



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

**INTERIM FINANCIAL REPORT FOR THE
QUARTER ENDED 30 JUNE 2011
(THE FIGURES HAVE NOT BEEN AUDITED)**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30 June		Year to Date 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	133,641	97,559	226,635	184,008
Cost of sales	(95,685)	(69,169)	(156,167)	(128,581)
Gross profit	37,956	28,390	70,468	55,427
Other income	631	78	936	721
Selling and distribution expenses	(16,274)	(14,005)	(31,381)	(27,939)
Administrative and general expenses	(13,606)	(8,983)	(26,113)	(17,725)
Interest expense	(2,304)	(684)	(4,046)	(1,210)
Interest income	527	233	1,012	394
Profit before tax	6,930	5,029	10,876	9,668
Tax expense	(2,810)	(1,866)	(4,661)	(3,379)
Profit for the period	4,120	3,163	6,215	6,289
Other comprehensive income, net of tax				
Change in fair value of cash flow hedge	277	(233)	(12)	(725)
Foreign exchange differences from translation	(11)	(34)	(159)	(248)
Total other comprehensive income for the period	266	(267)	(171)	(973)
Total comprehensive income for the period	4,386	2,896	6,044	5,316
Profit attributable to:				
Equity holders of the parent	4,113	3,163	6,254	6,289
Non-controlling interest	7	-	(39)	-
	4,120	3,163	6,215	6,289
Total comprehensive income attributable to:				
Equity holders of the parent	4,379	2,896	6,083	5,316
Non-controlling interest	7	-	(39)	-
	4,386	2,896	6,044	5,316
Basic earnings per share (sen)	6.31	4.85	9.59	9.64
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at End of Quarter 30 June 2011	(Audited) As at Preceding Year Ended 31 December 2010
	RM'000	RM'000
ASSETS		
Property, plant and equipment	223,927	182,942
Other investments	35	35
Lease receivables	7,329	8,296
Deferred tax assets	475	471
Intangible assets	15,075	15,075
Total non-current assets	<u>246,841</u>	<u>206,819</u>
Inventories	80,160	81,017
Receivables, deposits and prepayments	144,367	99,790
Derivative financial assets	149	100
Current tax assets	3,195	3,555
Cash and cash equivalents	100,435	86,988
Total current assets	<u>328,306</u>	<u>271,450</u>
TOTAL ASSETS	<u>575,147</u>	<u>478,269</u>
EQUITY		
Share capital	67,200	67,200
Share premium	615	615
Reserves	(42,447)	(42,276)
Retained earnings	215,535	212,215
Treasury shares	(3,975)	(3,933)
Total equity attributable to equity holders of the parent	<u>236,928</u>	<u>233,821</u>
Non-controlling interest	345	384
Total equity	<u>237,273</u>	<u>234,205</u>
LIABILITIES		
Deferred tax liabilities	14,985	13,871
Employee benefits	2,368	2,303
Borrowings	93,827	58,344
Total non-current liabilities	<u>111,180</u>	<u>74,518</u>
Payables and accruals	103,894	87,814
Borrowings	120,739	80,565
Derivative financial liabilities	165	100
Current tax liabilities	1,896	1,067
Total current liabilities	<u>226,694</u>	<u>169,546</u>
Total liabilities	<u>337,874</u>	<u>244,064</u>
TOTAL EQUITY AND LIABILITIES	<u>575,147</u>	<u>478,269</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>3.63</u>	<u>3.59</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable →						Distributable		Non-Controlling Interest	Total Equity
	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Hedging reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2010	67,200	615	(3,679)	(41,614)	(187)	-	206,852	229,187	-	229,187
- Effect of adopting FRS 139	-	-	-	-	-	(283)	874	591	-	591
As at 1 January 2010 - restated	67,200	615	(3,679)	(41,614)	(187)	(283)	207,726	229,778	-	229,778
Total comprehensive income for the period	-	-	-	-	(248)	(725)	6,289	5,316	-	5,316
Purchase of treasury shares	-	-	(241)	-	-	-	-	(241)	-	(241)
Dividend - 2009 final	-	-	-	-	-	-	(2,935)	(2,935)	-	(2,935)
As at 30 June 2010	67,200	615	(3,920)	(41,614)	(435)	(1,008)	211,080	231,918	-	231,918
As at 1 January 2011	67,200	615	(3,933)	(41,614)	(662)	-	212,215	233,821	384	234,205
Total comprehensive income for the period	-	-	-	-	(159)	(12)	6,254	6,083	(39)	6,044
Purchase of treasury shares	-	-	(42)	-	-	-	-	(42)	-	(42)
Dividend - 2010 final	-	-	-	-	-	-	(2,934)	(2,934)	-	(2,934)
As at 30 June 2011	67,200	615	(3,975)	(41,614)	(821)	(12)	215,535	236,928	345	237,273

