



## INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2017 <sup>(1)</sup>

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.07.2017 RM'000	Preceding Year Quarter 31.07.2016 RM'000	Current Year- To-Date 31.07.2017 RM'000	Preceding Year- To-Date 31.07.2016 RM'000
Revenue		32,466	29,628	32,466	29,628
Cost of sales		(23,739)	(21,412)	(23,739)	(21,412)
Gross profit		8,727	8,216	8,727	8,216
Other operating income		546	757	546	757
Selling and distribution expense		(4,196)	(3,780)	(4,196)	(3,780)
Administrative expense		(4,002)	(3,310)	(4,002)	(3,310)
		(8,198)	(7,090)	(8,198)	(7,090)
Profit from operations		1,075	1,883	1,075	1,883
Finance costs		(109)	(182)	(109)	(182)
<b>Profit before tax</b>	B5	966	1,701	966	1,701
Income tax expense	B6	(346)	(546)	(346)	(546)
<b>Profit after tax</b>		620	1,155	620	1,155
<b>Other comprehensive income</b>					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Translation differences on foreign operation		134	423	134	423
Cash flow hedge		-	103	-	103
<b>Total other comprehensive income</b>		134	526	134	526
<b>Total comprehensive income</b>		754	1,681	754	1,681
Profit after tax attributable to:					
- Owners of the Company		615	1,155	615	1,155
- Non-controlling interests		5	-	5	-
		620	1,155	620	1,155
Total comprehensive income attributable to:					
- Owners of the Company		749	1,681	749	1,681
- Non-controlling interests		5	-	5	-
		754	1,681	754	1,681



岩石汽车工业集团

**SOLID AUTOMOTIVE BERHAD** (1016725-P)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2017 <sup>(1)</sup> (CONT'D)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter	Preceding Year Quarter	Current Year- To-Date	Preceding Year- To-Date
	Note	31.07.2017	31.07.2016	31.07.2017	31.07.2016
Earnings per share (sen) attributable to owners of the Company:					
- Basic <sup>(2)</sup>	B12	0.37	0.70	0.37	0.70
- Diluted		0.29	0.56	0.29	0.56

*Notes:*

- (1) *The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on the weighted average number of ordinary shares in issue as detailed in Note B12.*



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2017 <sup>(1)</sup>**

		As at 31.07.2017	As at 30.04.2017
	Note	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		11,323	11,216
Property, plant and equipment		45,020	40,864
Other investments		103	103
Deferred tax assets		720	559
		<u>57,166</u>	<u>52,742</u>
<b>Current assets</b>			
Inventories		54,708	50,142
Trade receivables		32,748	34,462
Other receivables, deposits and prepayments		4,283	3,470
Current tax asset		1,172	785
Short-term investments		2,439	3,173
Derivative asset		624	756
Fixed deposits with licensed banks		2,219	4,067
Cash and bank balances		9,112	10,760
		<u>107,305</u>	<u>107,615</u>
<b>TOTAL ASSETS</b>		<u><b>164,471</b></u>	<u><b>160,357</b></u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2017 <sup>(1)</sup> (CONT'D)**

		<b>As at 31.07.2017 RM'000</b>	<b>As at 30.04.2017 RM'000</b>
	<b>Note</b>		
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	B8	97,936	97,503
Merger deficit		(43,361)	(43,361)
Translation reserve		2,976	2,842
Warrant reserve		15,618	15,742
Hedging reserve		(266)	(266)
Retained earnings		66,638	66,023
<b>Equity attributable to equity holders of the Company</b>		<b>139,541</b>	<b>138,483</b>
Non-controlling interests		105	100
<b>Total equity</b>		<b>139,646</b>	<b>138,583</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	B9	2,280	2,570
<b>Current liabilities</b>			
Trade payables		10,748	9,473
Other payables and accruals		5,346	4,792
Short-term borrowings	B9	6,425	4,923
Current tax liabilities		26	16
		<b>22,545</b>	<b>19,204</b>
<b>TOTAL LIABILITIES</b>		<b>24,825</b>	<b>21,774</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>164,471</b>	<b>160,357</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)			
		0.83	0.83

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017 and the accompanying explanatory notes attached to these interim financial statements.*



