



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2013**

(The figures have not been audited)



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	Quarter Ended		Year to Date	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Revenue	132,136	131,417	232,248	238,718
Cost of sales	(98,676)	(98,793)	(170,739)	(177,350)
Gross profit	33,460	32,624	61,509	61,368
Other income	593	518	1,007	1,018
Selling and distribution expenses	(11,597)	(12,187)	(22,460)	(23,316)
Administrative and general expenses	(13,274)	(11,702)	(25,091)	(23,215)
Interest expenses	(2,515)	(2,471)	(4,877)	(4,892)
Interest income	441	317	766	592
Share of profit from equity accounted investments, net of tax	1,436	1,137	2,077	2,185
Profit before tax	8,544	8,236	12,931	13,740
Tax expenses	(2,834)	(3,253)	(4,411)	(4,615)
Profit for the period	5,710	4,983	8,520	9,125
Other comprehensive income, net of tax				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Net change in fair value of cash flow hedge	465	416	506	143
Foreign exchange differences from translation	246	291	370	28
Total other comprehensive income for the period	711	707	876	171
Total comprehensive income for the period	6,421	5,690	9,396	9,296
Profit attributable to:				
Owners of the Company	5,728	4,986	8,571	9,109
Non-controlling interests	(18)	(3)	(51)	16
	5,710	4,983	8,520	9,125
Total comprehensive income attributable to:				
Owners of the Company	6,439	5,693	9,447	9,280
Non-controlling interests	(18)	(3)	(51)	16
	6,421	5,690	9,396	9,296
Basic earnings per share (sen)	8.79	7.65	13.16	13.98
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 audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000 Restated	As at 01.01.2012 RM'000 Restated
ASSETS			
Property, plant and equipment	201,836	207,213	205,627
Investment property	33,100	33,100	22,700
Investments accounted for using the equity method	29,493	29,642	26,441
Other investments	10	10	10
Lease receivables	1,852	4,395	7,252
Deferred tax assets	548	548	520
Intangible assets	9,131	9,131	9,131
Total non-current assets	275,970	284,039	271,681
Inventories	110,656	117,685	93,271
Receivables, deposits and prepayments	140,532	106,430	102,320
Derivative financial assets	296	35	118
Current tax assets	7,639	7,546	5,452
Cash and cash equivalents	119,997	84,653	89,346
Total current assets	379,120	316,349	290,507
TOTAL ASSETS	655,090	600,388	562,188
EQUITY			
Share capital	67,200	67,200	67,200
Share premium	615	615	615
Other reserves	(29,045)	(29,921)	(29,938)
Retained earnings	241,603	235,963	212,836
Treasury shares	(4,128)	(4,128)	(4,051)
Total equity attributable to owners of the Company	276,245	269,729	246,662
Non-controlling interests	358	409	413
TOTAL EQUITY	276,603	270,138	247,075
LIABILITIES			
Deferred tax liabilities	19,407	19,976	17,770
Retirement benefit obligations	2,628	2,506	2,238
Borrowings	64,905	57,931	85,635
Total non-current liabilities	86,940	80,413	105,643
Payables and accruals	113,973	93,227	78,822
Borrowings	172,548	154,144	128,887
Derivative financial liabilities	-	414	182
Current tax liabilities	5,026	2,052	1,579
Total current liabilities	291,547	249,837	209,470
TOTAL LIABILITIES	378,487	330,250	315,113
TOTAL EQUITY AND LIABILITIES	655,090	600,388	562,188
Net assets per share attributable to owners of the Company (RM)	4.24	4.14	3.79

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE SIX MONTHS ENDED 30 JUNE 2013**

