



**WARISAN TC HOLDINGS BERHAD**

*(Company No: 424834-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND SIX MONTH ENDED 30 JUNE 2015**

*(The figures have not been audited)*



## WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2015

	Quarter ended 30 June		Period ended 30 June	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	99,364	130,119	218,209	244,813
Cost of sales	<u>(72,567)</u>	<u>(96,279)</u>	<u>(160,692)</u>	<u>(178,173)</u>
Gross profit	26,797	33,840	57,517	66,640
Other income	535	632	978	1,185
Selling and distribution expenses	(7,931)	(13,826)	(21,068)	(26,543)
Administrative and general expenses	(19,165)	(15,764)	(35,696)	(31,522)
Interest expenses	(3,701)	(2,995)	(7,172)	(5,879)
Interest income	927	520	1,785	980
Share of (loss)/profit from equity accounted investments, net of tax	<u>(1,626)</u>	<u>172</u>	<u>597</u>	<u>1,200</u>
(Loss)/Profit before tax	(4,164)	2,579	(3,059)	6,061
Tax expenses	<u>(465)</u>	<u>(1,235)</u>	<u>(795)</u>	<u>(2,038)</u>
<b>(Loss)/Profit for the period</b>	<b><u>(4,629)</u></b>	<b><u>1,344</u></b>	<b><u>(3,854)</u></b>	<b><u>4,023</u></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	136	(147)	346	(446)
Foreign exchange differences from translation	<u>16</u>	<u>(297)</u>	<u>385</u>	<u>(312)</u>
<b>Total other comprehensive income/(loss) for the period</b>	<b><u>152</u></b>	<b><u>(444)</u></b>	<b><u>731</u></b>	<b><u>(758)</u></b>
<b>Total comprehensive (loss)/income for the period</b>	<b><u>(4,477)</u></b>	<b><u>900</u></b>	<b><u>(3,123)</u></b>	<b><u>3,265</u></b>
(Loss)/Profit attributable to:				
Owners of the Company	(4,572)	1,390	(3,731)	4,073
Non-controlling interests	<u>(57)</u>	<u>(46)</u>	<u>(123)</u>	<u>(50)</u>
	<b><u>(4,629)</u></b>	<b><u>1,344</u></b>	<b><u>(3,854)</u></b>	<b><u>4,023</u></b>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(4,420)	946	(3,000)	3,315
Non-controlling interests	<u>(57)</u>	<u>(46)</u>	<u>(123)</u>	<u>(50)</u>
	<b><u>(4,477)</u></b>	<b><u>900</u></b>	<b><u>(3,123)</u></b>	<b><u>3,265</u></b>
Basic (loss)/earnings per share (sen)	<u>(7.02)</u>	<u>2.14</u>	<u>(5.73)</u>	<u>6.26</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 2014 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 (UNAUDITED) AS AT 30 JUNE 2015

	As at 30.06.15 RM'000	As at 31.12.2014 RM'000
<b>ASSETS</b>		
Property, plant and equipment	262,582	263,636
Investment property	44,500	44,500
Investments accounted for using the equity method	31,733	32,177
Other investments	10	10
Lease receivables	3,949	5,607
Deferred tax assets	2,180	1,328
Intangible assets	9,131	9,131
<b>Total non-current assets</b>	<b>354,085</b>	<b>356,389</b>
Inventories	140,798	149,971
Trade and other receivables	161,586	138,490
Derivative financial assets	175	108
Current tax assets	6,580	4,477
Cash and bank balances	82,321	92,241
<b>Total current assets</b>	<b>391,460</b>	<b>385,287</b>
<b>TOTAL ASSETS</b>	<b>745,545</b>	<b>741,676</b>
<b>EQUITY</b>		
Share capital	67,200	67,200
Share premium	615	615
Other reserves	6,197	5,621
Retained earnings	254,200	260,706
Treasury shares	(4,206)	(4,206)
Total equity attributable to owners of the Company	324,006	329,936
Non-controlling interests	(318)	(195)
<b>TOTAL EQUITY</b>	<b>323,688</b>	<b>329,741</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	16,704	16,576
Retirement benefit obligations	3,422	3,096
Loans and borrowings	66,554	60,741
<b>Total non-current liabilities</b>	<b>86,680</b>	<b>80,413</b>
Trade and other payables	133,387	108,320
Loans and borrowings	201,132	221,494
Derivative financial liabilities	4	283
Current tax liabilities	654	1,425
<b>Total current liabilities</b>	<b>335,177</b>	<b>331,522</b>
<b>TOTAL LIABILITIES</b>	<b>421,857</b>	<b>411,935</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>745,545</b>	<b>741,676</b>
Net assets per share attributable to owners of the Company (RM)	4.98	5.07

