



WARISAN TC HOLDINGS BERHAD
(Company No: 424834-W)

**INTERIM FINANCIAL REPORT FOR THE
QUARTER ENDED 31 DECEMBER 2009
(THE FIGURES HAVE NOT BEEN AUDITED)**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31 December		Year to Date 31 December	
	2009 RM'000	2008 RM'000 Restated	2009 RM'000	2008 RM'000 Restated
Revenue	79,826	83,372	301,757	368,173
Cost of sales	(54,216)	(56,486)	(206,763)	(259,354)
Gross profit	25,610	26,886	94,994	108,819
Other income	1,899	2,008	3,296	5,289
Selling and distribution expenses	(13,743)	(13,947)	(47,857)	(52,140)
Administrative and general expenses	(10,677)	(12,836)	(37,004)	(39,693)
Interest expense	(487)	(783)	(2,146)	(1,897)
Interest income	223	313	761	1,521
Profit before tax	2,825	1,641	12,044	21,899
Tax expense	(2,243)	1,276	(5,426)	(5,240)
Profit for the period	582	2,917	6,618	16,659
Attributable to:				
Equity holders of the parent	582	2,791	6,618	16,811
Minority interest	-	126	-	(152)
	582	2,917	6,618	16,659
Basic earnings per share (sen)	0.89	4.23	10.07	25.43
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

Certain comparative figures have been reclassified to conform with the adoption of proportionate consolidation for jointly controlled entities (effective 1 January 2009) under FRS 131 - Interests in Joint Ventures.



WARISAN TC HOLDINGS BERHAD
(Company No: 424834-W)

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	(Audited)
	As at End of Quarter	As at Preceding Year
	31 December 2009	Ended 31 December 2008
	RM'000	RM'000
		Restated
ASSETS		
Property, plant and equipment	137,084	155,166
Prepaid lease payments	10,003	10,208
Other investments	35	35
Lease receivables	6,923	5,389
Deferred tax asset	664	551
Intangible asset	5,944	6,550
Total non-current assets	160,653	177,899
Inventories	67,564	75,487
Receivables, deposits and prepayments	69,465	78,952
Current tax assets	2,354	2,527
Cash and cash equivalents	66,858	51,208
Total current assets	206,241	208,174
TOTAL ASSETS	366,894	386,073
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	(41,186)	(41,135)
Retained earnings	206,650	204,968
Treasury shares	(3,679)	(2,394)
Total equity attributable to equity holders of the parent	228,985	228,639
Minority interest	-	-
Total equity	228,985	228,639
LIABILITIES		
Deferred tax liabilities	10,119	6,973
Employee benefits	2,043	1,988
Borrowings	14,821	20,274
Total non-current liabilities	26,983	29,235
Payables and accruals	70,342	81,652
Borrowings	39,509	44,434
Current tax liabilities	1,075	2,113
Total current liabilities	110,926	128,199
Total liabilities	137,909	157,434
TOTAL EQUITY AND LIABILITIES	366,894	386,073
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.51	3.47

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



WARISAN TC HOLDINGS BERHAD
(Company No: 424834-W)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Parent →									
	← Non-distributable →					Distributable				
	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000 Restated	Total RM'000 Restated			
At 1 January 2009	67,200	615	(41,614)	(136)	(2,394)	204,968	228,639	-	228,639	
Foreign exchange differences arising from translation	-	-	-	(51)	-	-	(51)	-	(51)	
Net loss not recognised in the income statement	-	-	-	(51)	-	-	(51)	-	(51)	
Purchase of treasury shares	-	-	-	-	(1,285)	-	(1,285)	-	(1,285)	
Net profit for the year	-	-	-	-	-	6,618	6,618	-	6,618	
Dividend - 2008 final	-	-	-	-	-	(2,470)	(2,470)	-	(2,470)	
Dividend - 2009 interim	-	-	-	-	-	(2,466)	(2,466)	-	(2,466)	
At 31 December 2009	67,200	615	(41,614)	(187)	(3,679)	206,650	228,985	-	228,985	
At 1 January 2008	67,200	615	(41,614)	(297)	(1,745)	193,052	217,211	152	217,363	
Foreign exchange differences arising from translation	-	-	-	161	-	-	161	-	161	
Net gain not recognised in the income statement	-	-	-	161	-	-	161	-	161	
Purchase of treasury shares	-	-	-	-	(649)	-	(649)	-	(649)	
Net profit for the year	-	-	-	-	-	16,811	16,811	(152)	16,659	
Dividend - 2007 final	-	-	-	-	-	(2,448)	(2,448)	-	(2,448)	
Dividend - 2008 interim	-	-	-	-	-	(2,447)	(2,447)	-	(2,447)	
At 31 December 2008	67,200	615	(41,614)	(136)	(2,394)	204,968	228,639	-	228,639	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