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	For the 6 months ended 30 June 2011 RM'000	For the 6 months ended 30 June 2010 RM'000
Profit before tax	10,876	9,668
Adjustments for :		
Non-cash items	20,342	14,340
Non-operating items (which are investing/financing)	3,034	818
Operating profit before working capital changes	<u>34,252</u>	<u>24,826</u>
Changes in working capital	(26,847)	(9,509)
Other cash generated from operations	<u>4,946</u>	<u>5,017</u>
Net cash generated from operating activities	<u>12,351</u>	<u>20,334</u>
Net cash used in investing activities		
Acquisition of subsidiary	-	(700)
Purchase of property, plant and equipment	(69,334)	(28,459)
Proceeds from disposal of property, plant and equipment	942	89
Interest received	1,012	392
	<u>(67,380)</u>	<u>(28,678)</u>
Net cash generated from financing activities		
Dividends paid to shareholders of the Company	(2,934)	(2,935)
Proceeds from bills payable	112,868	80,482
Repayment of bills payable	(88,456)	(71,533)
Proceeds from term loan	40,000	22,769
Repayment of term loan	(8,755)	(4,446)
Proceeds from revolving credit	66,000	6,000
Repayment of revolving credit	(46,000)	(5,000)
Interest paid	(4,046)	(1,210)
Purchase of treasury shares	(42)	(241)
	<u>68,635</u>	<u>23,886</u>
Net changes in cash and cash equivalents	13,606	15,542
Cash and cash equivalents at beginning of year	86,988	66,858
Foreign exchange differences on opening balance	(159)	(248)
Cash and cash equivalents at end of period	<u>100,435</u>	<u>82,152</u>
Cash and cash equivalents comprise:-		
Cash and bank balances	36,164	23,584
Fixed deposits	64,271	58,568
	<u>100,435</u>	<u>82,152</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.



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 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 2010.

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 2010, except for the adoption of the following:-

FRSs/Interpretations	Effective date
Amendments to FRS 132, <i>Financial Instruments: Presentation-Classification of Right Issues</i>	1 March 2010
FRS 3, <i>Business Combinations (revised)</i>	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements (revised)</i>	1 July 2010
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
IC Interpretation 16, <i>FRS 2 – Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
IC Interpretation 17, <i>Distribution of Non-cash Assets to Owners</i>	1 July 2010
Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 July 2010
Amendments to FRS 7, <i>Financial Instruments: Disclosure-Improving Disclosures about Financial Instruments</i>	1 January 2011
IC Interpretation 4, <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
Improvements to FRSs (2010)	1 January 2011

The initial application of the aforesaid applicable standards, amendments or interpretations are not expected to have any significant financial impact to the financial statements upon their first adoption.

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 15,300 of its issued ordinary shares from the open market at an average price of RM2.59 per share. Total consideration paid for the repurchase including transaction costs was RM39,616 and this was financed by internally generated funds. Cumulative total number of shares repurchased at the end of the quarter was 2,008,900. 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. Dividend paid

At the Annual General Meeting held on 26 May 2011, the shareholders of the Company approved the payment of a final dividend of 6% (2009 : 6%) less tax per share for the financial year ended 31 December 2010. The total amount of RM2.934 million was paid on 23 June 2011.

8. Operating Segments

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

Business segments	6 Months Ended											
	Machinery		Travel and car rental		Consumer products		Automotive		Other operations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	90,187	66,243	93,824	86,444	32,420	30,733	8,982	-	1,222	588	226,635	184,008
Inter-segment revenue	-	-	567	492	-	-	27	-	-	-	594	492
Segment profit / (loss)	11,840	7,104	23,720	16,645	3,014	2,768	156	(308)	68	43	38,798	26,252
Segment assets	214,342	137,524	235,642	181,667	60,148	57,556	24,520	1,052	6,021	5,654	540,673	383,453
Segment liabilities	133,669	57,087	156,293	103,643	14,261	13,311	10,146	101	1,010	487	315,379	174,629
Reconciliation of reportable segment profit or loss											6 Months Ended	
											2011	2010
											RM'000	RM'000
Total profit or loss for reportable segments											38,798	26,252
Depreciation and amortisation											(20,790)	(14,464)
Interest expense											(4,046)	(1,210)
Interest income											1,012	394
Non-reportable segment expenses											(4,098)	(1,304)
Consolidated profit before tax											10,876	9,668
Reconciliation of reportable segment assets											2011	2010
											RM'000	RM'000
Total assets for reportable segments											540,673	383,453
Assets for other non-reportable segment											34,474	28,236
Consolidated assets											575,147	411,689
Reconciliation of reportable segment liabilities											2011	2010
											RM'000	RM'000
Total liabilities for reportable segments											315,379	174,629
Liabilities for other non-reportable segment											22,495	5,142
Consolidated liabilities											337,874	179,771



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 2010.