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 (UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Attributable to owners of the Company								Non-controlling interests	Total equity	
	Non-distributable				Distributable						
	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 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/(loss) for the period	-	-	-	-	(312)	(446)	-	-	(758)	-	(758)
Profit for the period	-	-	-	-	-	-	-	4,073	4,073	(50)	4,023
Total comprehensive income/(loss) 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
<b>At 1 January 2015</b>	<b>67,200</b>	<b>615</b>	<b>(4,206)</b>	<b>(41,614)</b>	<b>1,327</b>	<b>(184)</b>	<b>46,092</b>	<b>260,706</b>	<b>329,936</b>	<b>(195)</b>	<b>329,741</b>
Foreign currency translation differences for foreign operations	-	-	-	-	385	-	-	-	385	-	385
Cash flow hedge	-	-	-	-	-	346	-	-	346	-	346
Total other comprehensive income/(loss) for the period	-	-	-	-	385	346	-	-	731	-	731
Transfer of revaluation surplus on properties	-	-	-	-	-	-	(155)	155	-	-	-
Loss for the period	-	-	-	-	-	-	-	(3,731)	(3,731)	(123)	(3,854)
Total comprehensive income/(loss) for the period	-	-	-	-	385	346	(155)	(3,576)	(3,000)	(123)	(3,123)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Dividend - 2014 final	-	-	-	-	-	-	-	(2,930)	(2,930)	-	(2,930)
At 30 June 2015	67,200	615	(4,206)	(41,614)	1,712	162	45,937	254,200	324,006	(318)	323,688

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June 2015 RM'000	Six months ended 30 June 2014 RM'000
<b>Cash flow from operating activities</b>		
(Loss)/Profit before tax	(3,059)	6,061
Adjustments for:		
Depreciation	24,246	22,742
Property, plant and equipment written off	346	788
Gain on disposal of property, plant and equipment	(438)	(1,319)
Gain on disposal of assets held for rental	(1,778)	(6,890)
Other non-cash items	(86)	(1,008)
Non-operating items	5,387	4,899
<b>Operating profit before working capital changes</b>	<b>24,618</b>	<b>25,273</b>
Changes in working capital	12,401	(5,657)
Tax paid	(4,205)	(4,427)
Retirement benefit paid	(9)	(29)
Proceeds from disposal of assets held for rental	9,071	21,564
<b>Net cash generated from operating activities</b>	<b>41,876</b>	<b>36,724</b>
<b>Cash flows from investing activities</b>		
Dividend received from jointly controlled entities	1,054	1,735
Dividend received from other investment	-	4
Purchase of property, plant and equipment	(26,959)	(19,948)
Proceeds from disposal of property, plant and equipment	1,411	3,857
Interest received	1,785	980
<b>Net cash used in investing activities</b>	<b>(22,709)</b>	<b>(13,372)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(2,930)	(2,930)
Repayment of hire purchase financing	(9,403)	(4,802)
Drawdown of bankers' acceptances	62,760	165,907
Repayment of bankers' acceptances	(110,467)	(162,454)
Drawdown of term loans	20,000	-
Repayment of term loans	(15,583)	(21,644)
Drawdown of revolving credits	583,000	83,000
Repayment of revolving credits	(547,000)	(80,000)
Interest paid	(7,172)	(5,879)
Purchase of treasury shares	-	(2)
<b>Net cash used in financing activities</b>	<b>(26,795)</b>	<b>(28,804)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(7,628)</b>	<b>(5,452)</b>
Cash and cash equivalents at beginning of period	89,545	108,328
Effects of exchange rate fluctuation on cash and cash equivalents	190	(71)
Cash and cash equivalents at end of period	<b>82,107</b>	<b>102,805</b>
Cash and cash equivalents comprise:		
Short term deposits	8,866	15,973
Cash at bank and in hand	35,268	33,161
Fixed deposits with licensed banks	38,187	55,061
Bank overdrafts	(214)	(1,390)
	<b>82,107</b>	<b>102,805</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2014. 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 2014.

