



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 YEAR ENDED 31 DECEMBER 2013**

	Quarter Ended 31 December		Year Ended 31 December	
	2013 RM'000	2012 RM'000 Restated	2013 RM'000	2012 RM'000 Restated
Revenue	128,852	105,997	482,377	453,199
Cost of sales	<u>(90,830)</u>	<u>(77,551)</u>	<u>(345,496)</u>	<u>(333,705)</u>
Gross profit	38,022	28,446	136,881	119,494
Other income	637	1,596	2,963	3,346
Fair value gain on investment property	9,500	10,400	9,500	10,400
Selling and distribution expenses	(12,665)	(10,873)	(48,962)	(45,292)
Administrative and general expenses	(14,342)	(11,673)	(54,838)	(47,329)
Interest expenses	(2,494)	(2,786)	(9,714)	(10,205)
Interest income	408	859	1,661	1,890
Share of profit from equity accounted investments, net of tax	1,977	2,740	4,316	4,940
Profit before tax	21,043	18,709	41,807	37,244
Tax expenses	(2,573)	(1,951)	(9,092)	(7,597)
Profit for the period	18,470	16,758	32,715	29,647
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	(72)	65	482	(236)
Foreign exchange differences from translation	54	23	788	(409)
	<u>(18)</u>	88	<u>1,270</u>	<u>(645)</u>
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of defined benefit liabilities	248	(27)	248	(27)
Total other comprehensive income for the period	<u>230</u>	61	<u>1,518</u>	<u>(672)</u>
Total comprehensive income for the period	<u>18,700</u>	16,819	<u>34,233</u>	28,975
Profit attributable to:				
Owners of the Company	18,583	16,733	32,933	29,651
Non-controlling interests	(113)	25	(218)	(4)
	<u>18,470</u>	16,758	<u>32,715</u>	29,647
Total comprehensive income attributable to:				
Owners of the Company	18,813	16,794	34,451	28,979
Non-controlling interests	(113)	25	(218)	(4)
	<u>18,700</u>	16,819	<u>34,233</u>	28,975
Basic earnings per share (sen)	<u>28.54</u>	25.69	<u>50.57</u>	45.52
Diluted earnings per share (sen)	<u>N/A</u>	N/A	<u>N/A</u>	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 31 DECEMBER 2013

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000 Restated	As at 01.01.2012 RM'000 Restated
ASSETS			
Property, plant and equipment	202,948	207,213	205,627
Investment property	42,600	33,100	22,700
Investments accounted for using the equity method	31,727	29,704	26,503
Other investments	10	10	10
Lease receivables	3,471	4,395	7,252
Deferred tax assets	483	548	520
Intangible assets	9,131	9,131	9,131
Total non-current assets	290,370	284,101	271,743
Inventories	158,305	117,685	93,271
Receivables, deposits and prepayments	122,293	106,430	102,320
Derivative financial assets	366	35	118
Current tax assets	10,103	7,546	5,452
Cash and cash equivalents	100,739	84,653	89,346
Total current assets	391,806	316,349	290,507
TOTAL ASSETS	682,176	600,450	562,250
EQUITY			
Share capital	67,200	67,200	67,200
Share premium	615	615	615
Other reserves	(28,651)	(29,921)	(29,276)
Retained earnings	263,473	236,153	212,391
Treasury shares	(4,201)	(4,128)	(4,051)
Total equity attributable to owners of the Company	298,436	269,919	246,879
Non-controlling interests	182	400	404
TOTAL EQUITY	298,618	270,319	247,283
LIABILITIES			
Deferred tax liabilities	18,959	20,015	17,819
Retirement benefit obligations	2,434	2,348	2,043
Hire purchase payables	8,353	-	-
Borrowings	34,917	57,931	85,635
Total non-current liabilities	64,663	80,294	105,497
Payables and accruals	94,596	93,227	78,822
Hire purchase payables	4,125	-	-
Borrowings	217,779	154,144	128,887
Derivative financial liabilities	129	414	182
Current tax liabilities	2,266	2,052	1,579
Total current liabilities	318,895	249,837	209,470
TOTAL LIABILITIES	383,558	330,131	314,967
TOTAL EQUITY AND LIABILITIES	682,176	600,450	562,250
Net assets per share attributable to owners of the Company (RM)	4.58	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 YEAR ENDED 31 DECEMBER 2013**

