



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

**INTERIM FINANCIAL REPORT FOR THE  
QUARTER ENDED 31 MARCH 2012  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |               |
|---|--------------------|---------------|--------------------|---------------|
|   | Quarter Ended      |               | Year to Date       |               |
|   | 31 March           |               | 31 March           |               |
|   | 2012               | 2011          | 2012               | 2011          |
|   | RM'000             | RM'000        | RM'000             | RM'000        |
| Revenue   | 123,610            | 92,994        | 123,610            | 92,994        |
| Cost of sales                                   | (85,247)           | (60,482)      | (85,247)           | (60,482)      |
| <b>Gross profit</b>                             | <b>38,363</b>      | <b>32,512</b> | <b>38,363</b>      | <b>32,512</b> |
| Other income                                    | 480                | 305           | 480                | 305           |
| Selling and distribution expenses               | (17,431)           | (15,107)      | (17,431)           | (15,107)      |
| Administrative and general expenses             | (13,593)           | (12,507)      | (13,593)           | (12,507)      |
| Interest expense                                | (2,421)            | (1,742)       | (2,421)            | (1,742)       |
| Interest income                                 | 456                | 485           | 456                | 485           |
| <b>Profit before tax</b>                        | <b>5,854</b>       | <b>3,946</b>  | <b>5,854</b>       | <b>3,946</b>  |
| Tax expense                                     | (1,712)            | (1,851)       | (1,712)            | (1,851)       |
| <b>Profit for the period</b>                    | <b>4,142</b>       | <b>2,095</b>  | <b>4,142</b>       | <b>2,095</b>  |
| Other comprehensive income, net of tax          |                    |               |                    |               |
| Change in fair value of cash flow hedge         | (273)              | (289)         | (273)              | (289)         |
| Foreign exchange differences from translation   | (263)              | (148)         | (263)              | (148)         |
| Total other comprehensive income for the period | (536)              | (437)         | (536)              | (437)         |
| Total comprehensive income for the period       | 3,606              | 1,658         | 3,606              | 1,658         |
| Profit attributable to:                         |                    |               |                    |               |
| Owners of the Company                           | 4,123              | 2,141         | 4,123              | 2,141         |
| Non-controlling interests                       | 19                 | (46)          | 19                 | (46)          |
|   | 4,142              | 2,095         | 4,142              | 2,095         |
| Total comprehensive income attributable to:     |                    |               |                    |               |
| Owners of the Company                           | 3,587              | 1,704         | 3,587              | 1,704         |
| Non-controlling interests                       | 19                 | (46)          | 19                 | (46)          |
|   | 3,606              | 1,658         | 3,606              | 1,658         |
| Basic earnings per share (sen)                  | 6.33               | 3.28          | 6.33               | 3.28          |
| 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 2011.