	← 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		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2012 - restated	67,200	615	(4,051)	(41,614)	181	(48)	12,205	212,174	246,662	413	247,075
Foreign currency translation differences for foreign operations	-	-	-	-	28	-	-	-	28	-	28
Cash flow hedge	-	-	-	-	-	143	-	-	143	-	143
Total other comprehensive income for the period	-	-	-	-	28	143	-	-	171	-	171
Profit for the period	-	-	-	-	-	-	-	9,109	9,109	16	9,125
Total comprehensive income for the period	-	-	-	-	28	143	-	9,109	9,280	16	9,296
Purchase of treasury shares	-	-	(77)	-	-	-	-	-	(77)	-	(77)
Dividend - 2011 final	-	-	-	-	-	-	-	(2,931)	(2,931)	-	(2,931)
At 30 June 2012 - restated	67,200	615	(4,128)	(41,614)	209	95	12,205	218,352	252,934	429	253,363
At 1 January 2013 - restated	67,200	615	(4,128)	(41,614)	(228)	(284)	12,205	235,963	269,729	409	270,138
Foreign currency translation differences for foreign operations	-	-	-	-	370	-	-	-	370	-	370
Cash flow hedge	-	-	-	-	-	506	-	-	506	-	506
Total other comprehensive income for the period	-	-	-	-	370	506	-	-	876	-	876
Profit for the period	-	-	-	-	-	-	-	8,571	8,571	(51)	8,520
Total comprehensive income for the period	-	-	-	-	370	506	-	8,571	9,447	(51)	9,396
Dividend - 2012 final	-	-	-	-	-	-	-	(2,931)	(2,931)	-	(2,931)
At 30 June 2013	67,200	615	(4,128)	(41,614)	142	222	12,205	241,603	276,245	358	276,603

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2013

	6 months ended 30 June 2013 RM'000	6 months ended 30 June 2012 RM'000 Restated
Profit before tax	12,931	13,740
Adjustments for:		
Depreciation	25,403	23,283
Gain on disposal of property, plant and equipment	(1,242)	(227)
Gain on disposal of assets held for rental	(2,022)	(1,144)
Other non-cash items	(1,675)	(1,677)
Non-operating items	4,111	4,306
Operating profit before working capital changes	37,506	38,281
Changes in working capital	(2,995)	(32,736)
Tax paid	(2,268)	(2,994)
Retirement benefit paid	(66)	(28)
Proceeds from disposal of assets held for rental	2,446	2,702
Net cash generated from operating activities	34,623	5,225
Cash flows from investing activities		
Dividend received from jointly controlled entities	2,226	1,663
Purchase of property, plant and equipment	(23,455)	(34,216)
Proceeds from disposal of property, plant and equipment	3,331	867
Interest received	766	592
Net cash used in investing activities	(17,132)	(31,094)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(2,931)	(2,931)
Drawdown of bankers' acceptances	73,490	178,606
Repayment of bankers' acceptances	(77,909)	(148,191)
Drawdown of term loans	20,000	-
Repayment of term loans	(24,993)	(18,883)
Drawdown of revolving credits	148,500	40,000
Repayment of revolving credits	(114,000)	(36,000)
Interest paid	(4,877)	(4,898)
Purchase of treasury shares	-	(77)
Net cash generated from financing activities	17,280	7,626
Net changes in cash and cash equivalents	34,771	(18,243)
Cash and cash equivalents at beginning of year	84,653	89,346
Effects of exchange rate changes on cash and cash equivalents	283	24
Cash and cash equivalents at end of period	119,707	71,127
Cash and cash equivalents comprise:		
Short term investments	20,291	13,304
Cash and bank balances	23,234	21,095
Time deposits with licensed banks	76,472	36,728
Bank overdrafts	(290)	-
	119,707	71,127

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.



Part A: Explanatory notes as per MFRS 134: Interim Financial Reporting

1. Basis of preparation

The condensed consolidated interim financial statements are unaudited and have 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 (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

Adoption of Standards, Amendments and Issues Committee (“IC”) Interpretations

During the financial period, the Group has adopted the following standards, amendments and IC interpretations issued by the Malaysian Accounting Standards Board:

