



**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 2014**

*(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 2014

	Quarter ended 30 June		Period ended 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	130,119	132,136	244,813	232,248
Cost of sales	(96,279)	(98,676)	(178,173)	(170,739)
Gross profit	33,840	33,460	66,640	61,509
Other income	632	593	1,185	1,007
Selling and distribution expenses	(13,826)	(11,597)	(26,543)	(22,460)
Administrative and general expenses	(15,764)	(13,274)	(31,522)	(25,091)
Interest expenses	(2,995)	(2,515)	(5,879)	(4,877)
Interest income	520	441	980	766
Share of profit from equity accounted investments, net of tax	172	1,436	1,200	2,077
Profit before tax	2,579	8,544	6,061	12,931
Tax expenses	(1,235)	(2,834)	(2,038)	(4,411)
<b>Profit for the period</b>	<b>1,344</b>	<b>5,710</b>	<b>4,023</b>	<b>8,520</b>
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	(147)	465	(446)	506
Foreign exchange differences from translation	(297)	246	(312)	370
	(444)	711	(758)	876
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of defined benefit liabilities	-	-	-	-
<b>Total other comprehensive (loss)/income for the period</b>	<b>(444)</b>	<b>711</b>	<b>(758)</b>	<b>876</b>
<b>Total comprehensive income for the period</b>	<b>900</b>	<b>6,421</b>	<b>3,265</b>	<b>9,396</b>
Profit attributable to:				
Owners of the Company	1,390	5,728	4,073	8,571
Non-controlling interests	(46)	(18)	(50)	(51)
	1,344	5,710	4,023	8,520
Total comprehensive income attributable to:				
Owners of the Company	946	6,439	3,315	9,447
Non-controlling interests	(46)	(18)	(50)	(51)
	900	6,421	3,265	9,396
Basic earnings per share (sen)	2.14	8.79	6.26	13.16
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 2013 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 2014**

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
<b>ASSETS</b>		
Property, plant and equipment	213,878	202,159
Investment property	42,600	42,600
Investments accounted for using the equity method	31,192	31,727
Other investments	10	10
Lease receivables	4,462	3,471
Deferred tax assets	1,626	734
Intangible assets	9,131	9,131
<b>Total non-current assets</b>	<b>302,899</b>	<b>289,832</b>
Inventories	144,349	158,516
Trade and other receivables	158,174	117,870
Derivative financial assets	-	366
Current tax assets	5,858	5,877
Cash and bank balances	104,195	109,540
<b>Total current assets</b>	<b>412,576</b>	<b>392,169</b>
<b>TOTAL ASSETS</b>	<b>715,475</b>	<b>682,001</b>
<b>EQUITY</b>		
Share capital	67,200	67,200
Share premium	615	615
Other reserves	(29,407)	(28,649)
Retained earnings	265,904	264,761
Treasury shares	(4,203)	(4,201)
Total equity attributable to owners of the Company	300,109	299,726
Non-controlling interests	132	182
<b>TOTAL EQUITY</b>	<b>300,241</b>	<b>299,908</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	14,926	16,766
Retirement benefit obligations	2,736	2,434
Loans and borrowings	60,449	43,025
<b>Total non-current liabilities</b>	<b>78,111</b>	<b>62,225</b>
Trade and other payables	116,779	95,356
Loans and borrowings	217,641	222,286
Derivative financial liabilities	331	129
Current tax liabilities	2,372	2,097
<b>Total current liabilities</b>	<b>337,123</b>	<b>319,868</b>
<b>TOTAL LIABILITIES</b>	<b>415,234</b>	<b>382,093</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>715,475</b>	<b>682,001</b>
Net assets per share attributable to owners of the Company (RM)	4.61	4.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	Attributable to owners of the Company								Total	Non-controlling interests	Total equity
	Non-distributable				Distributable						
	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	RM'000	RM'000	RM'000
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	-	-	-	-	370	-	-	-	370	-	370
Cash flow hedge	-	-	-	-	-	506	-	-	506	-	506
Total other comprehensive income for the year	-	-	-	-	370	506	-	-	876	-	876
Profit for the year	-	-	-	-	-	-	-	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	241,793	276,435	349	276,784
At 1 January 2014	67,200	615	(4,201)	(41,614)	562	198	12,205	264,761	299,726	182	299,908
Foreign currency translation differences for foreign operations	-	-	-	-	(312)	-	-	-	(312)	-	(312)
Cash flow hedge	-	-	-	-	-	(446)	-	-	(446)	-	(446)
Total other comprehensive income for the year	-	-	-	-	(312)	(446)	-	-	(758)	-	(758)
Profit for the year	-	-	-	-	-	-	-	4,073	4,073	(50)	4,023
Total comprehensive income for the period	-	-	-	-	(312)	(446)	-	4,073	3,315	(50)	3,265
Purchase of treasury shares	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Dividend - 2013 final	-	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
At 30 June 2014	67,200	615	(4,203)	(41,614)	250	(248)	12,205	265,904	300,109	132	300,241