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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | As at<br>31.03.2012<br>RM'000 | As at<br>31.12.2011<br>RM'000<br>Restated | As at<br>01.01.2011<br>RM'000<br>Restated |
|--|-------------------------------|---|---|
| <b>ASSETS</b>  |                               |   |   |
| Property, plant and equipment  | 212,007                       | 209,259                                   | 182,942                                   |
| Investment property  | 22,700                        | 22,700                                    | -   |
| Other investments  | 35                            | 35  | 35  |
| Lease receivables  | 6,608                         | 7,252                                     | 8,296                                     |
| Deferred tax assets  | 987                           | 893                                       | 471                                       |
| Intangible assets  | 15,075                        | 15,075                                    | 15,075                                    |
| <b>Total non-current assets</b>  | <u>257,412</u>                | <u>255,214</u>                            | <u>206,819</u>                            |
| Inventories  | 107,537                       | 104,363                                   | 81,017                                    |
| Receivables, deposits and prepayments                                  | 150,223                       | 117,251                                   | 99,790                                    |
| Derivative financial assets  | 28                            | 118                                       | 100                                       |
| Current tax assets   | 6,326                         | 5,922                                     | 3,555                                     |
| Cash and cash equivalents  | 93,739                        | 99,803                                    | 86,988                                    |
| <b>Total current assets</b>  | <u>357,853</u>                | <u>327,457</u>                            | <u>271,450</u>                            |
| <b>TOTAL ASSETS</b>  | <u>615,265</u>                | <u>582,671</u>                            | <u>478,269</u>                            |
| <b>EQUITY</b>  |                               |   |   |
| Share capital  | 67,200                        | 67,200                                    | 67,200                                    |
| Share premium  | 615                           | 615                                       | 615                                       |
| Reserves   | (29,812)                      | (29,276)                                  | (41,614)                                  |
| Retained earnings  | 223,509                       | 219,386                                   | 211,553                                   |
| Treasury shares  | (4,051)                       | (4,051)                                   | (3,933)                                   |
| <b>Total equity attributable to owners of the Company</b>              | <u>257,461</u>                | <u>253,874</u>                            | <u>233,821</u>                            |
| <b>Non-controlling interests</b>                                       | 432                           | 413                                       | 384                                       |
| <b>TOTAL EQUITY</b>  | <u>257,893</u>                | <u>254,287</u>                            | <u>234,205</u>                            |
| <b>LIABILITIES</b>   |                               |   |   |
| Deferred tax liabilities   | 18,223                        | 17,770                                    | 13,871                                    |
| Employee benefits  | 2,603                         | 2,522                                     | 2,303                                     |
| Borrowings   | 79,953                        | 85,635                                    | 58,344                                    |
| <b>Total non-current liabilities</b>                                   | <u>100,779</u>                | <u>105,927</u>                            | <u>74,518</u>                             |
| Payables and accruals  | 112,159                       | 91,699                                    | 87,814                                    |
| Borrowings   | 142,200                       | 128,887                                   | 80,565                                    |
| Derivative financial liabilities                                       | 456                           | 182                                       | 100                                       |
| Current tax liabilities  | 1,778                         | 1,689                                     | 1,067                                     |
| <b>Total current liabilities</b>                                       | <u>256,593</u>                | <u>222,457</u>                            | <u>169,546</u>                            |
| <b>TOTAL LIABILITIES</b>   | <u>357,372</u>                | <u>328,384</u>                            | <u>244,064</u>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <u>615,265</u>                | <u>582,671</u>                            | <u>478,269</u>                            |
| <b>Net assets per share attributable to owners of the Company (RM)</b> | <u>3.95</u>                   | <u>3.90</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 2011.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | ← Attributable to owners of the Company → |               |                 |                 |                     |                 |                     |                   | Non-controlling interests | Total Equity |                |
|---|---|---------------|-----------------|-----------------|---------------------|-----------------|---------------------|-------------------|---------------------------|--------------|----------------|
|   | ← Non-distributable                       |               |                 |                 | → Distributable     |                 |                     |                   |                           |              |                |
|   | Share capital                             | Share premium | Treasury shares | Merger reserve  | Translation reserve | Hedging reserve | Revaluation reserve | Retained earnings | Total                     |              |                |
|   | RM000                                     | RM000         | RM000           | RM000           | RM000               | RM000           | RM000               | RM000             | RM000                     | RM000        |                |
| <b>At 1 January 2011 - restated</b>                             | 67,200                                    | 615           | (3,933)         | (41,614)        | -                   | -               | -                   | 211,553           | 233,821                   | 384          | 234,205        |
| Foreign currency translation differences for foreign operations | -   | -             | -               | -               | (148)               | -               | -                   | -                 | (148)                     | -            | (148)          |
| Cash flow hedge   | -   | -             | -               | -               | -                   | (289)           | -                   | -                 | (289)                     | -            | (289)          |
| Total other comprehensive income for the period                 | -   | -             | -               | -               | (148)               | (289)           | -                   | -                 | (437)                     | -            | (437)          |
| Profit for the period   | -   | -             | -               | -               | -                   | -               | -                   | 2,141             | 2,141                     | (46)         | 2,095          |
| Total comprehensive income for the period                       | -   | -             | -               | -               | (148)               | (289)           | -                   | 2,141             | 1,704                     | (46)         | 1,658          |
| Purchase of treasury shares                                     | -   | -             | (3)             | -               | -                   | -               | -                   | -                 | (3)                       | -            | (3)            |
| <b>At 31 March 2011 - restated</b>                              | <b>67,200</b>                             | <b>615</b>    | <b>(3,936)</b>  | <b>(41,614)</b> | <b>(148)</b>        | <b>(289)</b>    | <b>-</b>            | <b>213,694</b>    | <b>235,522</b>            | <b>338</b>   | <b>235,860</b> |
| <b>At 1 January 2012 - restated</b>                             | 67,200                                    | 615           | (4,051)         | (41,614)        | 181                 | (48)            | 12,205              | 219,386           | 253,874                   | 413          | 254,287        |
| Foreign currency translation differences for foreign operations | -   | -             | -               | -               | (263)               | -               | -                   | -                 | (263)                     | -            | (263)          |
| Cash flow hedge   | -   | -             | -               | -               | -                   | (273)           | -                   | -                 | (273)                     | -            | (273)          |
| Total other comprehensive income for the period                 | -   | -             | -               | -               | (263)               | (273)           | -                   | -                 | (536)                     | -            | (536)          |
| Profit for the period   | -   | -             | -               | -               | -                   | -               | -                   | 4,123             | 4,123                     | 19           | 4,142          |
| Total comprehensive income for the period                       | -   | -             | -               | -               | (263)               | (273)           | -                   | 4,123             | 3,587                     | 19           | 3,606          |
| Purchase of treasury shares                                     | -   | -             | -               | -               | -                   | -               | -                   | -                 | -                         | -            | -              |
| <b>At 31 March 2012</b>   | <b>67,200</b>                             | <b>615</b>    | <b>(4,051)</b>  | <b>(41,614)</b> | <b>(82)</b>         | <b>(321)</b>    | <b>12,205</b>       | <b>223,509</b>    | <b>257,461</b>            | <b>432</b>   | <b>257,893</b> |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011.



