



INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|--|--|--|--|
| | | Current Year Quarter 30.04.2019 RM'000 | Preceding Year Quarter 30.04.2018 RM'000 | Current Year-To-Date 30.04.2019 RM'000 | Preceding Year-To-Date 30.04.2018 RM'000 |
| Revenue | | 59,301 | 30,482 | 166,819 | 129,242 |
| Other operating income | | 1,086 | 588 | 3,824 | 2,594 |
| Changes in inventories | | (43,514) | (22,630) | (122,777) | (94,385) |
| Employee benefits | | (6,680) | (3,245) | (22,949) | (16,580) |
| Depreciation of property, plant and equipment and investment properties | | (1,016) | (716) | (3,260) | (2,691) |
| Finance cost | | (513) | (155) | (1,326) | (513) |
| Operating expenses | | (7,923) | (3,911) | (17,884) | (13,181) |
| Profit before tax | B5 | 741 | 413 | 2,447 | 4,486 |
| Income tax expense | B6 | (214) | (360) | (788) | (1,814) |
| Profit after tax | | 527 | 53 | 1,659 | 2,672 |
| Other comprehensive income | | | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | | | |
| Translation differences on foreign operation | | 3 | (40) | 299 | (591) |
| Cash flow hedge | | - | - | 266 | - |
| Total other comprehensive income | | 3 | (40) | 565 | (591) |
| Total comprehensive income | | 530 | 13 | 2,224 | 2,081 |
| Profit after tax attributable to: | | | | | |
| - Owners of the Company | | 421 | 46 | 1,450 | 2,661 |
| - Non-controlling interests | | 106 | 7 | 209 | 11 |
| | | 527 | 53 | 1,659 | 2,672 |
| Total comprehensive income attributable to: | | | | | |
| - Owners of the Company | | 424 | 6 | 2,015 | 2,070 |
| - Non-controlling interests | | 106 | 7 | 209 | 11 |
| | | 530 | 13 | 2,224 | 2,081 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾ (CONT'D)

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------|--|--|---|---|
| | | Current Year Quarter 30.04.2019 | Preceding Year Quarter 30.04.2018 | Current Year- To-Date 30.04.2019 | Preceding Year- To-Date 30.04.2018 |
| Earnings per share (sen) attributable to owners of the Company | B12 | | | | |
| - Basic ⁽²⁾ | | 0.11 | 0.01 | 0.37 | 0.68 |
| - Diluted | | 0.09 | 0.01 | 0.32 | 0.55 |

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 2018 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 30
APRIL 2019 ⁽¹⁾**

| | Note | As at 30.04.2019 RM'000 | As at 30.04.2018 RM'000 |
|---|-------------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties | | 13,122 | 11,404 |
| Property, plant and equipment | | 56,482 | 47,084 |
| Other investments | | 239 | 103 |
| Deferred tax assets | | 1,295 | 1,051 |
| Goodwill | | 2,303 | - |
| | | <hr/> | <hr/> |
| | | 73,441 | 59,642 |
| Current assets | | | |
| Inventories | | 81,061 | 51,727 |
| Trade receivables | | 49,638 | 34,848 |
| Other receivables, deposits and prepayments | | 6,619 | 3,300 |
| Current tax asset | | 2,007 | 1,217 |
| Short-term investments | | - | 5,973 |
| Derivative asset | | - | 193 |
| Fixed deposits with licensed banks | | 7,722 | 1,501 |
| Cash and bank balances | | 14,614 | 8,935 |
| | | <hr/> | <hr/> |
| | | 161,661 | 107,694 |
| | | <hr/> | <hr/> |
| TOTAL ASSETS | | 235,102 | 167,336 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2019 ⁽¹⁾ (CONT'D)

| | Note | As at 30.04.2019 RM'000 | As at 30.04.2018 RM'000 |
|---|------|-------------------------------|-------------------------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | B8 | 98,416 | 98,183 |
| Merger deficit | | (43,361) | (43,361) |
| Translation reserve | | 2,550 | 2,251 |
| Warrant reserve | | 15,482 | 15,548 |
| Hedging reserve | | - | (266) |
| Retained earnings | | 68,513 | 67,847 |
| Equity attributable to equity holders of the Company | | 141,600 | 140,202 |
| Non-controlling interests | | 5,100 | 111 |
| Total equity | | 146,700 | 140,313 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 430 | - |
| Long-term borrowings | B9 | 16,894 | 2,256 |
| | | 17,324 | 2,256 |
| Current liabilities | | | |
| Trade payables | | 20,911 | 8,582 |
| Other payables and accruals | | 19,093 | 3,429 |
| Short-term borrowings | B9 | 31,052 | 12,604 |
| Derivative liability | | 10 | - |
| Current tax liabilities | | 12 | 152 |
| | | 71,078 | 24,767 |
| TOTAL LIABILITIES | | 88,402 | 27,023 |
| TOTAL EQUITY AND LIABILITIES | | 235,102 | 167,336 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | | 0.36 | 0.36 |