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended 30 June 2014 RM'000	Six months ended 30 June 2013 RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	6,061	12,931
Adjustments for:		
Depreciation	22,742	25,403
Gain on disposal of property, plant and equipment	(1,319)	(1,242)
Gain on disposal of assets held for rental	(6,890)	(2,022)
Other non-cash items	(1,113)	(2,531)
Non-operating items	5,792	4,967
<b>Operating profit before working capital changes</b>	<b>25,273</b>	<b>37,506</b>
Changes in working capital	(5,657)	(2,995)
Tax paid	(4,427)	(2,268)
Retirement benefit paid	(29)	(66)
Proceeds from disposal of assets held for rental	21,564	2,446
<b>Net cash generated from operating activities</b>	<b>36,724</b>	<b>34,623</b>
<b>Cash flows from investing activities</b>		
Dividend received from jointly controlled entities	1,735	2,226
Dividend received from other investment	4	-
Purchase of property, plant and equipment	(19,948)	(23,455)
Proceeds from disposal of property, plant and equipment	3,857	3,331
Interest received	980	766
<b>Net cash used in investing activities</b>	<b>(13,372)</b>	<b>(17,132)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(2,930)	(2,931)
Repayment of hire purchase financing	(4,802)	-
Drawdown of bankers' acceptances	165,907	73,490
Repayment of bankers' acceptances	(162,454)	(77,909)
Drawdown of term loans	-	20,000
Repayment of term loans	(21,644)	(24,993)
Drawdown of revolving credits	83,000	148,500
Repayment of revolving credits	(80,000)	(114,000)
Interest paid	(5,879)	(4,877)
Purchase of treasury shares	(2)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(28,804)</b>	<b>17,280</b>
<b>Net changes in cash and cash equivalents</b>	<b>(5,452)</b>	<b>34,771</b>
Cash and cash equivalents at beginning of period	108,328	84,653
Effects of exchange rate fluctuation on cash and cash equivalents	(71)	283
Cash and cash equivalents at end of period	<b>102,805</b>	<b>119,707</b>
Cash and cash equivalents comprise:		
Short term deposits	15,973	20,291
Cash at bank and in hand	33,161	23,234
Fixed deposits with licensed banks	55,061	76,472
Bank overdrafts	(1,390)	(290)
	<b>102,805</b>	<b>119,707</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2013. 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 2013.

#### **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, effective for annual periods beginning on or after 1 January 2014:

Amendments to MFRS 10, MFRS 12 and MFRS 127	<i>Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoptions of the above did not have any significant impact on the financial statements of the Group.



## **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 six months ended 30 June 2014.

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

There were no changes in estimates that have had any material effect in the current quarter and six months ended 30 June 2014.

## **6. Debt and equity securities**

During the current quarter, a total of 500 ordinary shares were repurchased from the open market at RM3.65 per share for a total consideration of RM1,868. 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 six month ended 30 June 2014.