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | <b>For the 3<br/>months ended<br/>31 March 2012<br/>RM'000</b> | <b>For the 3<br/>months ended<br/>31 March 2011<br/>RM'000</b> |
|---|--|--|
| Profit before tax   | 5,854  | 3,946  |
| <b>Adjustments for :</b>                                      |  |  |
| Depreciation  | 11,631   | 9,512  |
| Other non-cash items  | (124)  | (545)  |
| Non-operating items (which are investing/financing)           | 1,965  | 1,257  |
| <b>Operating profit before working capital changes</b>        | <u>19,326</u>  | <u>14,170</u>  |
| <b>Changes in working capital</b>                             | (15,344)   | (44,257)   |
| <b>Other cash generated from operations</b>                   | 443  | 3,355  |
| <b>Net cash generated from/(used in) operating activities</b> | <u>4,425</u>   | <u>(26,732)</u>  |
| <b>Net cash used in investing activities</b>                  |  |  |
| Purchase of property, plant and equipment                     | (16,248)   | (21,349)   |
| Proceeds from disposal of property, plant and equipment       | 283  | 487  |
| Interest received   | 456  | 485  |
|   | <u>(15,509)</u>  | <u>(20,377)</u>  |
| <b>Net cash generated from financing activities</b>           |  |  |
| Proceeds from bills payable                                   | 61,013   | 71,872   |
| Repayment of bills payable                                    | (50,168)   | (48,888)   |
| Proceeds from term loan                                       | -  | 40,000   |
| Repayment of term loan  | (8,214)  | (4,153)  |
| Proceeds from revolving credit                                | 35,000   | 30,000   |
| Repayment of revolving credit                                 | (30,000)   | (10,000)   |
| Interest paid   | (2,421)  | (1,742)  |
| Purchase of treasury shares                                   | -  | (3)  |
|   | <u>5,210</u>   | <u>77,086</u>  |
| <b>Net changes in cash and cash equivalents</b>               | (5,874)  | 29,977   |
| <b>Cash and cash equivalents at beginning of year</b>         | 99,803   | 86,988   |
| <b>Foreign exchange differences</b>                           | (190)  | (124)  |
| <b>Cash and cash equivalents at end of period</b>             | <u>93,739</u>  | <u>116,841</u>   |
| Cash and cash equivalents comprise:-                          |  |  |
| Cash and bank balances  | 23,463   | 46,066   |
| Fixed deposits  | 70,276   | 70,775   |
|   | <u>93,739</u>  | <u>116,841</u>   |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011.



**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 Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia 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 2011.