WARISAN TC HOLDINGS BERHAD
(Company No: 424834-W)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	For the 12 months ended 31 December 2009 RM'000	For the 12 months ended 31 December 2008 RM'000 Restated
Profit before tax	12,044	21,899
Adjustment for :		
Non-cash items	31,132	30,732
Non-operating items (which are investing/financing)	1,385	376
Operating profit before working capital changes	<u>44,561</u>	<u>53,007</u>
Changes in working capital	3,471	(22,682)
Other cash used (tax payment etc.) in operations	<u>(3,544)</u>	<u>(6,982)</u>
Net cash generated from operating activities	<u>44,488</u>	<u>23,343</u>
Net cash used in investing activities		
Purchase of property, plant and equipment	(23,284)	(84,314)
Proceeds from disposal of property, plant and equipment	12,481	14,705
Interest received	761	1,521
Withdrawal of fixed deposit	75	-
	<u>(9,967)</u>	<u>(68,088)</u>
Net cash (used in)/generated from financing activities		
Dividends paid to shareholders of the Company	(4,936)	(4,895)
Proceeds from bills payable	35,504	147,908
Repayment of bills payable	(44,746)	(150,620)
Proceeds from term loan	3,439	30,000
Repayment of term loan	(9,575)	(8,282)
Proceeds from revolving credit	15,000	14,500
Repayment of revolving credit	(10,000)	-
Interest paid	(2,146)	(1,897)
Purchase of treasury shares	(1,285)	(649)
	<u>(18,745)</u>	<u>26,065</u>
Net changes in cash and cash equivalents	15,776	(18,680)
Cash and cash equivalents at beginning of year	51,133	69,652
Foreign exchange differences on opening balance	(51)	161
Cash and cash equivalents at end of period	<u>66,858</u>	<u>51,133</u>
Cash and cash equivalents comprise:-		
Cash and bank balances	25,047	22,426
Fixed deposits (excluding deposits pledged)	41,811	28,707
	<u>66,858</u>	<u>51,133</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

**Explanatory notes as per FRS 134 – Interim Financial Reporting****1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2008, except for the adoption of proportionate consolidation for jointly controlled entities. Previously the Group adopted equity method for consolidation of jointly controlled entities. FRS 131 – Interests in Joint Ventures permits a venture to recognise its interest in a jointly controlled entity using either the proportionate consolidation or the equity method.

As at the date of this interim financial report, the Group has not applied the following applicable new FRSs, Amendments to FRSs and Interpretations:-

New FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1 (revised)	First-Time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (Revised 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010 and 1 July 2010
Amendment to FRS 7	Financial Instruments: Disclosures	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010



New FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
Amendment to FRS 128	Investment in Associates	1 January 2010
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010 and 1 July 2010
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010

The adoption of the new FRSs, amendments to FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Group.

The comparative figures have been restated as follows:-

<u>Fourth quarter ended 31 December 2008</u>	As previously stated	Reclassification	Restated
Income Statements	RM'000	RM'000	RM'000
Revenue	67,770	15,602	83,372
Cost of sales	(51,437)	(5,049)	(56,486)
Gross profit	16,333	10,553	26,886
Other income	1,741	267	2,008
Selling and distribution expenses	(9,665)	(4,282)	(13,947)
Administrative and general expenses	(7,362)	(5,474)	(12,836)
Interest expense	(783)	-	(783)
Interest income	206	107	313
Share of profit of jointly controlled entities	686	(686)	-
Profit before tax	1,156	485	1,641
Tax expense	1,761	(485)	1,276
Profit for the period	2,917	-	2,917