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 2018 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 FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾

| | <----- Attributable to equity holders of the Company -----> | | | | | | | | | |
|--|---|---------------------------------|-----------------------------|----------------------------------|------------------------------|------------------------------|--------------------------------|-----------------|-----------------------------------|---------------------------|
| | Note | <----- Non-distributable -----> | | | | | Distributable | Non- | | Total Equity RM'000 |
| | | Share Capital RM'000 | Merger Deficit RM'000 | Translation Reserve RM'000 | Warrant Reserve RM'000 | Hedging Reserve RM'000 | Retained Earnings RM'000 | Total RM'000 | Controlling Interest RM'000 | |
| At 1 May 2018 | | 98,183 | (43,361) | 2,251 | 15,548 | (266) | 67,847 | 140,202 | 111 | 140,313 |
| Total comprehensive income for the period | | - | - | 299 | - | 266 | 1,450 | 2,015 | 209 | 2,224 |
| Accretion of interest in subsidiary | | - | - | - | - | - | - | - | 80 | 80 |
| Acquisition of non-controlling interest | | - | - | - | - | - | - | - | 4,700 | 4,700 |
| Issuance of shares | | | | | | | | | | |
| - Exercise of Warrants | B8 | 233 | - | - | (66) | - | - | 167 | - | 167 |
| Dividend paid | | - | - | - | - | - | (784) | (784) | - | (784) |
| At 30 April 2019 | | 98,416 | (43,361) | 2,550 | 15,482 | - | 68,513 | 141,600 | 5,100 | 146,700 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾
(CONT'D)

| Note | <----- Attributable to equity holders of the Company -----> | | | | | | | Total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|--|---|-----------------------------|----------------------------------|------------------------------|------------------------------|--------------------------------|---------|-----------------|---|---------------------------|
| | <----- Non-distributable -----> | | | | | Distributable | | | | |
| | Share Capital RM'000 | Merger Deficit RM'000 | Translation Reserve RM'000 | Warrant Reserve RM'000 | Hedging Reserve RM'000 | Retained Earnings 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 | - | - | (591) | - | - | 2,661 | 2,070 | 11 | 2,081 | |
| Issuance of shares | | | | | | | | | | |
| - Exercise of Warrants | B8 | 680 | - | - | (194) | - | 486 | - | 486 | |
| Dividend paid | | - | - | - | - | (837) | (837) | - | (837) | |
| At 30 April 2018 | 98,183 | (43,361) | 2,251 | 15,548 | (266) | 67,847 | 140,202 | 111 | 140,313 | |

Notes:

(1) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2018 and the accompanying explanatory notes attached to these interim financial statements.*



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾

| | Current Year-To-Date 30.04.2019 RM'000 | Preceding Year-To-Date 30.04.2018 RM'000 |
|---|---|---|
| Cash Flows (for)/from Operating Activities | | |
| Profit before tax | 2,447 | 4,486 |
| Adjustments for: | | |
| Net allowance for impairment losses on trade receivables | 275 | 64 |
| Depreciation of property, plant and equipment and investment properties | 3,260 | 2,691 |
| Gain on bargain purchase | (1,746) | - |
| Goodwill impairment loss | 256 | - |
| Interest expense | 1,155 | 353 |
| Interest income | (463) | (642) |
| Inventories written down | 494 | 1,973 |
| Fair value (gain)/loss on short-term investments | (20) | 5 |
| Fair value (gain)/loss on derivative | (126) | 563 |
| Gain on disposal of property, plant and equipment | (50) | (160) |
| Provision for warranty | 830 | 110 |
| Property, plant and equipment written off | 67 | 912 |
| Net unrealised loss/(gain) on foreign exchange | 10 | (123) |
| Operating profit before working capital changes | 6,389 | 10,232 |
| Increase in inventories | (2,457) | (3,405) |
| Decrease/(Increase) in trade and other receivables | 3,269 | (152) |
| Decrease in trade and other payables | (11,217) | (2,424) |
| Cash (for)/from operations | (4,016) | 4,251 |
| Interest received | 340 | 434 |
| Income tax paid, net of refund | (1,574) | (2,601) |
| Net cash (for)/from operating activities | (5,250) | 2,084 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾ (CONT'D)

