



**WARISAN TC HOLDINGS BERHAD**

*(Company No: 424834-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 NINE MONTHS ENDED 30 SEPTEMBER 2013**

	Quarter Ended 30 September		Year to Date 30 September	
	2013 RM'000	2012 RM'000 Restated	2013 RM'000	2012 RM'000 Restated
<b>Revenue</b>	<b>121,277</b>	108,484	<b>353,525</b>	347,202
Cost of sales	<u>(83,927)</u>	<u>(78,804)</u>	<u>(254,666)</u>	<u>(256,154)</u>
<b>Gross profit</b>	<b>37,350</b>	29,680	<b>98,859</b>	91,048
Other income	1,319	732	2,326	1,750
Selling and distribution expenses	(13,837)	(11,103)	(36,297)	(34,419)
Administrative and general expenses	(15,405)	(12,441)	(40,496)	(35,656)
Interest expenses	(2,343)	(2,527)	(7,220)	(7,419)
Interest income	487	439	1,253	1,031
Share of profit from equity accounted investments, net of tax	<u>262</u>	<u>15</u>	<u>2,339</u>	<u>2,200</u>
<b>Profit before tax</b>	<b>7,833</b>	4,795	<b>20,764</b>	18,535
Tax expenses	<u>(2,108)</u>	<u>(1,031)</u>	<u>(6,519)</u>	<u>(5,646)</u>
<b>Profit for the period</b>	<b><u>5,725</u></b>	<u>3,764</u>	<b><u>14,245</u></b>	<u>12,889</u>
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	48	(444)	554	(301)
Foreign exchange differences from translation	<u>364</u>	<u>(414)</u>	<u>734</u>	<u>(386)</u>
Total other comprehensive income for the period	<u>412</u>	<u>(858)</u>	<u>1,288</u>	<u>(687)</u>
Total comprehensive income for the period	<b><u>6,137</u></b>	<u>2,906</u>	<b><u>15,533</u></b>	<u>12,202</u>
Profit attributable to:				
Owners of the Company	5,779	3,809	14,350	12,918
Non-controlling interests	<u>(54)</u>	<u>(45)</u>	<u>(105)</u>	<u>(29)</u>
	<b><u>5,725</u></b>	<u>3,764</u>	<b><u>14,245</u></b>	<u>12,889</u>
Total comprehensive income attributable to:				
Owners of the Company	6,191	2,951	15,638	12,231
Non-controlling interests	<u>(54)</u>	<u>(45)</u>	<u>(105)</u>	<u>(29)</u>
	<b><u>6,137</u></b>	<u>2,906</u>	<b><u>15,533</u></b>	<u>12,202</u>
Basic earnings per share (sen)	<u>8.87</u>	<u>5.85</u>	<u>22.03</u>	<u>19.83</u>
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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 SEPTEMBER 2013

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000 Restated	As at 01.01.2012 RM'000 Restated
<b>ASSETS</b>			
Property, plant and equipment	201,553	207,213	205,627
Investment property	33,100	33,100	22,700
Investments accounted for using the equity method	29,755	29,642	26,441
Other investments	10	10	10
Lease receivables	1,852	4,395	7,252
Deferred tax assets	570	548	520
Intangible assets	9,131	9,131	9,131
<b>Total non-current assets</b>	<b>275,971</b>	<b>284,039</b>	<b>271,681</b>
Inventories	120,401	117,685	93,271
Receivables, deposits and prepayments	140,027	106,430	102,320
Derivative financial assets	360	35	118
Current tax assets	10,080	7,546	5,452
Cash and cash equivalents	95,920	84,653	89,346
<b>Total current assets</b>	<b>366,788</b>	<b>316,349</b>	<b>290,507</b>
<b>TOTAL ASSETS</b>	<b>642,759</b>	<b>600,388</b>	<b>562,188</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	67,200	67,200	67,200
Share premium	615	615	615
Other reserves	(28,633)	(29,921)	(29,938)
Retained earnings	244,452	235,963	212,836
Treasury shares	(4,199)	(4,128)	(4,051)
<b>Total equity attributable to owners of the Company</b>	<b>279,435</b>	<b>269,729</b>	<b>246,662</b>
<b>Non-controlling interests</b>	<b>304</b>	<b>409</b>	<b>413</b>
<b>TOTAL EQUITY</b>	<b>279,739</b>	<b>270,138</b>	<b>247,075</b>
<b>LIABILITIES</b>			
Deferred tax liabilities	18,730	19,976	17,770
Retirement benefit obligations	2,711	2,506	2,238
Borrowings	58,272	57,931	85,635
<b>Total non-current liabilities</b>	<b>79,713</b>	<b>80,413</b>	<b>105,643</b>
Payables and accruals	108,674	93,227	78,822
Borrowings	168,605	154,144	128,887
Derivative financial liabilities	-	414	182
Current tax liabilities	6,028	2,052	1,579
<b>Total current liabilities</b>	<b>283,307</b>	<b>249,837</b>	<b>209,470</b>
<b>TOTAL LIABILITIES</b>	<b>363,020</b>	<b>330,250</b>	<b>315,113</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>642,759</b>	<b>600,388</b>	<b>562,188</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>4.29</b>	<b>4.14</b>	<b>3.79</b>