## **7. Dividends paid**

Final single tier dividend of 4.5 sen (2013: 6 sen less tax at 25%) for the financial year ended 31 December 2013 totaling RM2,929,679 approved by the shareholders on 29 May 2014 was paid on 26 June 2014.



8. Operating segments

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

	Six months ended 30 June									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Others</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	<b>97,908</b>	105,832	<b>110,724</b>	96,043	<b>31,427</b>	24,524	<b>4,754</b>	5,849	<b>244,813</b>	232,248
Inter-segment revenue	-	-	<b>1,437</b>	916	-	-	-	-	<b>1,437</b>	916
Segment profit / (loss)	<b>9,525</b>	12,744	<b>27,899</b>	29,258	<b>(287)</b>	1,413	<b>125</b>	135	<b>37,262</b>	43,550
Segment assets	<b>240,939</b>	259,440	<b>267,916</b>	239,170	<b>74,372</b>	45,051	<b>85,378</b>	65,329	<b>668,605</b>	608,990
Segment liabilities	<b>163,767</b>	174,000	<b>174,568</b>	153,891	<b>56,796</b>	27,834	<b>3,247</b>	2,554	<b>398,378</b>	358,279



**Operating segments (continued)**

	Six months ended 30 June	
	2014	2013
	RM'000	RM'000
<b>Reconciliation of reportable segment profit or loss</b>		
Total profit or loss for reportable segments	37,262	43,550
Depreciation	(22,742)	(25,403)
Interest expenses	(5,879)	(4,877)
Interest income	980	766
Non-reportable segment expenses	(4,760)	(3,182)
Share of profit from equity accounted investments, net of tax	1,200	2,077
Consolidated profit before tax	<u>6,061</u>	<u>12,931</u>
<b>Reconciliation of reportable segment assets</b>		
Total assets for reportable segments	668,605	608,990
Assets for non-reportable segment	15,678	16,607
Share of assets from equity accounted investments	31,192	29,493
Consolidated assets	<u>715,475</u>	<u>655,090</u>
<b>Reconciliation of reportable segment liabilities</b>		
Total liabilities for reportable segments	398,378	358,279
Liabilities for non-reportable segment	16,856	20,208
Consolidated liabilities	<u>415,234</u>	<u>378,487</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. The Group last recognised the fair value of the investment property based on a valuation carried out by external valuer on 1 October 2013. 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**

There were no changes in the composition of the Group during the current quarter and six month ended 30 June 2014.

**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 30.06.14 RM'000
Approved and contracted for	<u>15,372</u>
Approved but not contracted for	<u>24,813</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 30.06.14 RM'000
Not later than 1 year	27,533
Later than 1 year and not later than 5 years	<u>24,500</u>
	<u>52,033</u>

(b) As lessee – for office premises

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

	As at 30.06.14 RM'000
Not later than 1 year	3,444
Later than 1 year and not later than 5 years	<u>4,122</u>
	<u>7,566</u>

## 15. Related party disclosures

Related party transactions between the Group and Tan Chong Motor Holdings Berhad group, APM Automotive Holdings Berhad group and companies in which a Director and substantial shareholder of the Company is deemed to have substantial interests are as follows:

	Individual quarter		Cumulative quarters	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Sales	<b>8,788</b>	10,348	<b>21,627</b>	18,212
Travel agency, car rental and workshop services	<b>1,471</b>	3,564	<b>3,092</b>	5,241
Rental income	<b>512</b>	441	<b>998</b>	779
	<b>10,771</b>	14,353	<b>25,717</b>	24,232
Purchases of trucks and spare parts	<b>116</b>	556	<b>1,031</b>	1,077
Workshop services	<b>249</b>	471	<b>531</b>	722
Rental expenses	<b>65</b>	39	<b>122</b>	72
Purchases of property, plant and equipment	<b>22,423</b>	7,276	<b>25,905</b>	12,010
Insurance agency services	<b>193</b>	693	<b>1,493</b>	2,273
Administrative services	<b>2,018</b>	1,336	<b>2,190</b>	1,944
Financing and leasing	<b>11,615</b>	-	<b>28,823</b>	-
Assembly services	<b>1,140</b>	1,623	<b>3,177</b>	2,566
	<b>37,819</b>	11,994	<b>63,272</b>	20,664

