kempas 81200 Johor Bahru Johor Darul Takzim	Warehouse cum office	Freehold/ 21 years	43,560/ 23,025	4,197	2011
3	H.S.(D) 11901, PTB 4970 Bandar of Johor Bahru District of Johor Bahru State of Johor Darul Takzim/ No. 17, Jalan Kukuh Off Jalan Tampoi Kawasan Perusahaan Tampoi, Larkin 80350 Johor Bahru Johor Darul Takzim	Warehouse, factory cum office	60 years leasehold expiring on 06.10.2034/ 31 years	115,432/ 43,527	1,707	2009
4	PN 30973 Lot 16493 Mukim of Batu District of Kuala Lumpur State of Wilayah Persekutuan/ No. 30, Persiaran Segambut Tengah 51200 Kuala Lumpur	Warehouse cum office	99 years leasehold expiring on 16.06.2067/ 41 years	11,198/ 6,068	1,084	2008
5	PN 108 Lot 16494 Mukim of Batu District of Kuala Lumpur State of Wilayah Persekutuan/ No. 28, Persiaran Segambut Tengah 51200 Kuala Lumpur	Warehouse cum office	99 years leasehold expiring on 16.06.2067/ 43 years	11,198/ 6,350	3,784	2013

LIST OF PROPERTIES

As at 30 April 2015

Cont'd

No.	Title/Address	Existing use	Tenure of land/ Age of building	Land area/ built up area (sq feet)	Net Book Value RM'000	Year of Acquisition
6	PN 197652 Lot 318007 Mukim of Hulu Kinta District of Kinta State of Perak Darul Ridzuan/ No. 10, Laluan Perusahaan Menglembu 6 Kawasan Perusahaan Menglembu 31450 Menglembu Perak Darul Ridzuan	Warehouse cum office	99 years leasehold expiring on 18.06.2098/ 10 years	7,201/ 5,400	285	2004
7	GM 3636, Lot 4740 Place of Payar Makbar Mukim of Kuala Kuantan District of Kuantan State of Pahang Darul Makmur/ Lot 4740, Jalan Wong Ah Jang 25100 Kuantan Pahang Darul Makmur	Rented to third party	Freehold/ 6 years	6,265/ 7,470	648	2008
8	H.S.M 72578 PT 104549 Place of Payar Makbar Mukim of Kuala Kuantan District of Kuantan State of Pahang Darul Makmur/ A249, Jalan Wong Ah Jang 25100 Kuantan Pahang Darul Makmur	Warehouse cum office	Freehold/ 4 years	1,345/ 3,887	801	2011
9	PM 3775/M1/1/1 (Lot 4360) PM3776/M1/1/1 (Lot 4361) PM3777/M1/1/1 (Lot 4362) & PM3778/M1/1/1 (Lot 4363) Bangunan M1, Tingkat 1, Petak 1 Mukim of Bachang District of Melaka Tengah State of Melaka/ G4, G5, G6 & G7, Blok B4 Jln Rahmat 3 Taman Malim Jaya 75250 Melaka	Warehouse cum office	99 years leasehold expiring on 12.04.2081/ 15 years	N/A/ 1,206 each	678	2008
10	H.S.(D) 27733 & 27734, PT 533 & 534 Seksyen 4 Bandar Butterworth District of Seberang Perai Utara State of Pulau Pinang/ No.3 & 5 Lorong Limbungan Indah 1 Taman Limbungan Indah 12100 Butterworth Pulau Pinang	Warehouse cum office	Freehold/ 4 years	1,432 each/ 3,894 each	1,665	2010