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)

	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	
<b>At 1 January 2012 - restated</b>	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	-	-	-	-	(386)	-	-	-	(386)	-	(386)
Cash flow hedge	-	-	-	-	-	(301)	-	-	(301)	-	(301)
Total other comprehensive income for the period	-	-	-	-	(386)	(301)	-	-	(687)	-	(687)
Profit for the period	-	-	-	-	-	-	-	12,918	12,918	(29)	12,889
Total comprehensive income for the period	-	-	-	-	(386)	(301)	-	12,918	12,231	(29)	12,202
Purchase of treasury shares	-	-	(77)	-	-	-	-	-	(77)	-	(77)
Dividend - 2011 final	-	-	-	-	-	-	-	(2,931)	(2,931)	-	(2,931)
Dividend - 2012 interim	-	-	-	-	-	-	-	(2,931)	(2,931)	-	(2,931)
<b>At 30 September 2012 - restated</b>	<b>67,200</b>	<b>615</b>	<b>(4,128)</b>	<b>(41,614)</b>	<b>(205)</b>	<b>(349)</b>	<b>12,205</b>	<b>219,230</b>	<b>252,954</b>	<b>384</b>	<b>253,338</b>
<b>At 1 January 2013 - restated</b>	<b>67,200</b>	<b>615</b>	<b>(4,128)</b>	<b>(41,614)</b>	<b>(228)</b>	<b>(284)</b>	<b>12,205</b>	<b>235,963</b>	<b>269,729</b>	<b>409</b>	<b>270,138</b>
Foreign currency translation differences for foreign operations	-	-	-	-	734	-	-	-	734	-	734
Cash flow hedge	-	-	-	-	-	554	-	-	554	-	554
Total other comprehensive income for the period	-	-	-	-	734	554	-	-	1,288	-	1,288
Profit for the period	-	-	-	-	-	-	-	14,350	14,350	(105)	14,245
Total comprehensive income for the period	-	-	-	-	734	554	-	14,350	15,638	(105)	15,533
Purchase of treasury shares	-	-	(71)	-	-	-	-	-	(71)	-	(71)
Dividend - 2012 final	-	-	-	-	-	-	-	(2,931)	(2,931)	-	(2,931)
Dividend - 2013 interim	-	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
<b>At 30 September 2013</b>	<b>67,200</b>	<b>615</b>	<b>(4,199)</b>	<b>(41,614)</b>	<b>506</b>	<b>270</b>	<b>12,205</b>	<b>244,452</b>	<b>279,435</b>	<b>304</b>	<b>279,739</b>

The 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 NINE MONTHS ENDED 30 SEPTEMBER 2013**