<u>Cumulative quarter ended 31 December 2008</u>	As previously stated	Reclassification	Restated
Income Statements	RM'000	RM'000	RM'000
Revenue	308,017	60,156	368,173
Cost of sales	(240,065)	(19,289)	(259,354)
Gross profit	67,952	40,867	108,819
Other income	5,078	211	5,289
Selling and distribution expenses	(33,797)	(18,343)	(52,140)



<u>Cumulative quarter ended 31 December 2008</u>	As previously stated	Reclassification	Restated
<u>Income Statements (Cont'd)</u>	RM'000	RM'000	RM'000
Administrative and general expenses	(23,133)	(16,560)	(39,693)
Interest expense	(1,897)	-	(1,897)
Interest income	996	525	1,521
Share of profit of jointly controlled entities	4,752	(4,752)	-
Profit before tax	19,951	1,948	21,899
Tax expense	(3,292)	(1,948)	(5,240)
Profit for the period	16,659	-	16,659
<u>Year ended 31 December 2008</u>	As previously stated	Reclassification	Restated
<u>Balance Sheets</u>	RM'000	RM'000	RM'000
Assets			
Property, plant and equipment	150,156	5,010	155,166
Prepaid lease payments	10,208	-	10,208
Investment in jointly controlled entities	28,439	(28,439)	-
Other investments	10	25	35
Lease receivables	5,389	-	5,389
Deferred tax assets	264	287	551
Intangible assets	606	5,944	6,550
Total non-current assets	195,072	(17,173)	177,899
Inventories	63,600	11,887	75,487
Receivables, deposits and prepayments	62,906	16,046	78,952
Current tax assets	2,456	71	2,527
Cash and cash equivalents	37,821	13,387	51,208
Total current assets	166,783	41,391	208,174
Total Assets	361,855	24,218	386,073
Equity			
Share capital	67,200	-	67,200
Reserves	(41,135)	-	(41,135)
Retained earnings	198,261	6,707	204,968
Treasury shares	(2,394)	-	(2,394)
Total equity	221,932	6,707	228,639
Liabilities			
Deferred tax liabilities	6,927	46	6,973
Employee benefits	1,760	228	1,988
Borrowings	20,274	-	20,274
Total non-current liabilities	28,961	274	29,235
Payables and accruals	64,538	17,114	81,652
Borrowings	44,434	-	44,434
Current tax liabilities	1,990	123	2,113
Total current liabilities	110,962	17,237	128,199
Total liabilities	139,923	17,511	157,434
Total equity and liabilities	361,855	24,218	386,073
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.37	0.10	3.47



2. Qualification of financial statements

The audited report of the preceding annual financial statements was not subject to any qualification.

3. Seasonal or cyclical factors

Apart from the general economic environment in which the Group operates, the businesses of the Group were not affected by any significant seasonal or cyclical factors in the current interim period.

4. Nature and amount of unusual items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income, or cash flows for the current interim period.

5. Nature and amount of changes in estimates

There were no material changes in estimates in respect of amounts reported in prior interim periods of the prior financial year.

6. Debt and equity securities

During the current interim period, the Company repurchased 325,900 of its issued ordinary shares from the open market at an average price of RM2.21 per share. Total consideration paid for the repurchase including transaction costs was RM718,986 and this was financed by internally generated funds. Cumulative total number of shares repurchased at the end of the quarter was 1,881,400. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. None of the treasury shares held were resold or cancelled during the current interim period.

There were no issuance and repayment of debt securities, share cancellation and resale of treasury shares for the current interim period.

7. Dividends paid

No dividend has been declared or paid in the current interim period.

8. Segmental reporting

The Group's segmental report for the financial year-to-date is as follows:-

Business Segments	Consumer Products		Travel and Car Rental		Machinery		Other Operations		Elimination		Consolidated	
	Restated		Restated								Restated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue - external	54,971	49,780	131,289	165,121	114,807	151,887	690	1,385	-	-	301,757	368,173
Inter-segmental revenue	-	-	544	1,255	-	-	-	-	(544)	(1,255)	-	-
Total revenue	54,971	49,780	131,833	166,376	114,807	151,887	690	1,385	(544)	(1,255)	301,757	368,173
Segmental result	1,771	1,198	7,540	13,754	7,787	11,069	(227)	560	-	-	16,871	26,581
Unallocated expenses											(3,442)	(4,306)
Operating profit											13,429	22,275
Interest expense											(2,146)	(1,897)
Interest income											761	1,521
Profit before tax											12,044	21,899

9. Property, Plant and Equipment

The valuation of property, plant and equipment were brought forward without amendment from the annual financial statements for the year ended 31 December 2008.