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 JULY 2017 <sup>(1)</sup>**

<----- Attributable to equity holders of the Company ----->										
<----- Non-distributable ----->								Distributable	Non-	
	Share	Share	Merger	Translation	Warrant	Hedging	Retained		Controlling	Total
	Capital	Premium	Deficit	Reserve	Reserve	Reserve	Earnings	Total	Interest	Equity
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 May 2017	97,503	-	(43,361)	2,842	15,742	(266)	66,023	138,483	100	138,583
Total comprehensive income for the period	-	-	-	134	-	-	615	749	5	754
Issuance of shares										
- Exercise of Warrants	B7	433	-	-	(124)	-	-	309	-	309
At 31 Jul 2017		97,936	-	(43,361)	2,976	15,618	(266)	66,638	105	139,646
At 1 May 2016		82,803	13,908	(43,361)	1,984	15,968	(266)	63,071	-	134,107
Total comprehensive income for the period		-	-	-	423	-	103	1,155	-	1,681
Issuance of shares										
- Exercise of Warrants	B7	91	36	-	(36)	-	-	91	-	91
At 31 Jul 2016		82,894	13,944	(43,361)	2,407	15,932	(163)	64,226	-	135,879

Notes:

*The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2017 <sup>(1)</sup>**

	<b>Current Year-To-Date 31.07.2017 RM'000</b>	<b>Preceding Year-To-Date 31.07.2016 RM'000</b>
<b>Cash Flows for Operating Activities</b>		
Profit before tax	966	1,701
Adjustments for:		
Net allowance/(reversal) for impairment losses on trade receivables	117	(10)
Depreciation of property, plant and equipment and investment properties	619	518
Interest expense	73	169
Interest income	(169)	(251)
Inventories written down	649	1,005
Fair value loss on short-term investments	5	-
Fair value loss on derivative	132	-
Gain on disposal of property, plant and equipment	(115)	(70)
Provision/(reversal) of provision for warranty	55	(64)
Property, plant and equipment written off	3	-
Net unrealised gain on foreign exchange	(21)	(76)
Rental income	(8)	(25)
Operating profit before working capital changes	2,306	2,897
Increase in inventories	(5,215)	(5,787)
Decrease/(Increase) in trade and other receivables	869	(166)
Increase in trade and other payables	1,690	2,238
Cash for operations	(350)	(818)
Interest paid	(73)	(169)
Interest received	107	253
Income tax paid, net of refund	(884)	(875)
Net cash for operating activities	(1,200)	(1,609)

**INTERIM FINANCIAL REPORT****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 JULY 2017 <sup>(1)</sup> (CONT'D)**

	<b>Current Year-To- Date 31.07.2017 RM'000</b>	<b>Preceding Year- To- Date 31.07.2016 RM'000</b>
<b>Cash Flows for Investing Activities</b>		
Interest income received	62	-
Rental received	8	25
Acquisition of:		
- property, plant and equipment	(4,637)	(829)
- investment properties	(242)	
- short-term investments	-	(2,345)
Proceeds from disposal of short-term investment	729	-
Proceeds from disposal of property, plant and equipment	115	70
Net cash for investing activities	(3,965)	(3,079)
<b>Cash Flows from Financing Activities</b>		
Net proceeds from issuance of new shares from:		
- exercise of warrants	309	91
Repayment of hire purchase obligations	(19)	(44)
Net drawdown/(repayment) of term loans / revolving credit	1,697	(780)
(Repayment)/Net drawdown of short-term bank borrowings	(448)	2,151
Net cash from financing activities	1,539	1,418
<b>Net decrease in cash and cash equivalents</b>	(3,626)	(3,270)
Effects of foreign exchange rates changes	130	51
<b>Cash and cash equivalents at beginning of the period</b>	14,827	27,302
<b>Cash and cash equivalents at end of the period</b>	11,331	24,083
<b>Cash and cash equivalents at end of period comprise:</b>		
Fixed deposits with licensed banks	2,219	15,023
Cash and bank balances	9,112	9,060
	11,331	24,083

*Notes:*

- (1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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## INTERIM FINANCIAL REPORT

### A EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

#### A1. Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”) and paragraphs 9.22 and 9.40 (Appendix 9B Part A) of the Main Market Listing Requirement (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 30 April 2017.

The Group has adopted merger accounting method for the preparation of this interim financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Audited Financial Statements for the financial year ended 30 April 2017.