		<i>Effective Date</i>
Amendments to MFRS 1	<i>Annual Improvements 2009-2011 Cycle</i>	01-Jan-2013
Amendments to MFRS 7	<i>Disclosures-Offsetting Financial Assets and Financial Liabilities</i>	01-Jan-2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	01-Jan-2013
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>	01-Jul-2012
Amendments to MFRS 101	<i>Annual Improvements 2009-2011 Cycle</i>	01-Jan-2013
Amendments to MFRS 116	<i>Annual Improvements 2009-2011 Cycle</i>	01-Jan-2013
Amendments to MFRS 132	<i>Annual Improvements 2009-2011 Cycle</i>	01-Jan-2013
Amendments to MFRS 134	<i>Annual Improvements 2009-2011 Cycle</i>	01-Jan-2013
Amendment to IC Interpretation 2	<i>Annual Improvements 2009-2011 Cycle</i>	01-Jan-2013
MFRS 10	<i>Consolidated Financial Statements</i>	01-Jan-2013
MFRS 11	<i>Joint Arrangements</i>	01-Jan-2013
MFRS 12	<i>Disclosure of Interests in Other Entities</i>	01-Jan-2013
MFRS 13	<i>Fair Value Measurement</i>	01-Jan-2013
MFRS 119	<i>Employee Benefits (IAS 19 as amended by IASB in June 2011)</i>	01-Jan-2013
MFRS 127	<i>Separate Financial Statements (IAS 27 as amended by IASB in May 2011)</i>	01-Jan-2013
MFRS 128	<i>Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)</i>	01-Jan-2013

The adoption of the above did not have any significant impact on the financial statements of the Group, except for the following:

MFRS 11 Joint Arrangements

The Group has adopted MFRS 11 *Joint Arrangements* and applied this standard retrospectively during the current period to its jointly controlled entities.



The adoption of MFRS 11 *Joint Arrangements* has resulted in the Group changing its accounting policy for joint ventures from proportionate consolidation to equity method. Under the equity method, the interests are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and other comprehensive income, less any impairment in the value of the individual investments.

As a result of this change, the Group has also changed its segmental analysis eliminating the segment "Consumer products" which was contributed mainly by these jointly controlled entities.

The financial impact arising from the adoption of this standard is as follows:

Statement of Profit or Loss

	30.06.12		30.06.12
	Previously stated	Increase/ (Decrease)	Restated
	RM'000	RM'000	RM'000
Revenue	270,647	(31,929)	238,718
Cost of sales	<u>(190,421)</u>	<u>13,071</u>	<u>(177,350)</u>
Gross profit	80,226	(18,858)	61,368
Other income	1,306	(288)	1,018
Selling and distribution expenses	(35,351)	12,035	(23,316)
Administrative and general expenses	(27,777)	4,562	(23,215)
Interest expense	(4,892)	-	(4,892)
Interest income	956	(364)	592
Share of profit from equity accounted investments, net of tax	-	2,185	2,185
Profit before tax	14,468	(728)	13,740
Tax expense	<u>(5,343)</u>	<u>728</u>	<u>(4,615)</u>
Profit for the period	9,125	-	9,125

Statement of Financial Positions (Extract)

	31.12.12		31.12.12	01.01.2012		01.01.12
	Previously stated	Increase/ (Decrease)	Restated	Previously stated	Increase/ (Decrease)	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Property, plant and equipment	211,089	(3,876)	207,213	209,259	(3,632)	205,627
Investments accounted for using the equity method	-	29,642	29,642	-	26,441	26,441
Other investments	35	(25)	10	35	(25)	10
Deferred tax assets	951	(403)	548	893	(373)	520
Intangible assets	15,075	(5,944)	9,131	15,075	(5,944)	9,131
Total non-current assets	264,645	19,394	284,039	255,214	16,467	271,681
Inventories	129,813	(12,128)	117,685	104,363	(11,092)	93,271
Receivables, deposits and prepayments	119,464	(13,034)	106,430	117,251	(14,931)	102,320
Current tax assets	7,546	-	7,546	5,922	(470)	5,452
Cash and cash equivalents	97,782	(13,129)	84,653	99,803	(10,457)	89,346
Total current assets	354,640	(38,291)	316,349	327,457	(36,950)	290,507
TOTAL ASSETS	619,285	(18,897)	600,388	582,671	(20,483)	562,188
EQUITY						
Equity attributable to owners of the Company						
Other reserves	(29,921)	-	(29,921)	(29,276)	(662)	(29,938)
Retained earnings	243,175	(7,212)	235,963	219,386	(6,550)	212,836
Total equity attributable to owners of the Company	276,941	(7,212)	269,729	253,874	(7,212)	246,662
TOTAL EQUITY	277,350	(7,212)	270,138	254,287	(7,212)	247,075
LIABILITIES						
Retirement benefit obligations	2,836	(330)	2,506	2,522	(284)	2,238
Total non-current liabilities	80,743	(330)	80,413	105,927	(284)	105,643
Payables and accruals	104,150	(10,923)	93,227	91,699	(12,877)	78,822
Current tax liabilities	2,484	(432)	2,052	1,689	(110)	1,579
Total current liabilities	261,192	(11,355)	249,837	222,457	(12,987)	209,470
TOTAL LIABILITIES	341,935	(11,685)	330,250	328,384	(13,271)	315,113
TOTAL EQUITY AND LIABILITIES	619,285	(18,897)	600,388	582,671	(20,483)	562,188