10. Material subsequent event

There has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

11. Changes in composition of the Group

- (i) On 12 January 2009, a new wholly-owned subsidiary, Mayflower Holidays Sdn Bhd was incorporated with an authorized share capital of RM500,000/- and issued and paid up capital of RM2/- to cater for the Group's future business needs. The principal object of Mayflower Holidays Sdn Bhd is to carry on the travel and tour business.
- (ii) On 19 February 2009, a new wholly-owned subsidiary, Warisan Automotif Holdings Sdn Bhd was incorporated with an authorized share capital of RM500,000/- and issued and paid up capital of RM2/- to carry on the business as an automotive investment holding company.
- (iii) On 10 July 2009, HairBiz Professionals Sdn Bhd, a wholly-owned subsidiary of the Company, changed its name to Grooming Expert Sdn Bhd ("GroomEXP") to undertake salon and academy business. With GroomEXP assuming salon and academy business on 20 July 2009, HairBiz College of Hairdressing Professionals Sdn Bhd, a wholly-owned subsidiary of the Company which was engaged in the operation of a hairdressing academy, ceased its business activity on 20 July 2009.
- (iv) On 9 September 2009, a new wholly-owned subsidiary in the name of ATM (Labuan) Pte Ltd was incorporated with an authorized share capital of USD 10 million and issued and paid up capital of USD1/- to carry on the business as an investment holding company for the Group's future overseas business.
- (v) On 5 January 2010, the Company acquired 70% equity interest in Kereta Komersil Seladang (M) Sdn Bhd ("KKS") comprising 10,500 ordinary shares of RM1/- each. KKS was incorporated on 19 September 2007. It has an authorized share capital of RM100,000/- and issued and paid up capital of RM15,000/-. KKS is the holder of a manufacturing license issued under the Industrial Co-ordination Act 1975 for the manufacture of light commercial vehicles.

12. Changes in contingent liabilities

There was no material change in contingent liabilities since the last quarterly announcement made.

Additional Information Required in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Review of performance

12 months ended 31 December 2009

Group revenue of RM301.8 million was 18% lower than RM368.2 million of the corresponding year. The decrease in revenue was due to lower revenue attained by the machinery and travel businesses. Profit before tax declined by 45% to RM12 million from RM21.9 million of the corresponding year. Profit after tax was recorded at RM6.6 million, 60% lower compared to RM16.7 million of the corresponding year. The decrease in profitability was attributed to lower contribution from the machinery and travel businesses.

Revenue and profitability of the machinery division were 24% and 29% lower respectively compared to the corresponding year. The drop in revenue was due mainly to contraction in demand for construction equipment and forklift which has consequently resulted in lower profitability.

The travel and car rental division recorded lower revenue and profitability by 21% and 49% respectively compared to the corresponding year. For the travel business, the lower revenue was due to lower demand in inbound, outbound and air-ticketing businesses which consequently resulted in lower profitability. For the car rental business, revenue decreased due to lower demand in coach, limo and chauffeur-driven businesses. Profitability decreased due mainly to higher interest expense, lower gain on disposal of vehicles, erosion in gross profit margin and increase in operating expenses.



As for the consumer products division, overall revenue increased by 10% compared to the corresponding year due mainly to higher revenue attained by Shiseido and Wacoal businesses. Profitability however was fairly consistent with the corresponding year.

Fourth quarter ended 31 December 2009

The Group registered revenue of RM79.8 million and profit before tax (“PBT”) of RM2.8 million compared to RM83.4 million and RM1.6 million respectively of the corresponding quarter. The increase in PBT was due mainly to higher contribution from the machinery and consumer products divisions. However, profit after tax decreased from RM2.9 million to RM0.6 million, due mainly to under-provision of deferred tax in prior year.

2. Comparison with preceding quarter’s results

The Group recorded higher revenue and profit before tax (“PBT”) of RM79.8 million and RM2.8 million compared to RM74.7 million and RM2.6 million respectively of the preceding quarter. The increase in revenue was due to higher revenue attained by machinery, travel and consumer products divisions. The increase in PBT was due mainly to higher contribution from the consumer products division.