LIST OF PROPERTIES

As at 30 April 2015

Cont'd

No.	Title/Address	Existing use	Tenure of land/ Age of building	Land area/ built up area (sq feet)	Net Book Value RM'000	Year of Acquisition
11	H.S.(M) 44365, PT 3663 (29, 29A, 29B) Place of Telok Gadong Besar Bandar of Klang District of Klang State of Selangor/ No.29, Jalan Jelai 10/KS1 Taman Teluk Gadong Besar 41200 Port Klang	Warehouse cum office	Freehold/ 6 years	1,604/ 4,750	767	2011
12	HS(D) 79442 PT 11320 Mukim Bandar Selayang Daerah Gombak Negeri Selangor Darul Ehsan Lot 27, Jalan Perusahaan 1 Pusat Industri Amari Kawasan Perindustrian Batu Caves 68100 Batu Caves Selangor Darul Ehsan	Factory Office	99 years leasehold expiring on 10.02.2113/ 1 year	8,808/ 14,000	7,387	2014
13	H.S.(D) 500355, PTD 101353 Mukim of Plentong District of Johor Bahru State of Johor Darul Takzim/ PLO 436, Jalan Gangsa Kawasan Perindustrian Pasir Gudang 81700 Pasir Gudang Johor Darul Takzim	Factory Land and Building	60 years leasehold expiring on 29.03.2051/ 24 years	435,605/ 352,193	17,184	2015
14	H.S.(D) 500354, PTD 71016 Mukim of Plentong District of Johor Bahru State of Johor Darul Takzim/ Block 76, Jalan Tembusu Taman Air Biru 81700 Pasir Gudang Johor Darul Takzim	Residential Flat	99 years leasehold expiring on 02.11.2085/ 22 years	16,619/ 24,705	1,327	2015
15	Parcel No 05-66; 05-68; 05-70; 05-72; 05-74; 05-76;05-78 & 05-80 (under Parent Lot PTD No. 71045) Mukim Plentong District of Johor Bahru State of Johor Darul Takzim/ Unit No 05-66; 05-68; 05-70; 05-72; 05-74; 05-76;05-78 & 05-80 Block Mawar 7, Jalan Mawar Putih Taman Mawar 81700 Pasir Gudang Johor Darul Takzim	Residential Flat	99 years leasehold expiring on 22.02.2087/ 24 years	N/A/ 5,568	323	2015

ANALYSIS OF SHAREHOLDINGS

As at 31 July 2015

AUTHORISED SHARE CAPITAL	:	RM100,000,000
ISSUED AND FULLY PAID -UP CAPITAL	:	RM82,500,000
CLASS OF SHARES	:	Ordinary shares of RM0.50 each
VOTING RIGHTS	:	One vote per Ordinary Share
NO. OF SHAREHOLDERS	:	1,588

DISTRIBUTION OF SHAREHOLDING as at 31 July 2015

Category	No. of Shareholders	%	No. of Securities	%
1 - 99	4	0.25	31	0.00
100 - 1,000	536	33.75	234,206	0.14
1,001 - 10,000	566	35.64	3,039,600	1.84
10,001 - 100,000	374	23.55	13,562,800	8.22
100,000 - 8,249,999 *	106	6.68	77,988,175	47.27
8,250,000 and above **	2	0.13	70,175,188	42.53
Total	1,588	100.00	165,000,000	100.00

* less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS SHAREHOLDINGS as at 31 July 2015

No.	Name of Director	Direct Shareholding	%	Indirect Shareholding	%
1	Ker Min Choo	40,450,113	24.52	37,546 #	0.02
2	Ker Mong Keng	36,725,075	22.26	24,000 ^	0.01
3	Ker Meng Oi	5,530,541	3.35	-	-
4	Ong Kheng Swee	2,064,486	1.25	900,000 @	0.55
5	Kek Kok Swee	1,500,000	0.91	4,500,000 ^	2.73
6	Azahar Bin Baharudin	-	-	-	-
7	Tan Lay Beng	-	-	-	-

Deemed interest in shares held by his spouse and children

^ Deemed interest in shares held by his children

@ Deemed interest in shares held by his spouse

ANALYSIS OF SHAREHOLDINGS

As at 31 July 2015

Cont'd

LIST OF SUBSTANTIAL SHAREHOLDERS

as at 31 July 2015

No.	Name of Director	Direct Shareholding	%	Indirect Shareholding	%
1	Ker Min Choo	40,450,113	24.52	37,546 [#]	0.02
2	Ker Mong Keng	36,725,075	22.26	24,000 [^]	0.01

[#] Deemed interest in shares held by his spouse and children

[^] Deemed interest in shares held by his son

THIRTY LARGEST SHAREHOLDERS

as at 31 July 2015

No.	Name	Shareholdings	%
1	KER MONG KENG	36,725,075	22.26
2	KER MIN CHOO	33,450,113	20.27
3	KER SOO HA	7,214,988	4.37
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KER MIN CHOO (8109400)</i>	7,000,000	4.25
5	KEK MENG KAI, KENNICK	4,500,000	2.73
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK FOR KER BOON KEE (MY0847)</i>	4,198,436	2.54
7	KER MENG OI	4,030,541	2.44
8	NG TIAN LENG	2,100,100	1.27
9	ONG KHENG SWEE	2,064,486	1.25
10	LEE MIEN YONG	2,000,000	1.21
11	QUEK LEE JOO	2,000,000	1.21
12	THEU BOON OOI	2,000,000	1.21
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KER MENG OI (8123728)</i>	1,500,000	0.91
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK FOR TAN MENG SENG (MY1542)</i>	1,500,000	0.91
15	KEK KOK SWEE	1,500,000	0.91
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK FOR YEO ANN SECK (MY0696)</i>	1,400,000	0.85
17	NG AIK SERN	1,210,100	0.73
18	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)</i>	1,052,400	0.64
19	BEH ENG PAR	1,000,000	0.61
20	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	1,000,000	0.61
21	TEO LAY YOKE	925,000	0.56
22	ALLIANCEGROUP NOMINEES (ASING) SDN BHD <i>ZHANG WEIDONG (8111155)</i>	905,600	0.55