	← Attributable to owners of the Company →								Non-controlling interests	Total equity	
	← Non-distributable →				→ Distributable →						
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Hedging reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2012	67,200	615	(4,051)	(41,614)	181	(48)	12,205	219,386	253,874	413	254,287
- Effect of adoption MFRS 11	-	-	-	-	-	-	-	(7,212)	(7,212)	-	(7,212)
- Effect of adoption MFRS 119 (revised)	-	-	-	-	-	-	-	217	217	(9)	208
At 1 January 2012 - restated	67,200	615	(4,051)	(41,614)	181	(48)	12,205	212,391	246,879	404	247,283
Foreign currency translation differences for foreign operations	-	-	-	-	(409)	-	-	-	(409)	-	(409)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	(27)	(27)	-	(27)
Cash flow hedge	-	-	-	-	-	(236)	-	-	(236)	-	(236)
Total other comprehensive income for the year	-	-	-	-	(409)	(236)	-	(27)	(672)	-	(672)
Profit for the year	-	-	-	-	-	-	-	29,651	29,651	(4)	29,647
Total comprehensive income for the period	-	-	-	-	(409)	(236)	-	29,624	28,979	(4)	28,975
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)
At 31 December 2012 - restated	67,200	615	(4,128)	(41,614)	(228)	(284)	12,205	236,153	269,919	400	270,319
At 1 January 2013 - restated	67,200	615	(4,128)	(41,614)	(228)	(284)	12,205	236,153	269,919	400	270,319
Foreign currency translation differences for foreign operations	-	-	-	-	788	-	-	-	788	-	788
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	248	248	-	248
Cash flow hedge	-	-	-	-	-	482	-	-	482	-	482
Total other comprehensive income for the year	-	-	-	-	788	482	-	248	1,518	-	1,518
Profit for the year	-	-	-	-	-	-	-	32,933	32,933	(218)	32,715
Total comprehensive income for the period	-	-	-	-	788	482	-	33,181	34,451	(218)	34,233
Purchase of treasury shares	-	-	(73)	-	-	-	-	-	(73)	-	(73)
Dividend - 2012 final	-	-	-	-	-	-	-	(2,931)	(2,931)	-	(2,931)
Dividend - 2013 interim	-	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
At 31 December 2013	67,200	615	(4,201)	(41,614)	560	198	12,205	263,473	298,436	182	298,618

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 YEAR ENDED 31 DECEMBER 2013**

	Year ended 31 December 2013 RM'000	Year ended 31 December 2012 RM'000 Restated
Cash flow from operating activities		
Profit before tax	41,807	37,244
Adjustments for:		
Depreciation	49,626	48,290
Gain on disposal of property, plant and equipment	(1,056)	(1,079)
Gain on disposal of assets held for rental	(20,826)	(1,791)
Other non-cash items	(12,522)	(13,376)
Non-operating items	8,053	8,315
Operating profit before working capital changes	65,082	77,603
Changes in working capital	(54,933)	(11,575)
Tax paid	(12,771)	(6,961)
Retirement benefit paid	(110)	(72)
Proceeds from disposal of assets held for rental	37,076	3,298
Net cash generated from operating activities	34,344	62,293
Cash flows from investing activities		
Dividend received from jointly controlled entities	2,509	1,663
Purchase of property, plant and equipment	(67,368)	(56,508)
Proceeds from disposal of property, plant and equipment	6,974	4,886
Interest received	1,661	1,890
Net cash used in investing activities	(56,224)	(48,069)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(5,861)	(5,862)
Drawdown of hire purchase	12,912	-
Repayment of hire purchase	(434)	-
Drawdown of bankers' acceptances	200,755	276,356
Repayment of bankers' acceptances	(143,928)	(287,808)
Drawdown of term loans	20,000	20,000
Repayment of term loans	(46,536)	(42,995)
Drawdown of revolving credits	247,500	116,000
Repayment of revolving credits	(238,000)	(84,000)
Interest paid	(9,714)	(10,205)
Purchase of treasury shares	(73)	(77)
Net cash generated from/(used in) financing activities	36,621	(18,591)
Net changes in cash and cash equivalents	14,741	(4,367)
Cash and cash equivalents at beginning of year	84,653	89,346
Effects of exchange rate changes on cash and cash equivalents	515	(326)
Cash and cash equivalents at end of year	99,909	84,653
Cash and cash equivalents comprise:		
Short term investments	12,227	13,666
Cash and bank balances	27,544	48,094
Time deposits with licensed banks	60,968	22,893
Bank overdrafts	(830)	-
	99,909	84,653