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

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

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised losses

The Group has not applied in advance the following applicable accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’	1 January 2018
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018

The adoption of the above applicable standards and interpretations is expected to have no material impact on the financial position and performance of the Group.

#### A2. Auditors’ Report on Preceding Annual Financial Statements

The Auditors’ Reports on the financial statements of the Company and its subsidiaries for the financial year ended 30 April 2017 were not qualified.



**INTERIM FINANCIAL REPORT****A3. Seasonality or Cyclicity of Operations**

The Group's operations and financial results were not significantly affected by any seasonal or cyclical factors during the current financial quarter.

**A4. Unusual Items**

There were no significant items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size and incidence during the current financial quarter.

**A5. Changes in Estimates**

There were no changes in the estimates that have a material effect on the financial results during the current financial quarter.

**A6. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter.

**A7. Dividend Paid**

No dividend was paid by the Company during the current financial quarter.

**A8. Segment Information**

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

- Automotive electrical parts – involved in the trading and distribution of automotive electrical parts and components;
- Automotive engine and mechanical parts – involved in the trading and distribution of automotive engine and mechanical parts and components; and
- Others – involved in the investment and property holding and provision of management services.

Segmental information of the Group for the financial period-to-date ended 31 July 2017 is as follows:

	<b>Automotive electrical parts RM'000</b>	<b>Automotive engine and mechanical parts RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
External revenue	25,192	7,201	73	32,466
Segment results	1,635	(273)	(258)	1,104
Unallocated expenses				(138)
Profit before tax				966

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

Segmental information of the Group for the financial period-to-date ended 31 July 2016 is as follows:

	<b>Automotive electrical parts RM'000</b>	<b>Automotive engine and mechanical parts RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
External revenue	22,829	6,746	53	29,628
Segment results	1,816	55	(37)	1,834
Unallocated expenses				(133)
Profit before tax				1,701

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

	<b>Current year to date 31 July 2017 RM'000</b>	<b>Revenue Preceding year to date 31 July 2016 RM'000</b>
<b>Revenue</b>		
Malaysia	21,349	19,871
Middle East and Africa	8,484	7,230
Others	2,633	2,527
	32,466	29,628

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

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in one industry, which involves the trading and distribution of automotive parts and components for the passenger and commercial vehicles in the automotive aftermarket segment in Malaysia and overseas.

### A9. Subsequent Material Events

On 30 August 2017, the Company announced proposal to undertake the following:-

- i. Proposed share split involving the subdivision of every 1 existing ordinary shares in Solid ("Solid Share(s)" or "Share(s)") into 2 ordinary shares in Solid ("Split Share(s)") held on an entitlement date to be determined later ("Proposed Share Split");
- ii. Proposed bonus issue of up to 82,500,000 new Split Shares ("Bonus Share(s)") to be credited as fully paid-up on the basis of 1 Bonus Share for every 6 Split Shares held on the same entitlement date as the Proposed Share Split ("Proposed Bonus Issue"); and
- iii. Proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the total number of issued shares of Solid at any point in time ("Proposed ESOS").

### A10. Composition of the Group

There were no changes in the composition of the group for the current financial quarter.

### A11. Material Capital Commitments

	<b>31 July 2017</b>
<b>Property, plant and equipment</b>	<b>RM'000</b>
Approved and contracted for	<u>6,260</u>

### A12. Contingent Liabilities and Contingent Assets

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



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**A13. Fair Value Information**

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			<b>Total Fair Value</b>	<b>Carrying Amount</b>
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	RM'000
<b>31.07.2017</b>								
<u>Financial assets</u>								
Short-term investment	2,439	-	-	-	-	-	2,439	2,439
Derivative asset:								
- cross currency interest rate swap	-	624	-	-	-	-	624	624
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	164	-	164	159
Term loans	-	2,325	-	-	4,337	-	6,662	6,662



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**A13. Fair Value Information (Cont'd)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			<b>Total Fair Value</b>	<b>Carrying Amount</b>
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30.04.2017</b>								
<u>Financial assets</u>								
Short-term investment	3,173	-	-	-	-	-	3,173	3,173
Derivative asset:								
- cross currency interest rate swap	-	756	-	-	-	-	756	756
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	184	-	184	177
Term loans	-	-	-	-	4,842	-	4,842	4,966

**INTERIM FINANCIAL REPORT****B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD****B1. Review of Performance**

The revenue for the current quarter has increased by 9.6% to RM32.466 million from RM29.628 million in the corresponding quarter in the preceding year due to increase in both domestic and export markets.