	<b>9 months ended 30 September 2013</b>	9 months ended 30 September 2012
	<b>RM'000</b>	RM'000 Restated
Profit before tax	<b>20,764</b>	18,535
<b>Adjustments for:</b>		
Depreciation	<b>37,750</b>	35,517
Gain on disposal of property, plant and equipment	<b>(1,570)</b>	(213)
Gain on disposal of assets held for rental	<b>(10,250)</b>	(1,434)
Other non-cash items	<b>(1,490)</b>	(1,441)
Non-operating items	<b>5,967</b>	6,388
<b>Operating profit before working capital changes</b>	<b>51,171</b>	57,352
Changes in working capital	<b>(17,239)</b>	(16,760)
Tax paid	<b>(6,532)</b>	(4,853)
Retirement benefit paid	<b>(82)</b>	(56)
Proceeds from disposal of assets held for rental	<b>13,953</b>	2,869
<b>Net cash generated from operating activities</b>	<b>41,271</b>	38,552
<b>Cash flows from investing activities</b>		
Dividend received from jointly controlled entities	<b>2,226</b>	1,663
Purchase of property, plant and equipment	<b>(40,196)</b>	(41,525)
Proceeds from disposal of property, plant and equipment	<b>4,497</b>	967
Interest received	<b>1,253</b>	1,031
<b>Net cash used in investing activities</b>	<b>(32,220)</b>	(37,864)
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	<b>(5,861)</b>	(5,862)
Drawdown of bankers' acceptances	<b>116,570</b>	233,371
Repayment of bankers' acceptances	<b>(96,340)</b>	(228,774)
Drawdown of term loans	<b>20,000</b>	20,000
Repayment of term loans	<b>(35,837)</b>	(30,660)
Drawdown of revolving credits	<b>215,500</b>	101,000
Repayment of revolving credits	<b>(206,000)</b>	(67,000)
Interest paid	<b>(7,220)</b>	(7,419)
Purchase of treasury shares	<b>(71)</b>	(77)
<b>Net cash generated from financing activities</b>	<b>741</b>	14,579
<b>Net changes in cash and cash equivalents</b>	<b>9,792</b>	15,267
Cash and cash equivalents at beginning of year	<b>84,653</b>	89,346
Effects of exchange rate changes on cash and cash equivalents	<b>566</b>	(311)
<b>Cash and cash equivalents at end of period</b>	<b>95,011</b>	104,302
Cash and cash equivalents comprise:		
Short term investments	<b>18,019</b>	14,868
Cash and bank balances	<b>21,658</b>	13,250
Time deposits with licensed banks	<b>56,243</b>	76,184
Bank overdrafts	<b>(909)</b>	-
	<b>95,011</b>	104,302

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>Government Loans</i>	01-Jan-2013
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 3	<i>Business combinations</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
IC Int. 20	<i>Stripping Costs in the Production Phase of a Surface Mine</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:

	30.09.12		30.09.12
	Previously stated	Increase/ (Decrease)	Restated
	RM'000	RM'000	RM'000
<b>Revenue</b>	392,329	(45,127)	<b>347,202</b>
Cost of sales	(274,590)	18,436	<b>(256,154)</b>
<b>Gross profit</b>	<u>117,739</u>	<u>(26,691)</u>	<b>91,048</b>
Other income	2,246	(496)	<b>1,750</b>
Selling and distribution expenses	(52,347)	17,928	<b>(34,419)</b>
Administrative and general expenses	(42,333)	6,677	<b>(35,656)</b>
Interest expenses	(7,419)	-	<b>(7,419)</b>
Interest income	1,577	(546)	<b>1,031</b>
Share of profit from equity accounted investments, net of tax	-	2,200	<b>2,200</b>
<b>Profit before tax</b>	<u>19,463</u>	<u>(928)</u>	<b>18,535</b>
Tax expenses	(6,574)	928	<b>(5,646)</b>
<b>Profit for the period</b>	<u>12,889</u>	<u>-</u>	<b>12,889</b>

**MFRS 11 Joint Arrangements (continued)****Statement of Financial Positions (Extract)**

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

**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 and nine months ended 30 September 2013.

**5. Significant estimates and changes in estimates**

There were no changes in estimates that have had any material effect in the current quarter and nine months ended 30 September 2013.