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 119 Employee Benefits (revised)

The Group has adopted MFRS 119 *Employee Benefits (revised)* and applied this standard retrospectively during the current period.

As a result of MFRS 119 (revised) adoption, actuarial gains and losses are recognized immediately through other comprehensive income in order for the new pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit or surplus. Actuarial gains and losses are no longer deferred using the corridor approach or recognised in profit or loss. The remeasurements recognised in other comprehensive income will not be recycled through profit or loss in subsequent periods.

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 impacts arising from the adoption of MFRS 119 (revised) and MFRS 11 are as follows:

Condensed Consolidated Statement of Comprehensive Income (Extract)

	31.12.12	Effect of	Effect of	
	Previously	adoption	adoption	31.12.12
	stated	of MFRS 11	of MFRS	Restated
	RM'000	RM'000	(revised)	RM'000
			RM'000	
Revenue	516,440	(63,241)	-	453,199
Cost of sales	(358,853)	25,148	-	(333,705)
Gross profit	157,587	(38,093)	-	119,494
Other income	5,033	(1,687)	-	3,346
Fair value gain on investment properties	10,400	-	-	10,400
Selling and distribution expenses	(69,519)	24,227	-	(45,292)
Administrative and general expenses	(56,454)	9,125	-	(47,329)
Interest expenses	(10,205)	-	-	(10,205)
Interest income	2,180	(290)	-	1,890
Share of profit from equity accounted investments, net of tax	-	4,940	-	4,940
Profit before tax	39,022	(1,778)	-	37,244
Tax expenses	(9,375)	1,778	-	(7,597)
Profit for the year	29,647	-	-	29,647
<i>Item that will not be reclassified subsequently to profit and loss:</i>				
Remeasurement of defined benefit liabilities	-	-	(27)	(27)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Total other comprehensive income for the year	(645)	-	-	(645)
Total comprehensive income for the year	29,002	-	(27)	28,975
Profit attributable to:				
Owners of the Company	29,651	-	-	29,651
Non-controlling interests	(4)	-	-	(4)
	29,647	-	-	29,647
Total comprehensive income attributable to:				
Owners of the Company	29,006	-	(27)	28,979
Non-controlling interests	(4)	-	-	(4)
Total comprehensive income for the year	29,002	-	(27)	28,975



Condensed Consolidated Statement of Financial Position (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 RM'000	31.12.12 Restated RM'000	01.01.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 RM'000	01.01.12 Restated 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	62	29,704	-	26,441	62	26,503
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	62	284,101	255,214	16,467	62	271,743
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)	62	600,450	582,671	(20,483)	62	562,250
EQUITY								
Equity attributable to owners of the Company								
Retained earnings	243,175	(7,212)	190	236,153	219,386	(7,212)	217	212,391
Total equity attributable to owners of the Company	276,941	(7,212)	190	269,919	253,874	(7,212)	217	246,879
Non-controlling interests	409	-	(9)	400	413	-	(9)	404
TOTAL EQUITY	277,350	(7,212)	181	270,319	254,287	(7,212)	208	247,283
LIABILITIES								
Deferred tax liabilities	19,976	-	39	20,015	17,770	-	49	17,819
Retirement benefit obligations	2,836	(330)	(158)	2,348	2,522	(284)	(195)	2,043
Total non-current liabilities	80,743	(330)	(119)	80,294	105,927	(284)	(146)	105,497
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)	(119)	330,131	328,384	(13,271)	(146)	314,967
TOTAL EQUITY AND LIABILITIES	619,285	(18,897)	62	600,450	582,671	(20,483)	62	562,250

Condensed Consolidated Statement of Changes in Equity (Extract)