Gross profit has increased by 6.2% for the current quarter to RM8.727 million as compared to the corresponding quarter in the preceding year of RM8.216 million in line with higher revenues. However, gross profit margin has reduced slightly from 27.7% in the corresponding quarter in the preceding year to 26.9% for the current quarter mainly due to lower margins for the domestic market.

Profit before tax for the current quarter has decreased to RM0.966 million compared to RM1.701 million to the corresponding quarter in the preceding year. This was due to higher operating expenses, higher allowance for impairment losses on trade receivables, and higher provision for warranties.

The revenue derived from our automotive electrical parts (accounting for approximately 77% of total revenue) and automotive engine and mechanical parts and others (accounting for approximately 23% of total revenue) has remained constant as compared to corresponding quarter in the preceding year.

**B2. Variation of Results with the immediate preceding quarter**

For the current and immediate preceding quarter, the Group's revenue has remained constant overall. However, revenue derived from domestic demand has decreased by 3% from RM22.004 million in the immediate preceding quarter to RM21.349 million in the current quarter. On the other hand, export has increased by 9.4% from RM10.161 million in the immediate preceding quarter to RM11.117 million in the current quarter.

The gross profit amount has decreased slightly for the current quarter compared to the immediate preceding quarter and the gross profit margin has decreased from 28.1% for the immediate preceding quarter to 26.9% for the current quarter due to lower margins.

The Group registered a profit before tax of RM0.966 million compared to RM2.715 million in the immediate preceding quarter. The decrease in profit before tax was mainly due to fair value loss in derivative of RM0.132 million for the current quarter as compared to a fair value gain in derivative RM0.171 million in the immediate preceding quarter. The Group also incurred higher operating expenses and higher allowance for impairment losses on trade receivables for the current quarter.

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### B3. Prospects for the Group for the Financial Year ending 30 April 2018

Despite the growth in Gross Domestic Product, the Malaysian economy is facing challenges with uncertain business conditions, increase cost of doing business and cost of living. The overseas market is affected by global economic weakness and uncertainties especially in Middle East. The Group will continue to focus on strategies for sales and marketing in both domestic and export market to promote our in-house brands, expand our product range and increase the number of branches throughout Malaysia. The Group will continue with its efforts on improvements to enhance the efficiency of our supply chain management, productivity and cost management.

The Group will strive to improve on its performance for the financial year ending 30 April 2018.

### B4. Variance of Profit Forecast

No profit forecast has been issued by the Group previously in any public document.

### B5. Notes to the Statement of Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.07.2017 RM'000	Preceding Year Quarter 31.07.2016 RM'000	Current Year- -To-Date 31.07.2017 RM'000	Preceding Year- To-Date 31.07.2016 RM'000
Depreciation of property, plant and equipment and investment properties	619	518	619	518
Fair value loss on derivative	132	-	132	-
Fair value loss on short-term investments	5	-	5	-
Gain on disposal of property, plant and equipment	(115)	(70)	(115)	(70)
Net allowance/(reversal) for impairment losses on trade receivables	117	(10)	117	(10)
Net gain on foreign exchange	(94)	(301)	(94)	(301)
Interest expense	73	169	73	169
Interest income	(169)	(251)	(169)	(251)
Rental income	(8)	(25)	(8)	(25)
Net provision/(reversal) of provision for warranty	55	(64)	55	(64)
Inventories written down	649	1,005	649	1,005

*Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.*

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**B6. Income Tax Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year- To-Date	Preceding Year- To-Date
	31.07.2017	31.07.2016	31.07.2017	31.07.2016
	RM'000	RM'000	RM'000	RM'000
<u>Income tax</u>				
Current tax - Current	507	633	507	633
Deferred tax - Current	(263)	(197)	(263)	(197)
- Prior Period	102	110	102	110
Tax expense	346	546	346	546

The effective tax rate for the current period is slightly higher than the statutory tax rate of 25% mainly due to certain expenses which are not deductible for tax purpose.

**B7. Status of Corporate Proposals**

On 17 December 2015, the Company completed a rights issue of 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 at an issue price of RM0.20 per Warrant ("Rights Issue").