## 6. Debt and equity securities

During 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 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 in the last quarter. 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 and nine months ended 30 September 2013.

## 7. Dividends paid

The following dividends were paid:

	RM'000
Interim dividend of 6 sen (2012: 6 sen) less tax at 25% for the financial year ending 31 December 2013 approved by Board of Directors on 29 August 2013 and paid on 30 September 2013	<u>2,930</u>
Final dividend of 6 sen (2012: 6 sen) less tax at 25% for the financial year ended 31 December 2012 approved by the shareholders on 23 May 2013 and paid on 20 June 2013	<u>2,931</u>

## 8. Operating segments

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

	← 9 months ended 30 September →									
	<b>Machinery</b>		<b>Travel and car rental</b>		<b>Automotive</b>		<b>Others</b>		<b>Total</b>	
	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	<u>155,937</u>	160,400	<u>152,840</u>	151,461	<u>36,500</u>	31,674	<u>8,248</u>	3,667	<u>353,525</u>	347,202
Inter-segment revenue	-	-	<u>1,223</u>	1,001	-	-	-	-	<u>1,223</u>	1,001
Segment profit / (loss)	<u>18,213</u>	20,591	<u>48,072</u>	40,707	<u>1,492</u>	1,171	<u>392</u>	(54)	<u>68,169</u>	62,415
Segment assets	<u>229,841</u>	279,141	<u>243,875</u>	225,755	<u>60,623</u>	36,058	<u>65,224</u>	32,393	<u>599,563</u>	573,347
Segment liabilities	<u>145,240</u>	193,178	<u>154,293</u>	141,435	<u>42,246</u>	20,657	<u>1,679</u>	2,228	<u>343,458</u>	357,498



**Operating segments (continued)**

	9 months ended 30 September	
	2013	2012
	RM'000	RM'000
		Restated
<b>Reconciliation of reportable segment profit or loss</b>		
Total profit or loss for reportable segments	68,169	62,415
Depreciation	(37,750)	(35,517)
Interest expenses	(7,220)	(7,419)
Interest income	1,253	1,031
Non-reportable segment expenses	(6,027)	(4,175)
Share of profit from equity accounted investments, net of tax	2,339	2,200
Consolidated profit before tax	<u>20,764</u>	<u>18,535</u>
<b>Reconciliation of reportable segment assets</b>		
Total assets for reportable segments	599,563	573,347
Assets for non-reportable segment	13,441	33,322
Share of assets from equity accounted investments	29,755	26,978
Consolidated assets	<u>642,759</u>	<u>633,647</u>
<b>Reconciliation of reportable segment liabilities</b>		
Total liabilities for reportable segments	343,458	357,498
Liabilities for non-reportable segment	19,562	22,811
Consolidated liabilities	<u>363,020</u>	<u>380,309</u>

**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.

A valuation of the investment property was carried out on 1 October 2013 by an independent professional valuer and was announced to Bursa Securities on 19 November 2013. Arising from the valuation, the Group recognized a fair value gain on investment property of RM9.5 million (2012: RM10.4 million) in the statement of comprehensive income subsequent to the current quarter.

**10. Material subsequent event**

Other than disclosed elsewhere in this condensed interim financial statements, there were no material events subsequent to the end of the current quarter.

**11. Changes in composition of the Group**

There were no changes in the composition of the Group during the current quarter.

The Company incorporated a new wholly owned subsidiary in Malaysia by the name of Warisan TC Automotive Manufacturers (M) Sdn Bhd in the last quarter. The intended principal activities of this company are the manufacturing and assembly of motor vehicles.



## 12. Changes in contingent liabilities

There was no material change in contingent liabilities since the last financial year end.