| | Current Year-To- Date 30.04.2019 RM'000 | Preceding Year- To- Date 30.04.2018 RM'000 |
|---|--|---|
| Cash Flows for Investing Activities | | |
| Interest income received | 123 | 208 |
| Acquisition of: | | |
| - property, plant and equipment | (4,491) | (9,396) |
| - investment properties | (2,485) | (444) |
| - short-term investments | - | (2,806) |
| Investment in subsidiary | 20 | - |
| Issue of shares for the non-controlling interests | 60 | - |
| Placement of fixed deposits with licensed banks | (3,046) | - |
| Acquisition of subsidiaries, net of cash acquired | (9,508) | - |
| Proceeds from disposal of short-term investment | 5,993 | - |
| Proceeds from disposal of property, plant and equipment | 61 | 171 |
| Net cash for investing activities | (13,273) | (12,267) |
| Cash Flows from Financing Activities | | |
| Net proceeds from issuance of new shares from: | | |
| - exercise of warrants | 167 | 486 |
| Interest paid | (1,155) | (353) |
| Dividend paid | (784) | (837) |
| Drawdown of hire purchase obligation | 887 | - |
| Repayment of hire purchase obligations | (244) | (72) |
| Drawdown of term loans | 15,637 | 2,263 |
| Repayment of term loans | (111) | (2,627) |
| Drawdown of revolving credit | 7,699 | - |
| Repayment of revolving credit | (1,867) | - |
| Net drawdown of short-term bank borrowings | 6,903 | 7,601 |
| Net cash from financing activities | 27,132 | 6,461 |



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 30 APRIL 2019 ⁽¹⁾ (CONT'D)

| | Current Year-To- Date 30.04.2019 RM'000 | Preceding Year- To- Date 30.04.2018 RM'000 |
|---|--|---|
| Net increase/(decrease) in cash and cash equivalents | 8,609 | (3,722) |
| Effects of foreign exchange rates changes | 245 | (669) |
| Cash and cash equivalents at beginning of the period | 10,436 | 14,827 |
| Cash and cash equivalents at end of the period | <u>19,290</u> | <u>10,436</u> |
| Cash and cash equivalents at end of period comprise: | | |
| Fixed deposits with licensed banks | 7,722 | 1,501 |
| Fixed deposits with maturity period more than 90 days | (3,046) | - |
| | <u>4,676</u> | <u>1,501</u> |
| Cash and bank balances | 14,614 | 8,935 |
| | <u>19,290</u> | <u>10,436</u> |

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 2018 and the accompanying explanatory notes attached to these interim financial statements.*



INTERIM FINANCIAL REPORT

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

A1. Accounting Policies and Basis of Preparation

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

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2018.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 30 April 2018.

The Group has adopted merger accounting method for the preparation of this interim financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Audited Financial Statements for the financial year ended 30 April 2018.

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

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

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

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

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

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

Effective Date

MFRS 16 Leases

1 January 2019

IC Interpretation 23 Uncertainty Over Income Tax Treatments

1 January 2019

Amendments to MFRS 3 : Definition of a Business

1 January 2020

Amendments to MFRS 9 : Prepayment Features with Negative Compensation

1 January 2019

Amendments to MFRS 101 and MFRS 108 : Definition of Material

1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

1 January 2020

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

1 January 2019

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



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A2. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Reports on the financial statements of the Company and its subsidiaries for the financial year ended 30 April 2018 were not qualified.

A3. Seasonality or Cyclical of Operations

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

A4. Unusual Items

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

A5. Changes in Estimates

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

A6. Debt and Equity Securities

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

A7. Dividend Paid

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

A8. Segment Information

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

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



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A8. Segment Information (Cont'd)

Segmental information of the Group for the financial year-to-date ended 30 April 2019 is as follows:

| | Automotive electrical and related parts RM'000 | Automotive engine and mechanical parts RM'000 | Others RM'000 | Group RM'000 |
|----------------------|---|--|--------------------------|-------------------------|
| External revenue | 131,938 | 34,564 | 317 | 166,819 |
| Segment results | 3,930 | 832 | (1,349) | 3,413 |
| Unallocated expenses | | | | (966) |
| Profit before tax | | | | 2,447 |