3. Current year prospects

The slowdown in the global economy and HINI flu epidemic have inevitably affected the performance of the Group for 2009. Nevertheless, with more positive signs of economic recovery, the Group is expected to deliver an improved performance in 2010, barring any unforeseen circumstances.

4. Profit forecast

This is not applicable to the Group.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.09 RM’000	31.12.08 RM’000 Restated	31.12.09 RM’000	31.12.08 RM’000 Restated
<i>Tax expense</i>				
Current	438	1,041	2,820	5,257
(Over)/Under provision in prior year	(428)	99	(427)	99
<i>Deferred tax expense</i>				
Current	689	(56)	1,489	2,244
(Over)/Under provision in prior year	1,544	(2,360)	1,544	(2,360)
	<u>2,243</u>	<u>(1,276)</u>	<u>5,426</u>	<u>5,240</u>

The Group’s effective tax rate for 2009 and 2008 was higher than the prima facie tax rate due mainly to no group tax relief was applied by the Group to off-set its profits against the loss making companies and certain expenses which were not deductible for tax purpose.

6. Profit on sale of unquoted investments and/or properties

There was no sale of unquoted investments and properties during the current interim period.

7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities during the current interim period.

8. Status of corporate proposals

- (i) On 1 October 2009, the Company entered into a conditional Sale and Purchase Agreement (“SPA”) with Tan Chong Motor Holdings Berhad (“TCMH”) to acquire TCMH’s 70% equity interest in Kereta Komersil Seladang (M) Sdn Bhd (“KKS”) comprising 10,500 ordinary shares of RM1/- each (“Sale Shares”) for a cash consideration of RM700,000/- (“Acquisition”). Following TCMH’s receipt of the letter of approval dated 22 December 2009 from the Ministry of International Trade



and Industry (“MITI”) and fulfillment of all conditions precedent to the Acquisition, the Acquisition was completed on 5 January 2010. With the completion of the Acquisition, KKS became a 70% owned subsidiary of the Company effective 5 January 2010.

(ii) On 1 October 2009, the Company entered into a Memorandum of Understanding (“MOU”) with Beiqi Foton Motor Co. Ltd (“BFM”), a company incorporated under the laws of the People’s Republic of China, which sets out the intention, principles and perimeters of the prospective co-operation between the Company and BFM in relation to, inter alia, the appointment of the Company by BFM as:-

- (a) the sole and exclusive manufacturer and/or assembler and distributor of the light duty trucks and such additional variation(s) and/or model types from time to time as mutually agreed by the parties (“Vehicles”);
- (b) the sole and exclusive provider of after sales service of the Vehicles; and
- (c) the sole and exclusive distributor of the parts and accessories in respect of the Vehicles;

all in Malaysia and such other countries as the parties may agree from time to time subject to the terms and conditions of the KD Cooperation Agreement, Technology Licensing Agreement, After Sales Service Agreement, Vehicle Homologation Agreement and Overseas Warranty Policy to be entered into between the parties (collectively known as “Definitive Agreements”).

The Company shall have the right to assign the rights and obligations contemplated under this MOU and Definitive Agreements (including the right to enter into the Definitive Agreements with BFM) to any of its subsidiaries or related corporations.

This MOU shall be for a duration of a period of four (4) months (“Initial Duration”) and thereafter may be extended for a further period(s) to be mutually agreed upon between the parties. It shall be superseded with the signing of the Definitive Agreements.

On 29 January 2010, the Company entered into a Supplemental Agreement with BFM to extend the Initial Duration for a further period of one (1) month until 28 February 2010.

On 19 February 2010, Kereta Komersil Seladang (M) Sdn Bhd (“KKS”), a 70% owned subsidiary of the Company which has been assigned to sign the Definitive Agreements with BFM pursuant to the MOU, entered into a KD Cooperation Agreement (“KDA”) and Technology Licensing Agreement (“TLA”) with BFM.

Following the signing of the KDA and TLA, KKS is in discussion and negotiation with BFM on the terms and conditions of the remaining Definitive Agreements, namely After Sales Service Agreement, Overseas Warranty Policy and Vehicle Homologation Agreement.