The gross proceeds from the right issues of warrants amounted to RM16.500 million. The status of the utilisation of the proceeds from the right issues of warrants as at 31 July 2017 is as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated timeframe for use (from completion of the rights issue)
(i) Working capital	15,915	(16,090)	175 <sup>(1)</sup>	-	Within 24 months
(i) Estimated expenses	585	(410)	(175) <sup>(1)</sup>	-	Upon completion
Total gross proceeds	16,500	(16,500)	-	-	

<sup>(1)</sup> Actual expenses incurred were less than the estimated expenses by RM0.175 million mainly due to lower than expected professional fees as well as other incidental charges incurred in conjunction with the exercise. In accordance to the Abridged Prospectus dated 24 November 2015, the excess will be utilized for working capital purposes.





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**B8. Share Capital**

	Current Year-To-Date 31.07.2017 Number of shares '000	Preceding Year-To-Date 31.07.2016 '000	Current Year-To-Date 31.07.2017 RM'000	Preceding Year-To-Date 31.07.2016 RM'000
<b>Authorised</b>				
Ordinary shares of Nil (31.07.2016 : RM0.50) each	N/A	1,000,000	N/A	500,000
<b>Issue And Fully Paid-Up</b>				
Ordinary shares of Nil (31.07.2016 : RM0.50) each				
At 1 May 2017/2016	166,738	165,607	97,503	82,803
Issued for cash in respect of warrant exercised	618	181	309	91
Transfer from warrant reserve	-	-	124	-
At 31 Jul 2017/2016	167,356	165,788	97,936	82,894

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

Incorporated in Malaysia under the Companies Act, 1965

**INTERIM FINANCIAL REPORT**

**B9. Group Borrowings**

Total Group borrowings as at 31 July 2017 were as follows:-

	<b>As at 31.07.17 RM'000</b>	<b>As at 30.04.2017 RM'000</b>
<b><u>Current</u></b>		
<b>Denominated in Malaysian Ringgit</b>		
<b>Secured:</b>		
Bankers' acceptances	500	-
Hire purchase payables	49	59
<b>Denominated in US Dollars</b>		
Foreign currency loan	1,384	2,350
Term loans	4,337	2,514
<b>Denominated in Singapore Dollars</b>		
Term loan	155	-
	<hr/> 6,425	<hr/> 4,923
<b><u>Non-current</u></b>		
<b>Denominated in Malaysian Ringgit</b>		
<b>Secured:</b>		
Hire purchase payables	110	118
<b>Denominated in US Dollars</b>		
Term loans	-	2,452
<b>Denominated in Singapore Dollars</b>		
Term loan	2,170	-
	<hr/> 2,280	<hr/> 2,570
<b>Total Borrowings</b>	<hr/> 8,705	<hr/> 7,493

**B10. Material Litigation**

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

**B11. Dividends**

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

**INTERIM FINANCIAL REPORT****B12. Earnings Per Share**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year-</b>	<b>Preceding Year-</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>To-Date</b>	<b>To-Date</b>
	<b>31.07.2017</b>	<b>31.07.2016</b>	<b>31.07.2017</b>	<b>31.07.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit after tax	620	1,155	620	1,155
Weighted average number of ordinary shares of Nil (31.07.2016 : RM0.50) each in issue ('000) (basic)	167,014	165,364	167,014	165,364
Effect of conversion of warrants	48,158	39,227	48,158	39,227
Weighted average number of ordinary shares of Nil (31.07.2016 : RM0.50) each in issue ('000) (diluted)	215,172	204,591	215,172	204,591
Basic Earnings Per Share (sen)	0.37	0.70	0.37	0.70
Diluted Earnings Per Share (sen)	0.29	0.56	0.29	0.56

**B13. Realised and Unrealised Profits / Losses Disclosure**

The breakdown of the retained profits of the Group as at the end of the current quarter and preceding financial year, into realised and unrealised profits, is as follows:-

	<b>As at 31.07.2017 RM'000</b>	<b>As at 30.04.2017 RM'000</b>
Total retained earnings of the Group		
(a) Realised	66,095	65,928
(b) Unrealised	393	491
	66,488	66,419
Less: consolidated adjustments	150	(396)
Total retained earnings	66,638	66,023