This interim financial report is the Group’s first MFRS compliant condensed report and hence MFRS 1 : First-Time Adoption of Malaysian Financial Reporting Standards (MFRS1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS1. The impact of the transition from Financial Reporting Standards (“FRS”) to MFRS is described below.

Foreign currency translation reserve (“FCTR”)

At the date of transition to MFRS, the cumulative foreign currency differences of RM662,000 is adjusted to retained earnings. The reconciliation of equity for comparative periods and of equity at date of transition reported under FRS to those reported for periods and at the date of transition under MFRS is as follows:-

*Reconciliation of equity as at 31 January 2011*

| <u>RM’000</u>     | <u>FRS as at 1.1.2011</u> | <u>Effect of transition to MFRS</u> | <u>MFRS as at 1.1.2011</u> |
|-------------------|---------------------------|-------------------------------------|----------------------------|
| Equity            |                           |                                     |                            |
| FCTR              | (662)                     | 662                                 | -                          |
| Retained earnings | 212,215                   | (662)                               | 211,553                    |

*Reconciliation of equity as at 31 March 2011*

| <u>RM’000</u>     | <u>FRS as at 31.3.2011</u> | <u>Effect of transition to MFRS</u> | <u>MFRS as at 31.3.2011</u> |
|-------------------|----------------------------|-------------------------------------|-----------------------------|
| Equity            |                            |                                     |                             |
| FCTR              | (810)                      | 662                                 | (148)                       |
| Retained earnings | 214,356                    | (662)                               | 213,694                     |

*Reconciliation of equity as at 31 December 2011*

| <u>RM’000</u>     | <u>FRS as at 31.12.2011</u> | <u>Effect of transition to MFRS</u> | <u>MFRS as at 31.12.2011</u> |
|-------------------|-----------------------------|-------------------------------------|------------------------------|
| Equity            |                             |                                     |                              |
| FCTR              | (481)                       | 662                                 | 181                          |
| Retained earnings | 220,048                     | (662)                               | 219,386                      |



**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 did not repurchase any of its issued ordinary shares from the open market. Cumulative total number of shares repurchased at the end of the quarter was 2,039,200. 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**

No dividend was paid during the current interim period.



## 8. Operating segments

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

| Business segments                                   | 3 Months Ended   |               |                              |               |                          |               |                   |               |                         |               |                |                       |         |
|---|------------------|---------------|------------------------------|---------------|--------------------------|---------------|-------------------|---------------|-------------------------|---------------|----------------|-----------------------|---------|
|   | <u>Machinery</u> |               | <u>Travel and car rental</u> |               | <u>Consumer products</u> |               | <u>Automotive</u> |               | <u>Other operations</u> |               | <u>Total</u>   |                       |         |
|   | 2012<br>RM'000   | 2011<br>RM000 | 2012<br>RM'000               | 2011<br>RM000 | 2012<br>RM'000           | 2011<br>RM000 | 2012<br>RM'000    | 2011<br>RM000 | 2012<br>RM'000          | 2011<br>RM000 | 2012<br>RM'000 | 2011<br>RM000         |         |
| External revenue                                    | <b>46,617</b>    | 34,702        | <b>51,717</b>                | 40,596        | <b>16,669</b>            | 17,086        | <b>7,877</b>      | -             | <b>730</b>              | 610           | <b>123,610</b> | 92,994                |         |
| Inter-segment revenue                               | -                | -             | <b>402</b>                   | 290           | -                        | -             | -                 | -             | -                       | -             | <b>402</b>     | 290                   |         |
| Segment profit / (loss)                             | <b>6,029</b>     | 4,989         | <b>12,977</b>                | 10,926        | <b>1,577</b>             | 1,392         | <b>146</b>        | (427)         | <b>128</b>              | (75)          | <b>20,857</b>  | 16,805                |         |
| Segment assets                                      | <b>233,924</b>   | 219,958       | <b>234,461</b>               | 242,317       | <b>74,809</b>            | 60,672        | <b>32,375</b>     | 12,733        | <b>7,323</b>            | 6,946         | <b>582,892</b> | 542,626               |         |
| Segment liabilities                                 | <b>151,425</b>   | 137,263       | <b>148,932</b>               | 163,986       | <b>14,716</b>            | 14,740        | <b>16,137</b>     | 326           | <b>1,408</b>            | 1,668         | <b>332,618</b> | 317,983               |         |
| Reconciliation of reportable segment profit or loss |                  |               |                              |               |                          |               |                   |               |                         |               |                | <u>3 Months Ended</u> |         |
|   |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>2012</b>           | 2011    |
|   |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>RM'000</b>         | RM000   |
| Total profit or loss for reportable segments        |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>20,857</b>         | 16,805  |
| Depreciation and amortisation                       |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>(11,631)</b>       | (9,512) |
| Interest expense                                    |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>(2,421)</b>        | (1,742) |
| Interest income                                     |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>456</b>            | 485     |
| Non-reportable segment expenses                     |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>(1,407)</b>        | (2,090) |
| Consolidated profit before tax                      |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>5,854</b>          | 3,946   |
| Reconciliation of reportable segment assets         |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>2012</b>           | 2011    |
|   |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>RM'000</b>         | RM000   |
| Total assets for reportable segments                |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>582,892</b>        | 542,626 |
| Assets for other non-reportable segment             |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>32,373</b>         | 34,179  |
| Consolidated assets                                 |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>615,265</b>        | 576,805 |
| Reconciliation of reportable segment liabilities    |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>2012</b>           | 2011    |
|   |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>RM'000</b>         | RM000   |
| Total liabilities for reportable segments           |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>332,618</b>        | 317,983 |
| Liabilities for other non-reportable segment        |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>24,754</b>         | 22,962  |
| Consolidated liabilities                            |                  |               |                              |               |                          |               |                   |               |                         |               |                | <b>357,372</b>        | 340,945 |