	31.12.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	31.12.12 Restated RM'000	01.01.12 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	Effect of adoption of MFRS 119 (revised) RM'000	01.01.12 Restated RM'000
Retained earnings	243,175	(7,212)	190	236,153	219,386	(7,212)	217	212,391
Non-controlling interests	409	-	(9)	400	413	-	(9)	404

**Condensed Consolidated Statement of Cash Flows**

	31.12.2012 Previously stated RM'000	Effect of adoption of MFRS 11 RM'000	31.12.2012 Restated RM'000
Cash flow from operating activities			
Profit before tax	39,022	(1,778)	37,244
Adjustments for:			
Depreciation	49,871	(1,581)	48,290
Gain on disposal of property, plant and equipment	(1,082)	3	(1,079)
Gain on disposal of assets held for rental	(1,791)	-	(1,791)
Other non-cash items	8,025	290	8,315
Non-operating items	(7,253)	(6,123)	(13,376)
Operating profit before working capital changes	86,792	(9,189)	77,603
Changes in working capital	(13,859)	2,284	(11,575)
Tax paid	(7,977)	1,016	(6,961)
Retirement benefit paid	(73)	1	(72)
Proceeds from disposal of assets held for rental	3,298	-	3,298
Net cash generated from operating activities	68,181	(5,888)	62,293
Cash flows from investing activities			
Dividend received from jointly controlled entities	-	1,663	1,663
Purchase of property, plant and equipment	(58,354)	1,846	(56,508)
Proceeds from disposal of property, plant and equipment	4,889	(3)	4,886
Interest received	2,180	(290)	1,890
Net cash used in investing activities	(51,285)	3,216	(48,069)
Cash flows from financing activities			
Dividends paid to shareholders of the Company	(5,862)	-	(5,862)
Drawdown of bankers' acceptances	276,356	-	276,356
Repayment of bankers' acceptances	(287,808)	-	(287,808)
Drawdown of term loans	20,000	-	20,000
Repayment of term loans	(42,995)	-	(42,995)
Drawdown of revolving credits	116,000	-	116,000
Repayment of revolving credits	(84,000)	-	(84,000)
Interest paid	(10,205)	-	(10,205)
Purchase of treasury shares	(77)	-	(77)
Net cash generated from/(used in) financing activities	(18,591)	-	(18,591)
Net changes in cash and cash equivalents	(1,695)	(2,672)	(4,367)
Cash and cash equivalents at beginning of year	99,803	(10,457)	89,346
Effects of exchange rate changes on cash and cash equivalents	(326)	-	(326)
Cash and cash equivalents at end of year	97,782	(13,129)	84,653
Cash and cash equivalents comprise:			
Short term investments	13,666	-	13,666
Cash and bank balances	50,600	(10,810)	39,790
Time deposits with licensed banks	33,516	(2,319)	31,197
	97,782	(13,129)	84,653

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 year ended 31 December 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 year ended 31 December 2013.

6. Debt and equity securities

During the current quarter, a total of 500 ordinary shares were repurchased from the open market at RM2.90 per share for a total consideration of RM1,492. The Company repurchased a total of 25,600 of its ordinary shares from the open market for a total consideration of RM71,725 in the previous quarters of this year. 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 year ended 31 December 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 ended 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:

Business segments	12 Months Ended 31 Dec									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</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	203,067	204,901	222,379	202,069	45,821	41,446	11,110	4,783	482,377	453,199
Inter-segment revenue	-	-	1,423	1,199	-	-	-	-	1,423	1,199
Segment profit / (loss)	22,029	26,777	70,877	55,926	325	1,852	10,066	(397)	103,297	84,158
Segment assets	257,038	241,225	235,417	219,837	69,495	34,712	78,998	31,728	640,948	527,502
Segment liabilities	174,329	160,374	137,785	127,855	51,754	18,235	1,761	1,886	365,629	308,350

Operating segments (continued)