(iii) On 1 October 2009, Angka-Tan Motor Sdn Bhd (“ATM”) (formerly known as Angka-Tan Machinery Sdn Bhd), a wholly-owned subsidiary of the Company, entered into a Memorandum of Understanding (“MOU”) with Beiqi Foton Motor Co. Ltd. (“BFM”), a company incorporated under the laws of the People’s Republic of China, which sets out the perimeters of the prospective co-operation between ATM and BFM and basis of negotiations leading to the signing of definitive agreements between the parties in relation to, inter alia, the appointment of ATM by BFM as:-

- (a) the sole and exclusive assembler and distributor of the medium and heavy duty trucks including all such additional variation(s) and / or model types from time to time as mutually agreed by the parties (“CKD Vehicles”);
- (b) the sole and exclusive provider of after sales service of the CKD Vehicles; and
- (c) the sole and exclusive distributor of the parts and accessories in respect of the CKD Vehicles;

all in Malaysia and such other countries as the parties may agree from time to time subject to the terms and conditions of the definitive agreements to be entered into between the parties.



This MOU shall be for a duration of six (6) months and thereafter shall be extended automatically for a further period of six (6) months. It shall be superseded with the signing of the definitive agreements to be entered into between the parties.

On 19 February 2010, ATM entered into a Distribution Agreement (“DA”) and Technical Assistance Agreement (“TAA”) with BFM.

Following the signing of the DA and TAA, ATM is in discussion and negotiation with BFM on the terms and conditions of the remaining definitive agreements, namely After Sales Service Agreement, Overseas Warranty Policy, Agreement On Licence And Protection Of Trademarks, Identifiers And Goodwill, and Vehicle Homologation Agreement.

9. Group borrowings

Particulars of the Group borrowings as at the reporting date are as follows:

	Unsecured
	RM'000
Current	
Bills payable	10,747
Revolving credit	19,500
Term loan	9,262
	<u>39,509</u>
Non-current	
Term loan	<u>14,821</u>

The above borrowings were denominated in Ringgit Malaysia.

10. Off balance sheet financial instruments

The Group does not have any financial instrument with off balance sheet risk as at the cut-off date of 16 February 2010 apart from outstanding forward contracts on foreign currencies in relation to the Group’s purchases, the impact of which will be reflected in the operating performance of the Group.

Currency	Contract Amount (‘000)	Equivalent amount in Ringgit Malaysia (‘000)	Expiry dates
Japanese Yen	232,237	8,651	25.02.10 – 16.04.10
USD	1,871	6,403	09.03.10 – 27.07.10
Euro	17	80	10.05.10

Forward foreign exchange contracts are entered into with licensed banks to immunise certain portion of the Group’s purchases from exchange rate movements. As the exchange rates are pre-determined under such contracts, the Company is not exposed to any market risk. Given that the contracts are entered into with licensed banks, the Group is of the view that credit risk is minimal. Apart from a small fee payable to the banks, there is no cash requirement for these contracts.

As the forward contracts are short term in nature, no adjustment has been made at the balance sheet date to account for the difference between the contracted rate and the prevailing market rate.

11. Material litigation

On 3 July 2002, the Company and a subsidiary claimed for damages against two former directors of the subsidiary for breaches of their fiduciary and/or contractual duties. On or about 25 June 2004, two former employees of subsidiaries of the Company were added as defendants to the action.

On 7 February 2006, the plaintiffs filed an application for leave to include another party as co-defendant. The application was allowed by the Court.



12. Dividend

The Board is pleased to recommend a final dividend of 6% (2008: 5%) less tax per share for the year ended 31 December 2009. Together with the interim dividend of 5% (2008 : 5%) less tax per share already declared and paid, this represents a total dividend of 11% (2008 : 10%) less tax per share.

The entitlement date and payment date for the final dividend shall be announced in due course.

13. Earnings per share

Basic earnings per share is calculated based on profit for the period attributable to ordinary equity holders of the Company and weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	582	2,791	6,618	16,811
	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	65,453	65,970	65,738	66,119
	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	Sen	Sen	Sen	Sen
Basic earnings per share	0.89	4.23	10.07	25.43

BY ORDER OF THE BOARD

CHANG PIE HOON

ANG LAY BEE

Company Secretaries

Kuala Lumpur

23 February 2010