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

There was no change in composition of the Group during the current interim period.

12. Changes in contingent liabilities

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

13. Related Party Disclosures

Related party transactions between the Group and related parties are as follows:-

	Individual Quarter		Cumulative Quarter	
	30.6.11 RM'000	30.6.10 RM'000	30.6.11 RM'000	30.6.10 RM'000
Sales	7,268	913	8,110	1,117
Travel agency, car rental and workshop services	2,631	1,794	3,564	2,260
Rental income	112	69	216	133
Purchase of trucks and spare parts	898	274	1,187	769
Workshop service	370	232	772	521
Rental expense	12	6	41	9
Purchase of property, plant and equipment	11,734	4,513	18,184	7,258
Insurance agency service	857	428	1,402	877
Administrative service	131	35	965	71

The above transactions were entered into in the ordinary course of business based on normal commercial terms and on arms length basis. These transactions were established on terms that are not materially different from those with unrelated parties.

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

1. Review of performance

6 months ended 30 June 2011

Group revenue of RM226.6 million was 23% higher than RM184 million of the corresponding period. Higher revenue was achieved across all the business segments. Profit before tax ("PBT") was recorded at RM10.9 million, 12% higher than RM9.7 million of the corresponding period. Profit after tax was recorded at RM6.2 million, 2% lower than RM6.3 million of the corresponding period. Higher PBT was achieved by all business segments, however, the said improved performance was partly offset by the increase in corporate office expenses.



Machinery Division

Revenue of the machinery division was 36% higher compared with the corresponding period. The increase in revenue was attributed to the increase in demand of equipment, parts and service businesses. Profitability was consequently 36% higher compared with the corresponding period, contributed mainly by heavy equipment business from the East Malaysian market.

Travel and Car Rental Division

The travel and car rental division recorded higher revenue by 9% compared with the corresponding period. The increase in revenue was due mainly to higher business volume in car rental, corporate ticketing and inbound businesses. [Gross revenue, taking into consideration full sale proceeds of air tickets, was RM302 million compared with the corresponding period of RM231 million, an increase of 31%.] Profitability was higher by 47% compared with the corresponding period due to higher contribution from corporate ticketing, car rental and inbound businesses.

Consumer Products Division

As for the consumer products division, overall revenue increased by 5% compared with the corresponding period while profitability was 12% higher than the corresponding period. The improved performance was attributed to the increased contribution from Shiseido and Wacoal businesses.

Automotive Division

The automotive division started its debut sales of light duty trucks under the brandname of “BISON” in the second quarter, thus resulting in an improved performance compared with the corresponding period.

Second quarter ended 30 June 2011

The Group recorded higher revenue and profit before tax (“PBT”) of RM133.6 million and RM6.9 million compared with RM97.6 million and RM5 million respectively of the corresponding quarter. The improved revenue and PBT were contributed by all business segments.

2. Comparison with preceding quarter’s results

The Group recorded higher revenue and profit before tax (“PBT”) of RM133.6 million and RM6.9 million compared to RM93 million and RM3.9 million respectively of the preceding quarter. The improved revenue was attributed to the higher revenue attained by the machinery, travel and car rental, automotive as well as Shiseido businesses. The improved PBT was mainly attributed to the contribution from the machinery, Shiseido, automotive and corporate ticketing businesses.

3. Prospects

Barring any unforeseen circumstances, the Group is cautiously optimistic of its performance for the year ahead.

4. Profit forecast

This is not applicable to the Group.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	30.6.11 RM’000	30.6.10 RM’000	30.6.11 RM’000	30.6.10 RM’000
Current	1,126	1,566	3,547	2,479
Deferred	1,684	300	1,114	900
	<u>2,810</u>	<u>1,866</u>	<u>4,661</u>	<u>3,379</u>

The Group’s current tax rates for 2011 and 2010 were higher than the prima facie tax rate due mainly to no group tax relief was applied by the Group to offset its profits against the loss making companies. The deferred tax was provided in respect of net book value exceeding tax written down value of fixed assets.