	Year ended 31 December	
	2013 RM'000	2012 RM'000 Restated
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	103,297	84,158
Depreciation	(49,626)	(48,290)
Interest expenses	(9,714)	(10,205)
Interest income	1,661	1,890
Non-reportable segment expenses	(8,127)	4,751
Share of profit from equity accounted investments, net of tax	4,316	4,940
Consolidated profit before tax	<u>41,807</u>	<u>37,244</u>
Reconciliation of reportable segment assets		
Total assets for reportable segments	640,948	527,502
Assets for non-reportable segment	9,501	29,642
Share of assets from equity accounted investments	31,727	43,306
Consolidated assets	<u>682,176</u>	<u>600,450</u>
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	365,629	308,350
Liabilities for non-reportable segment	17,929	21,781
Consolidated liabilities	<u>383,558</u>	<u>330,131</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 in this 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 31.12.13 RM'000
Approved and contracted for	<u>3,380</u>
Approved but not contracted for	<u>19,012</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 31.12.13 RM'000
Not later than 1 year	22,421
Later than 1 year and not later than 5 years	<u>26,445</u>
	<u>48,866</u>

(b) As lessee – for office premises

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

	As at 31.12.13 RM'000
Not later than 1 year	3,489
Later than 1 year and not later than 5 years	<u>3,302</u>
	<u>6,791</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	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Sales	6,365	9,174	32,544	41,330
Travel agency, car rental and workshop services	1,694	1,401	10,337	6,474
Rental income	437	329	1,654	1,152
	8,496	10,904	44,535	48,956
Purchases of trucks and spare parts	662	319	2,266	1,923
Workshop services	412	438	1,420	1,942
Rental expenses	35	58	137	97
Purchases of property, plant and equipment	15,800	10,813	37,792	26,175
Insurance agency services	1,055	497	4,276	3,311
Administrative services	1,471	1,614	5,228	2,806
Financing and leasing	12,977	-	12,977	-
Assembly services	664	1,710	5,774	3,682
	33,076	15,449	69,870	39,936

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

	Individual quarter		Cumulative quarters	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Sales	1,497	2,325	5,596	6,572
Travel agency , car rental and workshop services	76	255	1,098	1,108
	1,573	2,580	6,694	7,680
Purchases of products	73	123	218	380

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****Year ended 31 December 2013**

Group revenue increased to RM482.4 million from RM453.2 million (restated) last year, representing an increase of 6.4%. The higher revenue was attributable mainly to the increased contribution from the Travel & Car Rental Division and Automotive Division. Profit before tax (“PBT”) was recorded at RM41.8 million, 12.3% higher than RM37.2 million last year. The profit included the fair value gain of RM9.5 million (2012: RM10.4 million) on our investment property as per Note 9 of Part A. Profit after tax increased by 10.3% to RM32.7 million from RM29.6 million recorded last year.

Machinery Division

Revenue from the Machinery Division of RM203.1 million was slightly lower than last year of RM204.9 million. Segment profit was 17.7% 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 higher revenue by 10% at RM222.4 million compared with 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 second half of this year. The higher revenue was able to offset the lower sales performance of the Inbound and Retail and Distribution Divisions due to lesser business volume as compared with last year. Retail and Distribution Division, although with lower revenue, generated a better result as opposed to last year because of improved margin. Segment profit increased by 26.7% compared with last year contributed mainly by gain from sale of used rental vehicles.

Automotive Division

The Automotive Division recorded a growth of 10.6% revenue to RM45.8 million as compared 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 September this year. Segment profit however decreased to RM325 thousand from RM1.8 million in the previous financial year because of startup costs and higher expenses of the flagship showroom setup in Jalan 225 Petaling Jaya this year.

Jointly controlled entities

Our share of profit of our joint ventures namely Shiseido Malaysia Sdn Bhd (“Shiseido”) and Wacoal Malaysia Sdn Bhd, decreased by 12.6% compared with last year due to lower sales of Shiseido especially in the last quarter of this year.

3 months ended 31 December 2013

The Group recorded higher revenue at RM128.9 million in the fourth quarter of this year compared with RM106 million (restated) in the corresponding quarter last year. PBT was at RM21 million, 12.5% higher compared with RM18.7 million in corresponding quarter last year. The profit included fair value gain on our investment property of RM9.5 million (2012: RM10.4 million). Higher revenue and PBT were recorded by Travel and Car Rental Division mainly due to gain from sale of used rental vehicles.