#### **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 (“MASB”), effective for annual periods beginning on or after 1 July 2014:

Amendments to MFRS 119 – Defined Benefit Plans: Employee Contributions  
Annual improvements to MFRSs 2010-2012 Cycle  
Annual improvements to MFRSs 2011-2013 Cycle

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

As the date of authorisation of this unaudited an interim financial statements, the following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group:

#### Effective for annual periods commencing on or after 1 January 2016

- Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2012-2014 Cycle”
- Disclosure Initiative (Amendments to MFRS 101)
- Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)

#### Effective for annual periods commencing on or after 1 January 2017

- MFRS 15 Revenue from Contracts with Customers

#### Effective for annual periods commencing on or after 1 January 2018

- MFRS 9 Financial Instruments (2014)



## **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 2015.

## **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 2015.

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

During the current quarter, a total of 100 ordinary shares were repurchased from the open market at RM3.00 per share for a total consideration of RM341. 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 months ended 30 June 2015.

## **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 2014 totaling to RM2,929,629 approved by the shareholders on 28 May 2015 was paid on 25 June 2015.



## 8. Operating segments

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

Business segments	6 Months Ended 30 June									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	<b>100,004</b>	97,908	<b>97,809</b>	110,724	<b>17,008</b>	31,427	<b>3,388</b>	4,754	<b>218,209</b>	244,813
Inter-segment revenue	-	-	<b>512</b>	1,437	-	-	-	-	<b>512</b>	1,437
Segment profit / (loss)	<b>6,730</b>	9,525	<b>22,111</b>	27,899	<b>(1,295)</b>	(287)	<b>102</b>	125	<b>27,648</b>	37,262
Segment assets	<b>248,812</b>	240,939	<b>308,008</b>	267,916	<b>64,749</b>	74,372	<b>87,051</b>	85,378	<b>708,620</b>	668,605
Segment liabilities	<b>145,321</b>	163,767	<b>222,401</b>	174,568	<b>37,763</b>	56,796	<b>3,742</b>	3,247	<b>409,227</b>	398,378



## 8. Operating segments (continued)

	6 months ended 30 June	
	2015	2014
	RM'000	RM'000
<b>Reconciliation of reportable segment profit or loss</b>		
Total profit or loss for reportable segments	27,648	37,262
Depreciation	(24,246)	(22,742)
Interest expenses	(7,172)	(5,879)
Interest income	1,785	980
Non-reportable segment expenses	(1,671)	(4,760)
Share of profit from equity accounted investments, net of tax	597	1,200
Consolidated (loss)/profit before tax	<u>(3,059)</u>	<u>6,061</u>
<b>Reconciliation of reportable segment assets</b>		
Total assets for reportable segments	708,620	668,605
Assets for non-reportable segment	5,192	15,678
Share of assets from equity accounted investments	31,733	31,192
Consolidated assets	<u>745,545</u>	<u>715,475</u>
<b>Reconciliation of reportable segment liabilities</b>		
Total liabilities for reportable segments	409,227	398,378
Liabilities for non-reportable segment	12,630	16,856
Consolidated liabilities	<u>421,857</u>	<u>415,234</u>

## 9. Valuation of property, plant and equipment

The valuations of property, plant and equipment were brought forward without amendment from the annual financial statements for the year ended 31 December 2014.

## 10. 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 investment property was last valued on 1 October 2014.

## 11. Material subsequent event

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

## 12. Changes in composition of the Group

There was no material change in the composition of the Group during the current quarter and six months ended 30 June 2015.