ANALYSIS OF SHAREHOLDINGS

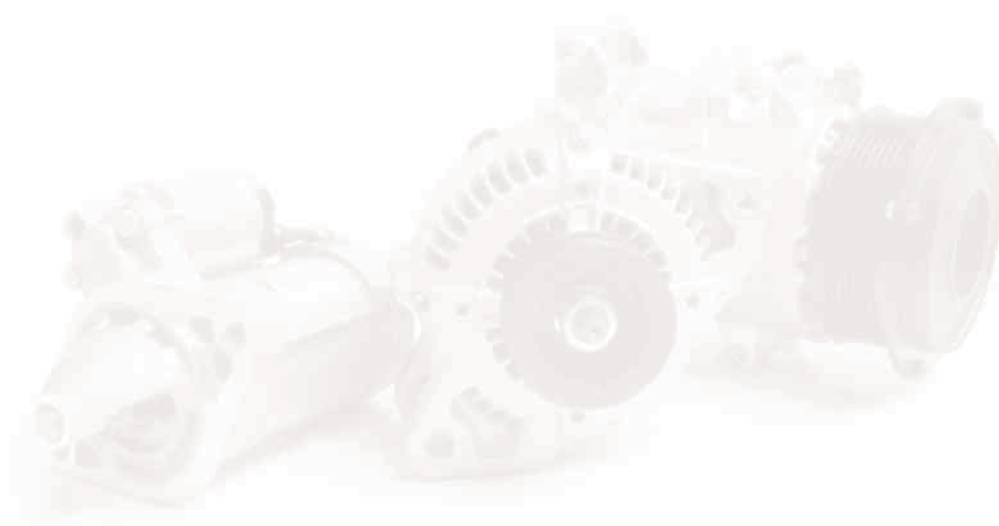
As at 31 July 2015

Cont'd

THIRTY LARGEST SHAREHOLDERS *Cont'd*

as at 31 July 2015

No.	Name	Shareholdings	%
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HENG AH MOI (8060540)</i>	900,000	0.55
24	FOO YIT LAN	900,000	0.55
25	YEO ANN SECK	900,000	0.55
26	PEE QI TING	880,500	0.53
27	PUBLIC NOMINEES (ASING) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MOK JIA MIN (E-JBU)</i>	840,800	0.51
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LEE HENG HAW (8112533)</i>	808,623	0.49
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB BANK FOR LIEW SEET THENG (MY1670)</i>	805,300	0.49
30	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT</i>	800,100	0.48



NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting ("3rd AGM") of **Solid Automotive Berhad** ("Solid" or "the Company") will be held at Jupiter Function Hall, Starhill Golf & Country Club, KM 6.5, Jalan Kampung Maju Jaya, Kempas Lama, Skudai, 81300 Johor Bahru, Johor, Malaysia on Tuesday, 22nd September 2015 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 April 2015 together with the Directors' and Auditors' reports thereon. | (Please refer to Note 1) |
| 2. | To approve the payment of a final single tier dividend of 2.0 sen per ordinary share of RM0.50 each for the financial year ended 30 April 2015. | RESOLUTION 1 |
| 3. | To approve the payment of Directors' fees for the financial year ended 30 April 2015. | RESOLUTION 2 |
| 4. | To re-elect the following Directors who retire by rotation in accordance with Article 106(b) of the Company's Articles of Association of the Company: | |
| 4.1 | Ker Mong Keng | RESOLUTION 3 |
| 4.2 | Ker Meng Oi | RESOLUTION 4 |
| 5. | To re-appoint the retiring Auditors, Messrs Crowe Horwath as Auditors and to authorise the Directors to fix their remuneration. | RESOLUTION 5 |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions:

6. **Ordinary Resolution**
Proposed Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors are also hereby empowered to obtain approval for the listing and quotation of the additional shares so issued on the Main Market of Bursa Malaysia Securities Berhad"

RESOLUTION 6

NOTICE OF THIRD ANNUAL GENERAL MEETING

Cont'd

7. Ordinary Resolution

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature ("Proposed Shareholders' Mandate")

"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into RRPTs with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 27 August 2015, subject to the following:

- (i) the RRPTs are:
 - (a) necessary for the day-to-day operations;
 - (b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
 - (c) are not detrimental to the minority shareholders of the Company; and
- (ii) the disclosure is made in the Annual Report of the Company of the aggregate value of the RRPTs based on the type of transactions, the names of the related parties and their relationship with the Company pursuant to the Proposed Shareholders' Mandate during the period in which the Proposed Shareholders' Mandate for RRPTs is in force; and
- (iii) the Proposed Shareholders' Mandate is subject to annual renewal and will continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the RRPTs contemplated and/or authorised by this Ordinary Resolution."