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

	Individual quarter		Cumulative quarters	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Sales	<b>859</b>	1,467	<b>1,797</b>	2,900
Travel agency , car rental and workshop services	<b>212</b>	322	<b>1,097</b>	674
	<b>1,071</b>	1,789	<b>2,894</b>	3,574
Purchases of products	<b>55</b>	62	<b>93</b>	122

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 2014

Group revenue increased to RM244.8 million from RM232.2 million in the first half of last year, representing an increase of 5.4%. The higher revenue was attributable mainly to the increased contribution from the Travel and Car Rental Division. Profit before tax ("PBT") was recorded at RM6.1 million as compared with RM12.9 million in the first half of last year due to escalating costs and interest expenses. Profit after tax decreased to RM4.0 million from RM8.5 million recorded last year.

#### Machinery Division

Revenue from the Machinery Division of RM97.9 million was lower compared with the first half of last year of RM105.8 million. Segment profit was lower compared with last year due to higher input costs, lesser unit sales of the Heavy Machinery division and higher staff costs and marketing costs. Parts and Services division performed relatively well in this first half of current year.

#### Travel and Car Rental Division

The Travel and Car Rental Division recorded an increase in revenue of 15.3% at RM110.7 million compared with the first half of last year. The increase in revenue was due mainly to the continued disposal of used rental vehicles by the Car Rental sub division in the first half of current year generated gain from disposal. Retail and Distribution was performing better in this first half of current year. China Inbound business was affected by the MH370 tragedy and a number of unfavourable incidences in Sabah. Segment profit decreased compared with the first half of last year also due to higher staff and promotional costs to support service delivery and growth.

#### Automotive Division

The Automotive Division recorded a growth of 28.1% in revenue to RM31.4 million as compared with the first half of last year as the sale of vehicles picked up after the launching of the heavy commercial trucks in the second quarter of 2012 and passenger pick-up vehicles in September last year. The Division recorded a segment loss of RM0.3 million as compared to segment profit of RM1.4 million achieved in the first half of last year due to higher CKD import costs and branches setup costs to widen the distribution network.

#### Jointly controlled entities

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

#### 3 months ended 30 June 2014

The Group recorded slightly lower revenue at RM130.1 million in the second quarter of 2014 compared with RM132.1 million in the corresponding quarter last year. PBT was at RM2.6 million compared to RM8.5 million in corresponding quarter. Higher revenue was recorded by Travel and Car Rental division whilst lower PBT was due to increase in operating costs and lower share of joint ventures profit.

## 2. Comparison with preceding quarter's results

The Group recorded slightly higher revenue by 13.4% at RM130.1 million compared with RM114.7 million in the preceding quarter due to the higher contribution from Travel and Car Rental Division, as well as Machinery Division. PBT decreased to RM2.6 million, as opposed to RM3.5 million in the preceding quarter due to lower share of joint ventures profit.

## 3. Prospects

Bank Negara expects the growth of Malaysia economy will remain anchored by domestic demand, with additional support from the improvement in the external environment. Exports will continue to benefit from the recovery in the advanced economies while private domestic demand is expected to remain the key driver of the overall growth. Going forward, the Malaysian economy is therefore expected to remain on a steady growth path. On the supply side, growth was supported by the major economic sectors. The services sector expanded further, driven by the improvement in finance and insurance and sustained growth in consumption- and production-related services. Growth in the manufacturing sector was underpinned by the strong performance in the export-oriented industries. The construction sector recorded stronger growth, driven mainly by the residential sub-sector. Meanwhile, the agriculture sector registered higher growth, underpinned by the production of food crops while the mining sector registered a lower decline due to a smaller contraction in the output of crude oil. These factors provide good outlook prospect for the Group's Machinery and Automotive Divisions, whilst we strengthened the Group's sales teams and backend support to seize all opportunities.