2. Audit qualification of financial statements

The auditors' 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 are not affected by any significant seasonal or cyclical factors.

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 during the current quarter.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect in the current quarter.

6. Debt and equity securities

The Company repurchased a total of 100 of its ordinary shares from the open market at a price of RM2.76 per share for a total consideration of RM317 during the current quarter. Subsequent to the current quarter, a total of 25,500 ordinary shares were repurchased from the open market at RM2.78 per share for a total consideration of RM71,408. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

There were no other issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter.

7. Dividend paid

Final dividend of 6 sen (2012: 6 sen) less tax at 25% for the financial year ended 31 December 2012 totaling RM2,930,873 approved by the shareholders on 23 May 2013 was paid on 20 June 2013.



8. Operating segments

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

	6 months ended 30 June									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Others</u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
							Restated		Restated	
External revenue	105,832	107,643	96,043	106,144	24,524	22,605	5,849	2,326	232,248	238,718
Inter-segment revenue	-	-	916	846	-	-	-	-	916	846
Segment profit / (loss)	12,744	13,563	29,258	27,411	1,413	733	135	(13)	43,550	41,694
Segment assets	259,440	256,567	239,170	234,521	45,051	33,643	65,329	34,698	608,990	559,429
Segment liabilities	174,000	171,361	153,891	147,542	27,834	16,651	2,554	2,711	358,279	338,265

	6 months ended 30 June	
	2013	2012
	RM'000	RM'000
		Restated
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	43,550	41,694
Depreciation	(25,403)	(23,283)
Interest expenses	(4,877)	(4,892)
Interest income	766	592
Non-reportable segment expenses	(3,182)	(2,556)
Share of profit from equity accounted investments, net of tax	2,077	2,185
Consolidated profit before tax	12,931	13,740
Reconciliation of reportable segment assets		
Total assets for reportable segments	608,990	559,429
Assets for non-reportable segment	16,607	28,666
Share of assets from equity accounted investments	29,493	26,963
Consolidated assets	655,090	615,058
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	358,279	338,265
Liabilities for non-reportable segment	20,208	23,430
Consolidated liabilities	378,487	361,695

9. Valuation of investment property

Subsequent to initial recognition, investment property of the Group is stated at fair value which reflects market conditions at reporting date. The Group recognised the fair value of the investment property based on a valuation carried out by external valuer on 26 September 2012. This valuation will be updated annually towards year end.

10. Material subsequent event

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



11. Changes in composition of the Group

On 21 August 2013, the Company incorporated a new wholly owned subsidiary in Malaysia with the name of Warisan TC Automotive Manufacturers (M) Sdn Bhd. The intended principal activities of this subsidiary company are manufacturing and assembly of motor vehicles.