## 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 2011.

## 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

On 29 March 2012, a new wholly-owned subsidiary, TCIM (Labuan) Pte Ltd was incorporated with a paid up capital of USD1.00 to cater for the Group's future expansion needs.

## 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 |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 31.03.12<br>RM'000 | 31.03.11<br>RM'000 | 31.03.12<br>RM'000 | 31.03.11<br>RM'000 |
| Sales   | 7,620              | 842                | 7,620              | 842                |
| Travel agency, car rental and workshop services | 2,199              | 933                | 2,199              | 933                |
| Rental income                                   | 258                | 104                | 258                | 104                |
|   | <u>10,077</u>      | <u>1,879</u>       | <u>10,077</u>      | <u>1,879</u>       |
| Purchase of trucks and spare parts              | 159                | 289                | 159                | 289                |
| Workshop service                                | 381                | 402                | 381                | 402                |
| Rental expense                                  | 12                 | 29                 | 12                 | 29                 |
| Purchase of property, plant and equipment       | 5,996              | 6,431              | 5,996              | 6,431              |
| Insurance agency service                        | 1,539              | 545                | 1,539              | 545                |
| Administrative service                          | 492                | 853                | 492                | 853                |
| Assembly service                                | 108                | -                  | 108                | -                  |
|   | <u>8,687</u>       | <u>8,549</u>       | <u>8,687</u>       | <u>8,549</u>       |

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 ("Bursa Securities")

#### 1. Review of performance

##### 3 months ended 31 March 2012

Group revenue of RM123.6 million was 33% higher than RM93 million of the corresponding period. Higher revenue was achieved across machinery, travel and car rental as well as automotive divisions. Profit before tax ("PBT") was recorded at RM5.9 million, 51% higher than RM3.9 million of the corresponding period. Profit after tax was recorded at RM4.1 million, 95% higher than RM2.1 million of the corresponding period. Higher profitability was contributed mainly by machinery, consumer products and automotive divisions.

##### Machinery Division

Revenue of the machinery division was 34% higher compared with the corresponding period. The increase in revenue was attributed to the increase in demand of heavy equipment and parts. Consequently, profitability was 19% higher compared with the corresponding period, contributed mainly by heavy equipment and parts businesses as a result of higher revenue attained.





#### Travel and Car Rental Division

The travel and car rental division recorded higher revenue by 27% compared with the corresponding period. The increase in revenue was due mainly to higher business volume in inbound, outbound retail and wholesale, car rental as well as corporate ticketing businesses. [Gross revenue, taking into consideration full sale proceeds of air tickets, was RM151.1 million compared with the corresponding year of RM137.5 million, an increase of 10%.] Nevertheless, profitability was fairly consistent compared with the corresponding period. The higher profitability contribution from inbound business, corporate ticketing and car rental businesses was partly offset by lower profitability contribution from outbound retail and wholesale as well as corporate traveling businesses.