## 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 are as follows:

	As at 30.09.13 RM'000
Approved and contracted for	<u>1,773</u>
Approved but not contracted for	<u>39,843</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 30.09.13 RM'000
Not later than 1 year	22,641
Later than 1 year and not later than 5 years	30,673
	<u>53,314</u>

(b) As lessee – for office premises

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

	As at 30.09.13 RM'000
Not later than 1 year	3,237
Later than 1 year and not later than 5 years	2,444
	<u>5,681</u>



**15. Related party disclosures**

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

	Individual quarter		Cumulative quarters	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Sales	<b>7,967</b>	9,477	<b>26,179</b>	32,156
Travel agency, car rental and workshop services	<b>3,243</b>	1,178	<b>8,484</b>	5,073
Rental income	<b>422</b>	287	<b>1,201</b>	823
	<b>11,632</b>	10,942	<b>35,864</b>	38,052
Purchases of trucks and spare parts	<b>527</b>	181	<b>1,604</b>	1,604
Workshop services	<b>286</b>	765	<b>1,008</b>	1,504
Rental expenses	<b>30</b>	14	<b>102</b>	39
Purchases of property, plant and equipment	<b>9,982</b>	2,411	<b>21,992</b>	15,362
Insurance agency services	<b>948</b>	272	<b>3,221</b>	2,814
Administrative services	<b>1,813</b>	340	<b>3,757</b>	1,192
Assembly services	<b>2,544</b>	1,547	<b>5,110</b>	1,972
	<b>16,130</b>	5,530	<b>36,794</b>	24,487

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

	Individual quarter		Cumulative quarters	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Sales	<b>1,199</b>	1,055	<b>4,099</b>	4,247
Travel agency , car rental and workshop services	<b>348</b>	203	<b>1,022</b>	853
	<b>1,547</b>	1,258	<b>5,121</b>	5,100
Purchases of products	<b>23</b>	71	<b>145</b>	257

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**

**9 months ended 30 September 2013**

Group revenue increased to RM353.5 million from RM347.2 million (restated) in the first nine months last year, representing an increase of 1.8%. The higher revenue was attributable mainly to the increased contribution from the Automotive Division. Profit before tax ("PBT") was recorded at RM20.8 million, 12% higher than RM18.5 million in the first nine months of last year. Profit after tax increased by 10.5% to RM14.2 million from RM12.9 million recorded last year.

Machinery Division

Revenue from the Machinery Division of RM155.9 million was lower than the first nine months of last year by 2.8%. Segment profit was 11.5% lower compared with last year due to higher input costs and lesser unit sales of the Heavy Machinery sub division.

Travel and Car Rental Division

The Travel and Car Rental Division recorded slightly higher revenue by 1% at RM152.8 million compared with the first nine months of last year. The increase in revenue was due mainly to higher contribution from Car Rental Division following higher number of disposal of used rental vehicles particularly in third quarter of this year. The higher revenue was, however, offset with lower performance of the Inbound and Retail and Distribution Divisions due to lesser business volume as compared with last year. Segment profit increased by 18.1% compared with the first nine months of last year contributed by gain from sale of used rental vehicles.

Automotive Division

The Automotive Division recorded a growth of 15.2% revenue to RM36.5 million as compared with the first nine months of last year as the sale of vehicles picked up after the launching of heavy commercial trucks in the second quarter of last year, and passenger pick-up vehicles in late July this year. Segment profit correspondingly increased to RM1.5 million improved by 27.4%.

Jointly controlled entities

Our share of profit of our joint ventures namely Shiseido Malaysia Sdn Bhd ("Shiseido") and Wacoal Malaysia Sdn Bhd, improved by 6.3% compared with the first nine months of last year due to better sales of Shiseido in this year's Hari Raya season in the third quarter.

**3 months ended 30 September 2013**

The Group recorded slightly higher revenue at RM121.3 million in the third quarter of this year compared with RM108.5 million (restated) in the corresponding quarter last year. PBT was at RM7.8 million, 63.4% higher compared to RM4.8 million in corresponding quarter last year. Higher revenue was recorded by Travel and Car Rental Division as well as Automotive Division whilst higher PBT was attained by Travel and Car Rental Division mainly due to gain from sale of used rental vehicles. Machinery Division however recorded a lower revenue and PBT as compared with the third quarter of last year due to slower market.