12. Changes in contingent liabilities

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

13. Capital commitments

Capital commitments of the Group in respect of property, plant and equipment not provided for as at the end of the quarter were as follows:

	As at 30.06.13 RM'000
Approved and contracted for	<u>16,289</u>
Approved but not contracted for	<u>10,413</u>

14. Operating lease commitments

(a) As lessor – for the leases of commercial vehicles and machinery:

The future minimum lease rental receivables under non-cancellable leases are as follows:

	As at 30.06.13 RM'000
Not later than 1 year	23,493
Later than 1 year and not later than 5 years	<u>30,673</u>
	<u>54,166</u>

(b) As lessee – for office premises

The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 30.06.13 RM'000
Not later than 1 year	3,177
Later than 1 year and not later than 5 years	<u>2,649</u>
	<u>5,826</u>



15. Related party disclosures

Related party transactions between the Group and Tan Chong Motor Holdings Berhad group and APM Automotive Holdings Berhad group were as follows:

	Individual quarter		Cumulative quarters	
	30.06.13 RM'000	30.06.12 RM'000	30.06.13 RM'000	30.06.12 RM'000
Sales	10,348	15,059	18,212	22,679
Travel agency, car rental and workshop services	3,564	1,695	5,241	3,894
Rental income	441	278	779	536
	14,353	17,032	24,232	27,109
Purchases of trucks and spare parts	556	1,263	1,077	1,422
Workshop services	471	416	722	797
Rental expenses	39	13	72	25
Purchases of property, plant and equipment	7,276	6,955	12,010	12,951
Insurance agency services	693	1,004	2,273	2,543
Administrative services	1,336	301	1,944	793
Assembly services	1,623	317	2,566	425
	11,994	10,269	20,664	18,956

Related party transactions between the Group and its jointly controlled entities were as follows:

	Individual quarter		Cumulative quarters	
	30.06.13 RM'000	30.06.12 RM'000	30.06.13 RM'000	30.06.12 RM'000
Sales	1,467	1,421	2,900	3,192
Travel agency , car rental and workshop services	322	509	674	650
	1,789	1,930	3,574	3,842
Purchases of products	62	89	122	186

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.



Part B: Additional Information required in accordance with the Main Market Listing Requirements of Bursa Securities

1. Review of performance

6 months ended 30 June 2013

Group revenue decreased to RM232.2 million from RM238.7 million (restated) in the first half of last year, representing a decrease of 2.7%. The lower revenue was attributable mainly to the decreased contribution from the travel and car rental division. Profit before tax ("PBT") was recorded at RM12.9 million, 5.9% lower than RM13.7 million in the first half of last year. Profit after tax decreased by 6.6% to RM8.5 million from RM9.1 million recorded last year due to relatively higher tax expense.

Machinery Division

Revenue from the machinery division of RM105.8 million was slightly lower than the first half of last year. Segment profit was 6% lower compared with last year due to higher costs.

Travel and Car Rental Division

The travel and car rental division recorded decrease in revenue of 9.5% compared with the first half of last year. The decrease in revenue was due mainly to lower business volume in inbound, and retail & distribution businesses. Segment profit increased by 6.7% compared with the first half of last year partly contributed by gain from sale of rental vehicles.

Automotive Division

With the launching of the heavy commercial truck ("HCV") in the second quarter of 2012, the automotive division recorded improved revenue by 8.5% compared with the first half of last year although there was a decrease in sales of light commercial vehicles. Profitability improved compared with last year as a result of higher margins of HCV.

Jointly controlled entities

Our share of profit of our joint ventures namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, declined by 4.9% compared with the first half of last year because of higher operating costs.

3 months ended 30 June 2013

The Group recorded slightly higher revenue at RM132.1million in the second quarter of 2013 compared with RM131.4 million (restated) in the corresponding quarter last year. PBT was at RM8.5 million, 3.7% higher compared to RM8.2 million in corresponding quarter. Higher revenue was recorded by machinery division whilst higher PBT was attained by travel and car rental, automotive divisions, as well as higher share of profit from equity accounted investment.

2. Comparison with preceding quarter's results

The Group recorded higher revenue by 32% at RM132.1 million in the second quarter of 2013 compared with RM100.1 million of the preceding quarter due to improve volume in all segments. Consequently, PBT increased to RM8.5 million, as opposed to RM4.4mil in the first quarter this year.