Segmental information of the Group for the financial year-to-date ended 30 April 2018 is as follows:

| | Automotive electrical and related parts RM'000 | Automotive engine and mechanical parts RM'000 | Others RM'000 | Group RM'000 |
|----------------------|---|--|--------------------------|-------------------------|
| External revenue | 97,220 | 31,730 | 292 | 129,242 |
| Segment results | 4,825 | 1,367 | (942) | 5,250 |
| Unallocated expenses | | | | (764) |
| Profit before tax | | | | 4,486 |

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

| | Current year to date 30 April 2019 RM'000 | Preceding year to date 30 April 2018 RM'000 |
|------------------------|--|--|
| Revenue | | |
| Malaysia | 133,243 | 89,912 |
| Middle East and Africa | 20,992 | 26,641 |
| Others | 12,584 | 12,689 |
| | <u>166,819</u> | <u>129,242</u> |

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



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A9. Subsequent Material Events

There were no material events subsequent to the end of the current financial quarter under review.

A10. Composition of the Group

There were no other changes in the composition of the Group in current financial quarter under review.

A11. Material Capital Commitments

30 April 2019
RM'000

Purchase of property, plant and equipment

1,300

A12. Contingent Liabilities and Contingent Assets

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

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A13. Fair Value Information

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

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

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



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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 | | | Total Fair Value | Carrying Amount |
|-------------------------------------|--|---------|---------|--|---------|---------|-----------------------------|----------------------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | |
| 30.04.2018 | | | | | | | | |
| <u>Financial assets</u> | | | | | | | | |
| Short-term investment | 5,973 | - | - | - | - | - | 5,973 | 5,973 |
| Derivative asset: | | | | | | | | |
| - cross currency interest rate swap | - | 193 | - | - | - | - | 193 | 193 |
| <u>Financial Liabilities</u> | | | | | | | | |
| Hire purchase payables | - | 241 | - | - | 200 | - | 441 | 441 |
| Term loans | - | 2,076 | - | - | 2,451 | - | 4,527 | 4,527 |



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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD

B1. Review of Performance

The revenue for the current quarter increased to RM59.301 million from RM30.482 million in the corresponding quarter in the preceding year mainly due to inclusion of the revenue from newly acquired subsidiaries during the financial year.

The gross profit for the current quarter has increased to RM15.787 million as compared to RM7.852 million in the corresponding quarter in the preceding year due mainly to higher revenues in the current quarter.

Profit before tax for the current quarter has increased to RM0.741 million compared to RM0.413 million in the corresponding quarter in the preceding year mainly due to increase in revenue and higher other operating income.

The revenue derived from our automotive electrical and related parts accounted for approximately 79% of total revenue while automotive engine and mechanical parts and others accounted for approximately 21% of total revenue compared to 76% and 24% respectively in the corresponding quarter in the preceding year.

B2. Variation of Results with the immediate preceding quarter

The Group's revenue for the current quarter of RM59.301 million showed an increase compared to the revenue of RM42.163 million for the immediate preceding quarter due to inclusion of the revenue from newly acquired subsidiaries during the financial year.

The gross profit amount has increased to RM15.787 million from RM10.197 million for the immediate preceding quarter due to higher overall sales.

The Group registered a profit before tax of RM0.741 million for the current quarter compared to RM0.433 million for the immediate preceding quarter mainly due to increase in revenue and higher other operating income.

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

The Malaysian economy is facing challenges with uncertain business conditions, higher cost of doing business and cost of living. The overseas market is affected by global economic weaknesses and uncertainties especially in the Middle East and the US-China trade dispute. The Group will continue to focus on its sales and marketing strategies in both domestic and export market to promote our in-house brands, expand our product range and expand our market presence in overseas countries especially in ASEAN countries. The Group will continue to pursue improvements to enhance our supply chain management, productivity and cost management.

The Group will strive to improve its current performance for the financial year ending 30 April 2020.

B4. Variance of Profit Forecast

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



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B5. Notes to the Statement of Profit or Loss

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|--|--|
| | Current Year Quarter 30.04.2019 RM'000 | Preceding Year Quarter 30.04.2018 RM'000 | Current Year- To-Date 30.04.2019 RM'000 | Preceding Year- To-Date 30.04.2018 RM'000 |
| Depreciation of property, plant and equipment and investment properties | 1,016 | 716 | 3,260 | 2,691 |
| Fair value (gain)/loss on derivative | - | 19 | (126) | 563 |
| Fair value (gain)/loss on short-term investments | - | (1) | (20) | 5 |
| Gain on bargain purchase | (450) | - | (1,746) | - |
| (Gain)/Loss on disposal of property, plant and equipment | 2 | (46) | (50) | (160) |
| Goodwill impairment loss | 256 | - | 256 | - |
| Net allowance for impairment losses on trade receivables | 188 | 57 | 275 | 64 |
| Net gain on foreign exchange | (76) | (93) | (398) | (820) |
| Interest expense | 479 | 109 | 1,155 | 353 |
| Interest income | (71) | (170) | (463) | (642) |
| Net provision of warranty | 564 | 10 | 830 | 110 |
| Inventories written down | 245 | 750 | 494 | 1,973 |