Travel industry and tourism market's outlook has dimmed markedly after the Malaysia Airlines tragedies and the number of unfavourable incidences in Sabah. As a result, Inbound travel business particularly Chinese and Middle Eastern tourists to Malaysia has dropped considerably. Consequently, the Group Travel and Car Rental Division result has dropped despite this year being declared as a Visit Malaysia Year. Corporate Travel sub division sales are expected to increase with the acquisitions of new clients.

Going forward, the Group continues to focus on strengthening market presence, increase product range, cost stabilisation and productivity improvement, whilst expanding our market to neighbouring 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	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
<b>Tax expenses</b>				
Current year	2,263	2,990	4,245	5,149
Prior year	(22)	-	477	-
<b>Deferred tax expenses</b>				
Current year	(1,006)	(156)	(2,684)	(738)
Prior year	-	-	-	-
	<u>1,235</u>	<u>2,834</u>	<u>2,038</u>	<u>4,411</u>

The Group's effective tax rate for the six months ended 30 June 2014 was higher than the prima facie tax rate due mainly to deferred tax assets have not been recognized for certain loss making subsidiaries.

## 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 30.06.14 RM'000
<b>Current</b>	
<u>Unsecured</u>	
Bankers' acceptances	98,996
Revolving credit	83,000
Term loans	26,482
Bank overdraft	1,390
	<u>209,868</u>
<u>Secured</u>	
Hire purchase creditors	7,773
	<u>217,641</u>
<b>Non-current</b>	
Term loans-unsecured	27,952
Hire purchase creditors-secured	32,497
	<u>60,449</u>

The above borrowings were 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 single tier dividend of 4.5 sen (2013: 6 sen less tax at 25%) per share for the financial year ending 31 December 2014. The interim dividend will be paid on 29 September 2014. The entitlement to dividend will be determined on the basis of the record of depositors as at 9 September 2014.

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

- shares transferred into the depositor's securities account before 4.00 p.m. on 9 September 2014 in respect of ordinary transfers; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.



## 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	
	30.06.14	30.06.13	30.06.14	30.06.13
Profit attributable to owners of the Company (RM'000)	<u>1,390</u>	<u>5,728</u>	<u>4,073</u>	<u>8,571</u>
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	65,105	65,131	65,119	65,141
Effect of share buyback	(1)	-	(15)	(10)
At end of period	<u>65,104</u>	<u>65,131</u>	<u>65,104</u>	<u>65,131</u>
Basic earnings per share (sen)	<u>2.14</u>	<u>8.79</u>	<u>6.26</u>	<u>13.16</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	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Depreciation and amortisation	11,287	12,690	22,742	25,403
Provision for doubtful debts	-	(4)	-	47
Bad debts written off	-	-	-	1
Provision for inventories	79	124	159	248
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	122	180	(87)	326
(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 2014, 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>17,311</u>	<u>(331)</u>



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

The breakdown of the retained profits of the Group as at 30 June 2014, into realised and unrealised profits/losses, is as follows:

	<b>As at 30.06.14 RM'000</b>	As at 31.12.13 RM'000
Total retained profits of the Group:		
- Realised	<b>247,550</b>	249,694
- Unrealised	<b>7,557</b>	5,225
	<b>255,107</b>	254,919
Total retained profits from jointly controlled entities:		
- Realised	<b>13,353</b>	13,888
- Unrealised	<b>483</b>	483
	<b>13,836</b>	14,371
Less: Consolidation adjustments	<b>(3,039)</b>	(4,529)
Total retained profits as per Statement of Financial Position	<b>265,904</b>	264,761

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 August 2014