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

The Group recorded lower revenue by 8.2% at RM121.3 million in the third quarter of this year compared with RM132.1 million in the preceding quarter due to the lower contribution of Machinery Division as well as Automotive Division. Conversely, PBT decreased to RM7.8 million, as opposed to RM8.5 million in the second quarter this year.



### 3. Prospects

The Car Rental Division is in the process of replacing its vehicles with new fleet aimed to further improve competitive edge of Mayflower Car Rental to be the major car rental company in Malaysia. The disposal of used vehicles will positively contribute to the result in the last quarter. Proceeds from the disposal of used rental vehicles will be used to finance the new fleet. The Automotive Division is anticipated to see higher growth of vehicle sale in the longer run, amidst higher start-up costs of expanding the sales and dealer network to cover the distribution in the whole of Malaysia. This division is also strengthening its service network throughout Malaysia.

The operating environments of the respective business segments are envisaged to remain challenging and competitive and the Group remains cognizant to the higher costs of running operations with constant endeavors to improve productivity and efficiency.

### 4. Profit forecast

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

### 5. Tax expenses

	Individual quarter		Cumulative quarters	
	30.09.13 RM'000	30.09.12 RM'000 Restated	30.09.13 RM'000	30.09.12 RM'000 Restated
<b>Tax expenses</b>				
Current year	2,902	512	8,051	4,662
Prior year	(79)	36	(79)	34
<b>Deferred tax expenses</b>				
Current year	(715)	483	(1,453)	945
Prior year	-	-	-	5
	<u>2,108</u>	<u>1,031</u>	<u>6,519</u>	<u>5,646</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 30.09.13 RM'000
<b>Current</b>	
Bankers' acceptances	58,946
Revolving credits	80,000
Term loans	28,750
Bank overdrafts	909
	<u>168,605</u>
<b>Non-current</b>	
Term loans	<u>58,272</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

No dividend has been recommended since the last quarterly announcement.

## 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	
	30.09.13	30.09.12	30.09.13	30.09.12
Profit attributable to owners of the Company (RM'000)	<u>5,779</u>	<u>3,809</u>	<u>14,350</u>	<u>12,918</u>
<b>Weighted average number of ordinary shares in issue ('000)</b>				
At beginning of period	65,141	65,141	65,141	65,188
Effect of share buyback during the period	<u>(20)</u>	<u>(10)</u>	<u>(7)</u>	<u>(44)</u>
At end of period	<u>65,121</u>	<u>65,131</u>	<u>65,134</u>	<u>65,144</u>
Basic earnings per share (sen)	<u>8.87</u>	5.85	<u>22.03</u>	19.83



## 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	
	30.09.13 RM'000	30.09.12 RM'000 Restated	30.09.13 RM'000	30.09.12 RM'000 Restated
Depreciation and amortisation	12,347	12,234	37,750	35,517
Provision for doubtful debts	41	181	88	242
Bad debts written off	67	9	68	9
Provision for inventories	41	127	373	376
Inventories written off	-	-	-	-
(Gain)/Loss on disposal of quoted or unquoted investments	-	-	-	-
(Gain)/Loss on disposal of properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	(838)	(133)	(512)	62
(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 September 2013, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Notional amount RM'000	Fair value assets/ (liabilities) RM'000
Less than 1 year	25,376	360





**13. Disclosure of realised and unrealised profits**

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

	<b>As at 30.09.13 RM'000</b>	As at 31.12.12 RM'000 Restated
Total retained profits of the Group:		
- Realised	<b>246,400</b>	247,015
- Unrealised	<b>(6,609)</b>	(15,480)
	<b>239,791</b>	231,535
Total retained profits from jointly controlled entities:		
- Realised	<b>15,043</b>	12,704
- Unrealised	<b>343</b>	343
	<b>15,386</b>	13,047
Less: Consolidation adjustments	<b>(10,725)</b>	(8,619)
Total retained profits as per Statement of Financial Position	<b>244,452</b>	235,963

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  
 LEE KWEE CHENG  
 ANG LAY BEE  
 CHANG PIE HOON  
 Company Secretaries  
 Kuala Lumpur  
 19 November 2013