#### Consumer Products Division

As for the consumer products division, overall revenue decreased by 2% compared with the corresponding period while profitability was 21% higher than the corresponding period. The higher profitability was mainly attributed to the increased contribution from Shiseido and Wacoal businesses as a result of a slight increase in revenue and cost containment exercise.

#### Automotive Division

With the commencement of sales in June 2011, the automotive division recorded an improved performance compared with the corresponding period.

### **2. Comparison with preceding quarter's results**

The Group recorded higher revenue by 5% of RM123.6 million compared with RM117.5 million of the preceding quarter. Profit before tax ("PBT") stood at RM5.9 million, 5% higher compared to RM5.6 million of the preceding quarter. The higher revenue was attributed to higher contribution from automotive, machinery as well as travel and car rental divisions. Consequently, higher PBT was attained, attributed mainly to higher contribution from machinery division.

### **3. Prospects**

The Malaysian economic growth forecast for 2012 between 4% to 5% by Bank Negara is marginally lower than economic growth of 5.1% in 2011. Nevertheless, the machinery division cautiously expects to be able to sustain its performance on the back of a wide range of reliable products, effective business strategies and cost containment exercise.

The travel industry for 2012 may be challenging with possible airfare increase and stiff competition amongst the players. As in the past, to withstand the performance, the travel and car rental division will continue its effort to contain cost as well as to improvise its products and quality of service to gain more market share.

The retail sentiment is forecasted to be healthy with the Retail Group Malaysia (RGM)'s forecast for private consumption growth of 6% in 2012. With effective marketing strategies and brand building activities in place, the consumer products division is cautiously optimistic to be able to sustain its performance.

First quarter of 2012 saw a decrease in total registration of commercial vehicles compared to the corresponding quarter. 15,707 commercial vehicles were registered in the first three months of 2012 compared with 15,887 commercial vehicles registered in the corresponding quarter. However, the automotive division expects to be able to improve its performance with its upcoming launches of new products at competitive pricing throughout the year.

With the above, the Group remains positive of its overall performance for 2012 while striving to improve operational efficiency and productivity.

### **4. Profit forecast**

This is not applicable to the Group.

**5. Tax expense**

|                             | Individual Quarter |                    | Cumulative Quarter |                    |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
|                             | 31.03.12<br>RM'000 | 31.03.11<br>RM'000 | 31.03.12<br>RM'000 | 31.03.11<br>RM'000 |
| <i>Tax expense</i>          |                    |                    |                    |                    |
| Current                     | 1,263              | 2,421              | 1,263              | 2,421              |
| <i>Deferred tax expense</i> |                    |                    |                    |                    |
| Current                     | 449                | (570)              | 449                | (570)              |
|                             | <u>1,712</u>       | <u>1,851</u>       | <u>1,712</u>       | <u>1,851</u>       |

The Group's current tax rate for 2012 was lower than the prima facie tax rate due mainly to tax exempt status of certain sources of income which are specific to travel business and utilisation of capital allowances arising from purchases of fixed assets. The Group's current tax rate for 2011 was 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. Status of corporate proposals**

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.

On 17 November 2011, both KKS and BFM have extended the condition fulfillment period (CF Period") under the KD Cooperation Agreement and such CF Period was further extended on 16 April 2012 for another 6 months ending 17 October 2012. The parties are in the midst of fulfilling the conditions precedent to the KD Cooperation Agreement.

**7. Group borrowings**

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

|                    |                  |
|--------------------|------------------|
| <b>Current</b>     | <b>Unsecured</b> |
|                    | <b>RM'000</b>    |
| Banker acceptance  | 61,013           |
| Revolving credit   | 43,500           |
| Term loan          | <u>37,687</u>    |
|                    | <u>142,200</u>   |
| <b>Non-current</b> |                  |
| Term loan          | <u>79,953</u>    |

The above borrowings were denominated in Ringgit Malaysia.