2. Comparison with preceding quarter’s results

The Group recorded lower revenue by 6.2% at RM128.9 million in the fourth quarter of this year compared with RM121.3 million in the preceding quarter due to the higher contribution of Travel and Car Rental Division which was able to offset the lower sales of Machinery and Equipment as well as Automotive Divisions in the last quarter. PBT increased to RM21 million, as opposed to RM7.8 million in the third quarter this year due to gain from sale of used rental vehicles as well as the incorporation of the fair value gain on our investment property of RM9.5 million (2012: RM10.4 million).



3. Prospects

Improved exports and increased capital spending by the private sector and government are the main contributors of the growth of Malaysia economy in 2014. Domestic demands are expected to be cautious. The operating environments of the respective business segments are envisaged to remain challenging and competitive due to the depreciation of Ringgit, higher costs, and sluggish domestic demand. Our continuing efforts aiming for increase productivity and efficiency will help to alleviate some of the cost pressures.

Going forward, the Group continues to focus on strengthening market presence, increase product range, cost stabilization and productivity improvements, whilst expanding our market to neighboring countries widening our regional footprint.

4. Profit forecast

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

5. Tax expenses

	Individual quarter		Cumulative quarters	
	31.12.13 RM'000	31.12.12 RM'000 Restated	31.12.13 RM'000	31.12.12 RM'000 Restated
Tax expenses				
Current year	4,402	774	12,453	5,436
Prior year	51	(130)	(28)	(96)
Deferred tax expenses				
Current year	(1,891)	1,476	(3,344)	2,421
Prior year	11	(169)	11	(164)
	2,573	1,951	9,092	7,597

The Group's effective tax rate for the current quarter was lower than the prima facie tax rate due mainly to non taxable fair value gain on investment property recognised.

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
	31.12.13
	RM'000
Current	
Bankers' acceptances	95,543
Revolving credits	80,000
Term loan	41,406
Bank overdrafts	830
	<u>217,779</u>
Non-current	
Term loans	<u>34,917</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 recommend a final single tier dividend of 4.5 sen (2012: 6 sen less tax at 25%) for the financial year ended 31 December 2013, subject to shareholders' approval at the forthcoming annual general meeting. Together with the interim dividend of 6 sen (2012 : 6 sen) less tax at 25% per share already declared and paid, this represents a total dividend per share of 10.5%, consisting 4.5 sen single tier dividend and 6 sen less tax at 25% (2012: 12 sen less tax at 25%) for the financial year ended 31 December 2013.

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

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	
	31.12.13	31.12.12	31.12.13	31.12.12
Profit attributable to owners of the Company (RM'000)	<u>18,583</u>	<u>16,733</u>	<u>32,933</u>	<u>29,651</u>
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	65,111	65,131	65,141	65,188
Effect of share buyback during the period	<u>(6)</u>	<u>-</u>	<u>(22)</u>	<u>(47)</u>
At end of period	<u>65,105</u>	<u>65,131</u>	<u>65,119</u>	<u>65,141</u>
Basic earnings per share (sen)	<u>28.54</u>	<u>25.69</u>	<u>50.57</u>	<u>45.52</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	
	31.12.13	31.12.12	31.12.13	31.12.12
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Depreciation and amortisation	11,876	12,773	49,626	48,290
Provision for doubtful debts	57	437	145	679
Bad debts written off	130	36	198	45
Provision for inventories	308	591	681	967
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	30	41	92	103
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 31 December 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	<u>21,782</u>	<u>237</u>

13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 December 2013, into realised and unrealised profits/losses, is as follows:

	As at 31.12.13 RM'000	As at 31.12.12 RM'000 Restated
Total retained profits of the Group:		
- Realised	249,482	247,205
- Unrealised	<u>4,782</u>	<u>(15,480)</u>
	254,264	231,725
Total retained profits from jointly controlled entities:		
- Realised	<u>14,573</u>	<u>12,704</u>
- Unrealised	<u>343</u>	<u>343</u>
	14,916	13,047
Less: Consolidation adjustments	<u>(5,707)</u>	<u>(8,619)</u>
Total retained profits as per Statement of Financial Position	<u>263,473</u>	<u>236,153</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
 LEE KWEE CHENG
 ANG LAY BEE
 CHANG PIE HOON
 Company Secretaries
 Kuala Lumpur
 25 February 2014