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

- a) On 7 September 2010, Angka-Tan Motor Sdn Bhd (“ATM”), a wholly-owned subsidiary of the Company, entered into a Memorandum of Understanding with Beiqi Foton Motor Co. Ltd (“BFM”), a company incorporated under the laws of the People’s Republic of China, in respect of the prospective co-operation, inter alia, for assembly and distribution of bus chassis of such contractual model(s) to be mutually agreed between the parties (“Bus Products”) and distribution and selling of the Bus Products, either on its own or as complete bus in Malaysia. Following thereto, on 6 January 2011, ATM entered into a Distribution Agreement (“DA”) with BFM.

On 27 June 2011, ATM obtained the approval to assemble the Bus Products from the Malaysia Government Authority and on 5 August 2011, ATM signed the operating agreements namely, Technical Assistance Agreement, After Sales Service Agreement (including the Overseas Warranty Policy), Agreement on License and Protection of Trademarks, Identifiers and Goodwill and Vehicle Homologation Agreement. With this, all the conditions precedent to the DA were fulfilled on 5 August 2011 and the DA is now unconditional.

- b) On 18 July 2011, Kereta Komersil Seladang (M) Sdn Bhd (“KKS”) entered into a KD Cooperation Agreement (“KDA”) with Beiqi Foton Motor Co. Ltd (“BFM”), a company incorporated under the laws of the People’s Republic of China, in respect of the appointment of KKS by BFM as the sole and exclusive assembler and distributor of light duty commercial vehicles (Pick Up) manufactured by BFM and spare parts and provider of after sales service in Malaysia.

Currently, KKS is in discussion and negotiation with BFM on terms and conditions of the remaining operating agreements namely After Sales Service Agreement (including the Overseas Warranty Policy) and Vehicle Homologation Agreement. KKS is also in the midst of obtaining the approval for the model(s) and/or variant for the purpose of assembly of light duty commercial vehicles (Pick Up) from the Malaysian Government Authority.

9. Group borrowings

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

	Unsecured RM'000
Current	
Banker acceptance	53,611
Revolving credit	54,500
Term loan	12,628
	<u>120,739</u>
 Non-current	
Term loan	<u>93,827</u>

The above borrowings were denominated in Ringgit Malaysia.

**10. Financial Instruments**

As at 30 June 2011, the foreign currency contracts which have been entered into by the Group to hedge its foreign purchases and sales in foreign currencies are as follows:-

Forward Foreign Currency	Contract Value RM'000	Fair Value RM'000	Difference RM'000	Ageing
<i>Payables</i>				
USD	(11,841)	(11,694)	(147)	Less than 1 year
Euro	(2,547)	(2,550)	3	Less than 1 year
Yen	(16,873)	(16,992)	119	Less than 1 year
Pound	(949)	(931)	(18)	Less than 1 year
<i>Receivables</i>				
USD	4,557	4,530	27	Less than 1 year
Total	(27,653)	(27,637)	(16)	

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 (2) 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.

The parties are awaiting further direction from the Court to set a date for a further mention date.

12. Dividend

The Board of Directors is pleased to declare an interim dividend of 6% (2010 : 6%) less tax per share for the financial year ending 31 December 2011. The interim dividend will be paid on 29 September 2011. The entitlement date for the interim dividend shall be 9 September 2011.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- shares transferred into the depositors' securities account before 4.00 p.m. on 9 September 2011 in respect of ordinary shares; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement in accordance with the rules of Bursa Malaysia Securities Berhad.

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	
	30.6.11 RM'000	30.6.10 RM'000	30.6.11 RM'000	30.6.10 RM'000
Profit attributable to equity holders of the parent	4,113	3,163	6,254	6,289



	Individual Quarter		Cumulative Quarter	
	30.6.11	30.6.10	30.6.11	30.6.10
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	65,198	65,220	65,203	65,251
	Individual Quarter		Cumulative Quarter	
	30.6.11	30.6.10	30.6.11	30.6.10
	Sen	Sen	Sen	Sen
Basic earnings per share	6.31	4.85	9.59	9.64

14. Disclosure of realised and unrealised profits

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Securities”) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 30 June 2011, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	As at 30.6.2011 RM'000	As at 31.3.2011 RM'000
Total retained profits of the Group:		
- Realised	253,354	249,773
- Unrealised	(13,501)	(11,817)
	239,853	237,956
Total retained profits from jointly controlled entities		
- Realised	7,313	7,488
- Unrealised	718	718
	8,031	8,206
Less: Consolidation adjustments	(32,349)	(31,806)
Total retained profits as per statement of financial position	215,535	214,356

The determination of realised and unrealised profits or losses is compiled based on Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

BY ORDER OF THE BOARD
 CHANG PIE HOON
 ANG LAY BEE
 Company Secretaries
 Kuala Lumpur
 16 August 2011