3. Prospects

The operating environments of the respective business segments are envisaged to remain challenging and competitive. The performance of the Group is expected to benefit from sales and promotional activities as well as new product launches to be undertaken by the respective business segments throughout the rest of the year, particularly in the automotive segment. Cost containment remains a focus of the Group.

4. Profit forecast

This is not applicable to the Group as there was no profit forecast issued.

5. Tax expenses

	Individual quarter		Cumulative quarters	
	30.06.13 RM'000	30.06.12 RM'000 Restated	30.06.13 RM'000	30.06.12 RM'000 Restated
Tax expenses				
Current year	2,990	3,237	5,149	4,150
Prior year	-	(2)	-	(2)
Deferred tax expenses				
Current year	(156)	13	(738)	462
Prior year	-	5	-	5
	<u>2,834</u>	<u>3,253</u>	<u>4,411</u>	<u>4,615</u>

The Group's effective tax rate for the current quarter 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. Status of corporate proposals

There were no corporate proposals announced but not completed as at the reporting date.

7. Group borrowings

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

	As at 30.06.13 RM'000
Current	
Bankers' acceptances	34,297
Revolving credits	105,000
Term loans	32,961
Bank overdrafts	290
	<u>172,548</u>
Non-current	
Term loans	<u>64,905</u>

The above borrowings were all unsecured and denominated in Ringgit Malaysia.



8. 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.

9. Dividend

The Board of Directors is pleased to declare an interim dividend of 6 sen (2012: 6 sen) less tax at 25% per share for the financial year ending 31 December 2013. The interim dividend will be paid on 30 September 2013. The entitlement to dividend will be determined on the basis of the record of depositors as at 13 September 2013.

10. 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 quarters	
	30.06.13	30.06.12	30.06.13	30.06.12
Profit attributable to owners of the Company (RM'000)	<u>5,728</u>	<u>4,986</u>	<u>8,571</u>	<u>9,109</u>
Weighted average number of ordinary shares in issue ('000)	<u>65,131</u>	<u>65,141</u>	<u>65,131</u>	<u>65,151</u>
Basic earnings per share (sen)	<u>8.79</u>	<u>7.65</u>	<u>13.16</u>	<u>13.98</u>

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before tax is arrived at after charging/(crediting) the following items:

	Individual quarter		Cumulative quarters	
	30.06.13 RM'000	30.06.12 RM'000 Restated	30.06.13 RM'000	30.06.12 RM'000 Restated
Depreciation and amortisation	12,690	12,022	25,403	23,283
Provision for doubtful debts	(4)	50	47	61
Bad debts written off	-	-	1	-
Provision for inventories	124	120	248	249
Inventories written off	84	-	84	-
(Gain)/Loss on disposal of quoted or unquoted investments	-	-	-	-
(Gain)/Loss on disposal of properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	180	(125)	326	71
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-



12. Derivative financial instruments

Forward foreign currency contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuation in foreign currency exchange rates.

As at 30 June 2013, the notional amount, fair value and maturity period of the forward foreign currency contracts were as follows:

	Notional amount RM'000	Fair value assets/ (liabilities) RM'000
Less than 1 year	<u>27,863</u>	<u>296</u>

13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2013, into realised and unrealised profits/losses, is as follows:

	As at 30.06.13 RM'000	As at 31.12.12 RM'000 Restated
Total retained profits of the Group:		
- Realised	244,052	247,015
- Unrealised	<u>(7,204)</u>	<u>(15,480)</u>
	236,848	231,535
Total retained profits from jointly controlled entities:		
- Realised	14,781	12,704
- Unrealised	<u>343</u>	<u>343</u>
	15,124	13,047
Less: Consolidation adjustments	<u>(10,369)</u>	<u>(8,619)</u>
Total retained profits as per Statement of Financial Position	<u>241,603</u>	<u>235,963</u>

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

The disclosure of realised and unrealised profits 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
29 August 2013