**8. Financial instruments**

As at 31 March 2012, 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<br>RM | Fair Value<br>RM | Difference<br>RM | Ageing           |
|--------------------------|----------------------|------------------|------------------|------------------|
| <i>Payables</i>          |                      |                  |                  |                  |
| USD                      | (33,886,120)         | (33,748,219)     | (137,901)        | Less than 1 year |
| Euro                     | (2,413,865)          | (2,415,686)      | 1,821            | Less than 1 year |
| Yen                      | (15,480,146)         | (15,171,753)     | (308,393)        | Less than 1 year |
| Pound                    | (1,178,210)          | (1,204,051)      | 25,841           | Less than 1 year |
| <i>Receivables</i>       |                      |                  |                  |                  |
| USD                      | 2,438,270            | 2,447,200        | (8,930)          | Less than 1 year |
| Total                    | (50,520,071)         | (50,092,509)     | (427,562)        |                  |

**9. 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.

**10. Dividend**

No interim dividend has been recommended during the current interim period.

**11. Earnings per share**

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

|  | Individual Quarter |          | Cumulative Quarter |          |
|--|--------------------|----------|--------------------|----------|
|  | 31.03.12           | 31.03.11 | 31.03.12           | 31.03.11 |
|  | RM'000             | RM'000   | RM'000             | RM'000   |
| Profit attributable to owners<br>of the Company        | 4,123              | 2,141    | 4,123              | 2,141    |
|  | <hr/>              |          | <hr/>              |          |
|  | Individual Quarter |          | Cumulative Quarter |          |
|  | 31.03.12           | 31.03.11 | 31.03.12           | 31.03.11 |
|  | '000               | '000     | '000               | '000     |
| Weighted average number of<br>ordinary shares in issue | 65,161             | 65,207   | 65,161             | 65,207   |
|  | <hr/>              |          | <hr/>              |          |
|  | Individual Quarter |          | Cumulative Quarter |          |
|  | 31.03.12           | 31.03.11 | 31.03.12           | 31.03.11 |
|  | Sen                | Sen      | Sen                | Sen      |
| Basic earnings per share                               | 6.33               | 3.28     | 6.33               | 3.28     |
|  | <hr/>              |          | <hr/>              |          |



## 12. Notes to the Condensed Consolidated Income Statement

Profit before tax is arrived at after charging the following items:

|     |   | Individual quarter |          |
|-----|---|--------------------|----------|
|     |   | 31.03.12           | 31.03.11 |
|     |   | RM'000             | RM'000   |
| (a) | Depreciation and amortisation                             | 11,631             | 9,512    |
| (b) | Provision for doubtful debts                              | 11                 | -        |
| (c) | Bad debts written off                                     | -                  | -        |
| (d) | Provision for inventories                                 | 679                | 546      |
| (e) | Inventories written off                                   | -                  | -        |
| (f) | (Gain)/Loss on disposal of quoted or unquoted investments | -                  | -        |
| (g) | (Gain)/Loss on disposal of properties                     | -                  | -        |
| (h) | Impairment of assets                                      | -                  | -        |
| (i) | Foreign exchange loss                                     | 196                | -        |
| (j) | Loss on derivatives                                       | -                  | -        |
| (k) | Exceptional items   | -                  | -        |



### 13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 March 2012, into realised and unrealised profits/losses, is as follows:

|   | <b>As at<br/>31.03.2012<br/>RM'000</b> | <b>As at<br/>31.12.2011<br/>RM'000<br/>Restated</b> |
|---|--|---|
| Total retained profits of the Group:                          |  |   |
| - Realised  | 246,396                                | 242,491   |
| - Unrealised  | (15,991)                               | (15,480)  |
|   | <hr/> 230,405                          | <hr/> 227,011                                       |
| <br>  |  |   |
| Total retained profits from jointly controlled entities       |  |   |
| - Realised  | 10,452                                 | 9,404   |
| - Unrealised  | 366                                    | 366   |
|   | <hr/> 10,818                           | <hr/> 9,770   |
| <br>  |  |   |
| Less: Consolidation adjustments                               | (17,714)                               | (17,395)  |
| Total retained profits as per statement of financial position | <hr/> <hr/> 223,509                    | <hr/> <hr/> 219,386                                 |

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  
ANG LAY BEE  
CHANG PIE HOON  
Company Secretaries  
Kuala Lumpur  
15 May 2012