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

B6. Income Tax Expense

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------|--|--|---|---|
| | Current Year Quarter 30.04.2019 RM'000 | Preceding Year Quarter 30.04.2018 RM'000 | Current Year- To-Date 30.04.2019 RM'000 | Preceding Year- To-Date 30.04.2018 RM'000 |
| <u>Income tax</u> | | | | |
| Current tax - Current | 371 | 603 | 1,185 | 2,255 |
| - Prior Period | (37) | 65 | (152) | 51 |
| Deferred tax - Current | (120) | (458) | (245) | (551) |
| - Prior Period | - | 150 | - | 59 |
| Tax expense | 214 | 360 | 788 | 1,814 |

The effective tax rate for the current period is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purpose.



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B7. Status of Corporate Proposals

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

B8. Share Capital

| | Current Year-To-Date 30.04.2019 | Preceding Year-To-Date 30.04.2018 | Current Year-To-Date 30.04.2019 | Preceding Year-To-Date 30.04.2018 |
|---|--|--|--|--|
| | Number of shares '000 | '000 | RM'000 | RM'000 |
| Issue And Fully Paid-Up | | | | |
| Ordinary shares with no Par Value | | | | |
| At 1 May 2018/2017 | 391,336 | 166,738 | 98,183 | 97,503 |
| Issued for cash in respect of warrant exercised | 794 | 1,357 | 167 | 486 |
| Share split | - | 167,431 | - | - |
| Bonus issue | - | 55,810 | - | - |
| Transfer from warrant reserve | - | - | 66 | 194 |
| At 30 Apr 2019/2018 | 392,130 | 391,336 | 98,416 | 98,183 |



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B9. Group Borrowings

Total Group borrowings as at 30 April 2019 / 30 April 2018 were as follows:-

| | As at 30.04.2019 RM'000 | As at 30.04.2018 RM'000 |
|---|--|--|
| <u>Current (Secured)</u> | | |
| Denominated in Malaysian Ringgit | | |
| Bankers' acceptances | 6,614 | 1,461 |
| Hire purchase payables | 326 | 76 |
| Term loans | 5,935 | - |
| Revolving credit | 1,500 | - |
| Denominated in US Dollars | | |
| Foreign currency loan | 9,628 | 8,431 |
| Term loans | - | 2,451 |
| Revolving credit | 6,199 | - |
| Denominated in Singapore Dollars | | |
| Hire purchase payables | 42 | 39 |
| Term loan | 149 | 146 |
| Trust receipts | 659 | - |
| | 31,052 | 12,604 |
| <u>Non-current (Secured)</u> | | |
| Denominated in Malaysian Ringgit | | |
| Hire purchase payables | 686 | 253 |
| Term loan | 14,345 | - |
| Denominated in Singapore Dollars | | |
| Hire purchase payables | 33 | 73 |
| Term loan | 1,830 | 1,930 |
| | 16,894 | 2,256 |
| Total Borrowings | 47,946 | 14,860 |

B10. Material Litigation

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

B11. Dividends

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



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B12. Earnings Per Share

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|---|---|
| | Current Year Quarter 30.04.2019 RM'000 | Preceding Year Quarter 30.04.2018 RM'000 | Current Year- To-Date 30.04.2019 RM'000 | Preceding Year- To-Date 30.04.2018 RM'000 |
| Profit after tax attributable to owners of the Company | 421 | 46 | 1,450 | 2,661 |
| Weighted average number of ordinary share in issue ('000) (basic) | 391,989 | 390,712 | 391,989 | 390,712 |
| Effect of conversion of warrants | 62,318 | 95,180 | 62,318 | 95,180 |
| Weighted average number of ordinary shares in issue ('000) (diluted) | 454,307 | 485,892 | 454,307 | 485,892 |
| Basic Earnings Per Share (sen) | 0.11 | 0.01 | 0.37 | 0.68 |
| Diluted Earnings Per Share (sen) | 0.09 | 0.01 | 0.32 | 0.55 |