**13. Changes in contingent liabilities**

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

**14. 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:

	<b>As at 30.06.15 RM'000</b>
Approved and contracted for	<u><b>5,221</b></u>
Approved but not contracted for	<u><b>52,748</b></u>

**15. 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:

	<b>As at 30.06.15 RM'000</b>
Not later than 1 year	<b>31,169</b>
Later than 1 year and not later than 5 years	<u><b>26,758</b></u>
	<u><b>57,927</b></u>

(b) As lessee – for office premises

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

	<b>As at 30.06.15 RM'000</b>
Not later than 1 year	<b>5,399</b>
Later than 1 year and not later than 5 years	<u><b>7,054</b></u>
	<u><b>12,453</b></u>

## 16. 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	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Sales of goods and services	<b>7,173</b>	10,259	<b>9,762</b>	24,719
Rental income	<b>618</b>	512	<b>1,202</b>	998
	<b><u>7,791</u></b>	<u>10,771</u>	<b><u>10,964</u></b>	<u>25,717</u>
Purchases goods and services	<b>5,579</b>	26,139	<b>47,802</b>	34,327
Rental expenses	<b>197</b>	65	<b>285</b>	122
Financing and leasing	<b>3,519</b>	11,615	<b>5,281</b>	28,823
	<b><u>9,295</u></b>	<u>37,819</u>	<b><u>53,368</u></b>	<u>63,272</u>

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

	Individual quarter		Cumulative quarters	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Sales of goods and services	<b>399</b>	1,071	<b>1,096</b>	2,894
Purchases of goods	<b>33</b>	55	<b>57</b>	93

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 2015**

Group revenue decreased to RM218.2 million from RM244.8 million in the first half of prior year, representing a decrease of 10.9%. The lower revenue was mainly due to the decrease in the revenues of the Travel and Car Rental Division and Automotive Division. The Group recorded a loss before tax of RM3.1 million compared to a profit before tax of RM6.1 million in the corresponding period prior year. This was primarily due to a lower gain on disposal of rental vehicles by the Car Rental sub-division and a higher loss suffered by the Automotive Division as a result of lower sales. Loss after tax was RM3.9 million compared to a profit after tax of RM4.0 million recorded in the corresponding period prior year.

**Machinery Division**

Revenue of the Machinery Division increased to RM100.0 million from RM97.9 million in the corresponding period last year. Segment profit was lower compared to corresponding period prior year due to a lower average gross margin and higher operating expenses.

**Travel and Car Rental Division**

The Travel and Car Rental Division recorded an 11.7% decline in revenue to RM97.8 million from RM110.7 million in the corresponding period prior year. This was primarily due to fewer rental vehicles disposed compared to the corresponding period prior year. This resulted in a lower gain on disposal of vehicles as well as a lower profit before tax for the Travel and Car Rental Division compared to the first half of prior year.

**Automotive Division**

The Automotive Division recorded a decrease of 45.9% in revenue to RM17.0 million from RM31.4 million registered in the first half of prior year due to lower sales volume of commercial trucks. In line with the lower revenue, the Division recorded a higher segment loss of RM1.3 million compared to a loss of RM0.3 million in first half of prior year.

**Jointly controlled entities**

Our share of profit of our joint ventures, namely Shiseido Malaysia Sdn Bhd (“Shiseido”) and Wacoal Malaysia Sdn Bhd, decreased compared to the first half of prior year because of higher advertising and promotional expenses incurred by Shiseido.

**3 months ended 30 June 2015**

The Group recorded lower revenue at RM99.4 million in the second quarter of 2015 compared to RM130.1 million in the corresponding quarter prior year. This was primarily due to customers front-loading their purchases ahead of the introduction of the Goods and Services Tax (“GST”) in April 2015 and also fewer disposal of rental vehicles compared to the corresponding quarter prior year. Loss before tax of RM4.2 million was recorded compared to profit before tax of RM2.6 million in corresponding quarter prior year. This was primarily due to the lower sales registered and a lower gain on disposal of rental vehicles in the current quarter. Share of joint ventures loss was RM1.6 million compared to a profit of RM0.2 million in the corresponding quarter prior year due to lower sales following the introduction of the GST.



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

The Group recorded lower revenue by 16.3% at RM99.4 million compared to RM118.8 million in the preceding quarter primarily due to customers front-loading purchases into the first quarter ahead of the introduction of the GST. Loss before tax was recorded at RM4.2 million, as opposed to profit before tax of RM1.1 million in the preceding quarter due to the lower sales.