RESOLUTION 7

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

NOTICE OF THIRD ANNUAL GENERAL MEETING

Cont'd

FURTHER NOTICE IS HEREBY GIVEN that for the purpose of determining who shall be entitled to attend the 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 15 September 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

ANG MUI KIW
CHEN YEW TING
Company Secretaries

Johor Bahru
27 August 2015

NOTES:

1. Audited Financial Statements

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Form of Proxy

- i. *A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.*
- ii. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- iii. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
- iv. *Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

Where a Member or authorised nominee appoints two (2) proxies, or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

- v. *All forms of proxy must be deposited at the Registered Office of the Company situated at Suite 7E, Level 7, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

NOTICE OF THIRD ANNUAL GENERAL MEETING

Cont'd

3. Explanatory Notes on Special Business

i. Ordinary Resolution 6 - Proposed Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 6, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding in total ten percent (10%) of the total issued and paid-up share capital of the Company for such purposes and to such person or persons as the Directors in their absolute discretion consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The mandate sought under Ordinary Resolution 6 above is a renewal of an existing mandate and the gross proceeds raised from the previous mandate was RM20,100,000 by the allotment of 15,000,000 ordinary shares of RM0.50 each at the price of RM1.34 per share pursuant to a private placement.

The renewed general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital, acquisitions and/or paring down borrowings.

ii. Ordinary Resolution 7 - Proposed Renewal of Shareholders' Mandate

The proposed Ordinary Resolution 7, if passed, will authorise the Company and/or its subsidiaries to enter into RRPTs with the related parties as set out in Section 2.3 of the Circular to Shareholders dated 27 August 2015. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information on the Proposed Shareholders' Mandate for RRPTs, please refer to the Circular to Shareholders dated 27 August 2015 which was circulated together with the 2015 Annual Report.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single tier dividend of 2.0 sen per ordinary share of RM0.50 each for the financial year ended 30 April 2015, if approved by the shareholders at the forthcoming Third Annual General Meeting, will be paid on 3 December 2015 to depositors registered in the Record of Depositors at the close of business on 6 November 2015.

A depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into the depositors securities account before 4.00 p.m. on 6 November 2015 in respect of transfer; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF THIRD ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Bursa Malaysia Securities Berhad Listing Requirements

The Directors who are standing for re-election are as follows:

- (a) Mr. Ker Mong Keng (RESOLUTION 3)
- (b) Mr. Ker Meng Oi (RESOLUTION 4)

Further details of the above named Directors and their interest in the securities of the Company are set out in the Profile of Directors on page 4 and 5 of the annual report respectively.

SOLID AUTOMOTIVE BERHAD

(Company No. : 1016725-P)

(Incorporated in Malaysia)

FORM OF PROXY

I/We _____ IC/Passport/Co No. _____

of _____

being a member/members of SOLID AUTOMOTIVE BERHAD (Company No. 1016725-P) do hereby appoint _____

IC/Passport No. _____ of _____

or failing him/her _____ IC/Passport No. _____

of _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Third Annual General Meeting of the Company to be held at Jupiter Function Hall, Starhill Golf & Country Club, KM 6.5, Jalan Kampung Maju Jaya, Kempas Lama, Skudai, 81300 Johor Bahru, Johor, Malaysia on Tuesday, 22 September 2015 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

No.	RESOLUTIONS	FOR	AGAINST
1	Declaration of a final single tier dividend of 2.0 sen per ordinary share of RM0.50 each		
2	Payment of Directors' fees for the financial year ended 30 April 2015		
3	Re-election of Retiring Director – Ker Mong Keng		
4	Re-election of Retiring Director – Ker Meng Oi		
5	Re-appointment of Retiring Auditors, Crowe Horwath		
6	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
7	Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with a cross (X) in the spaces provided above how you wish your votes to be cast. In the absence of such specific directions, your proxy will vote or abstain from voting as he/she thinks fit.)

Number of ordinary shares held	
--------------------------------	--

Signature

Dated this _____ day of _____ 2015

Notes:

- A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
Where a Member or authorised nominee appoints two (2) proxies, or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- All forms of proxy must be deposited at the Registered Office of the Company situated at Suite 7E, Level 7, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- For the purpose of determining who shall be entitled to attend the 3rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 15 September 2015 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 August 2015.

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

The Company Secretary
SOLID AUTOMOTIVE BERHAD (Company No. 1016725-P)
Suite 7E, Level 7, Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor Darul Takzim.

1st Fold Here