**3. Prospects**

The business environment in the second half of this year is expected to remain challenging with multiple headwinds facing the Malaysian economy. The weakening Ringgit, potential US interest rate hike and slower consumer and government spending are expected to continue to weigh on business sentiment.

Amidst the uncertainties and challenging operating environment, the Group continues to intensify its sales and marketing initiatives leveraging on our reputation for high quality service delivery, strong service and product branding and extensive business network.

In addition, the Group will continue to focus on cost rationalisation initiatives and productivity improvements to lower its operating costs.

**4. Profit forecast**

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

**5. Tax expenses**

	Individual quarter		Cumulative quarters	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
<b>Tax expenses</b>				
Current year	502	2,263	1,332	4,245
Prior year	-	(22)	-	477
<b>Deferred tax expense</b>				
Current year	(37)	(1,006)	(537)	(2,684)
Prior year	-	-	-	-
	<u>465</u>	<u>1,235</u>	<u>795</u>	<u>2,038</u>

The Group has recorded a tax expense for the current quarter and period despite having a loss before tax due to deferred tax assets not being recognized for certain loss making subsidiaries and certain expenses 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
<b>Current</b>	<b>30.06.15</b>
<u>Unsecured</u>	<u>RM'000</u>
Bankers' acceptances	38,634
Revolving credits	119,000
Term loans	17,224
Bank overdrafts	214
	<u>175,072</u>
<u>Secured</u>	
Hire purchase creditors	26,060
	<u>201,132</u>
<b>Non-current</b>	
Term loans-unsecured	56,865
Hire purchase creditors-secured	9,689
	<u>66,554</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 2.5 sen (2014: 4.5 sen single tier) per share for the financial year ending 31 December 2015. The interim dividend is lower than that in the corresponding period prior year in view of the challenging business environment and the need to conserve cash to finance the Group's future growth.

The interim dividend will be paid on 30 September 2015. The entitlement to dividend will be determined on the basis of the record of depositors as at 15 September 2015.

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

- (a) shares transferred into the depositor's securities account before 4.00 p.m. on 15 September 2015 in respect of ordinary transfer; and
- (b) 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 (loss)/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	
	30.06.15	30.06.14	30.06.15	30.06.14
(Loss)/Profit attributable to owners of the Company (RM'000)	<b>(4,572)</b>	1,390	<b>(3,731)</b>	4,073
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	<b>65,103</b>	65,105	<b>65,103</b>	65,119
Effect of share buyback	-	(1)	-	(15)
At end of period	<b>65,103</b>	65,104	<b>65,103</b>	65,104
Basic (loss)/earnings per share (sen)	<b>(7.02)</b>	2.14	<b>(5.73)</b>	6.26

## 11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Individual quarter		Cumulative quarters	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Depreciation and amortisation	<b>12,216</b>	11,287	<b>24,246</b>	22,742
Provision for doubtful debts	<b>185</b>	-	<b>185</b>	-
Bad debts written off	<b>2</b>	-	<b>2</b>	-
Provision for inventories	-	79	-	159
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	<b>78</b>	122	<b>(11)</b>	(87)
(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 2015, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	<b>Notional amount RM'000</b>	<b>Fair value assets/ (liabilities) RM'000</b>
Less than 1 year	<u>17,370</u>	<u>171</u>

## 13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2015, into realised and unrealised profits/(losses), is as follows:

	<b>As at 30.06.15 RM'000</b>	As at 31.12.14 RM'000
Total retained profits of the Group:		
- Realised	<b>226,908</b>	234,416
- Unrealised	<b>12,173</b>	11,740
	<u><b>239,081</b></u>	<u>246,156</u>
Total retained profits from jointly controlled entities:		
- Realised	<b>14,568</b>	14,455
- Unrealised	<b>366</b>	366
	<u><b>14,934</b></u>	<u>14,821</u>
Less: Consolidation adjustments	<b>185</b>	(271)
Total retained profits as per Statement of Financial Position	<u><b>254,200</b></u>	<u>260,706</u>

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

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

BY ORDER OF THE BOARD  
 ANG LAY BEE  
 CHANG PIE HOON  
 Company Secretaries  
 Kuala Lumpur  
 25 August 2015