



**WARISAN TC HOLDINGS BERHAD**

*(Company No: 424834-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 NINE MONTHS ENDED 30 SEPTEMBER 2015**

|  | Quarter ended<br>30 September |                | Period ended<br>30 September |                |
|--|-------------------------------|----------------|------------------------------|----------------|
|  | 2015<br>RM'000                | 2014<br>RM'000 | 2015<br>RM'000               | 2014<br>RM'000 |
| Revenue  | 122,031                       | 112,072        | 340,240                      | 356,885        |
| Cost of sales  | (87,641)                      | (84,433)       | (248,333)                    | (262,606)      |
| Gross profit   | 34,390                        | 27,639         | 91,907                       | 94,279         |
| Other income   | 265                           | 226            | 1,243                        | 1,411          |
| Selling and distribution expenses  | (9,529)                       | (13,779)       | (30,597)                     | (40,322)       |
| Administrative and general expenses  | (19,870)                      | (15,211)       | (55,566)                     | (46,733)       |
| Interest expenses  | (3,482)                       | (3,054)        | (10,654)                     | (8,933)        |
| Interest income  | 949                           | 615            | 2,734                        | 1,595          |
| Share of profit from equity accounted investments, net of tax  | 1,224                         | 1,628          | 1,821                        | 2,828          |
| Profit/(Loss) before tax   | 3,947                         | (1,936)        | 888                          | 4,125          |
| Tax expenses   | (627)                         | (345)          | (1,422)                      | (2,383)        |
| <b>Profit/(Loss) for the period</b>  | <b>3,320</b>                  | <b>(2,281)</b> | <b>(534)</b>                 | <b>1,742</b>   |
| Other comprehensive income, net of tax<br><i>Items that are or may be reclassified subsequently to<br/>profit or loss:</i> |                               |                |                              |                |
| Net change in fair value of cash flow hedge  | 1,404                         | 610            | 1,750                        | 164            |
| Foreign exchange differences from translation  | 782                           | 307            | 1,167                        | (5)            |
| <b>Total other comprehensive income for the period</b>   | <b>2,186</b>                  | <b>917</b>     | <b>2,917</b>                 | <b>159</b>     |
| <b>Total comprehensive income/(loss) for the period</b>  | <b>5,506</b>                  | <b>(1,364)</b> | <b>2,383</b>                 | <b>1,901</b>   |
| Profit/(Loss) attributable to:   |                               |                |                              |                |
| Owners of the Company  | 3,368                         | (2,186)        | (363)                        | 1,887          |
| Non-controlling interests  | (48)                          | (95)           | (171)                        | (145)          |
|  | <b>3,320</b>                  | <b>(2,281)</b> | <b>(534)</b>                 | <b>1,742</b>   |
| Total comprehensive income/(loss) attributable to:   |                               |                |                              |                |
| Owners of the Company  | 5,554                         | (1,269)        | 2,554                        | 2,046          |
| Non-controlling interests  | (48)                          | (95)           | (171)                        | (145)          |
|  | <b>5,506</b>                  | <b>(1,364)</b> | <b>2,383</b>                 | <b>1,901</b>   |
| Basic (loss)/earnings per share (sen)  | 5.17                          | (3.36)         | (0.56)                       | 2.90           |
| 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 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 SEPTEMBER 2015**

|   | As at<br>30.09.2015<br>RM'000 | As at<br>31.12.2014<br>RM'000 |
|---|-------------------------------|-------------------------------|
| <b>ASSETS</b>   |                               |                               |
| Property, plant and equipment                                   | 264,954                       | 263,636                       |
| Investment property   | 44,500                        | 44,500                        |
| Investments accounted for using the equity method               | 32,957                        | 32,177                        |
| Other investments   | 10                            | 10                            |
| Lease receivables   | 4,073                         | 5,607                         |
| Deferred tax assets   | 2,589                         | 1,328                         |
| Intangible assets   | 9,131                         | 9,131                         |
| <b>Total non-current assets</b>                                 | <b>358,214</b>                | <b>356,389</b>                |
| Inventories   | 143,839                       | 149,971                       |
| Trade and other receivables                                     | 213,245                       | 138,490                       |
| Derivative financial assets                                     | 1,576                         | 108                           |
| Current tax assets  | 8,745                         | 4,477                         |
| Cash and bank balances  | 94,494                        | 92,241                        |
| <b>Total current assets</b>                                     | <b>461,899</b>                | <b>385,287</b>                |
| <b>TOTAL ASSETS</b>   | <b>820,113</b>                | <b>741,676</b>                |
| <b>EQUITY</b>   |                               |                               |
| Share capital   | 67,200                        | 67,200                        |
| Share premium   | 615                           | 615                           |
| Other reserves  | 8,306                         | 5,621                         |
| Retained earnings   | 256,018                       | 260,706                       |
| Treasury shares   | (4,206)                       | (4,206)                       |
| Total equity attributable to owners of the Company              | 327,933                       | 329,936                       |
| Non-controlling interests                                       | (366)                         | (195)                         |
| <b>TOTAL EQUITY</b>   | <b>327,567</b>                | <b>329,741</b>                |
| <b>LIABILITIES</b>  |                               |                               |
| Deferred tax liabilities  | 17,518                        | 16,576                        |
| Retirement benefit obligations                                  | 3,527                         | 3,096                         |
| Loans and borrowings  | 62,094                        | 60,741                        |
| <b>Total non-current liabilities</b>                            | <b>83,139</b>                 | <b>80,413</b>                 |
| Trade and other payables  | 189,208                       | 108,320                       |
| Loans and borrowings  | 219,565                       | 221,494                       |
| Derivative financial liabilities                                | 1                             | 283                           |
| Current tax liabilities   | 633                           | 1,425                         |
| <b>Total current liabilities</b>                                | <b>409,407</b>                | <b>331,522</b>                |
| <b>TOTAL LIABILITIES</b>  | <b>492,546</b>                | <b>411,935</b>                |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>820,113</b>                | <b>741,676</b>                |
| Net assets per share attributable to owners of the Company (RM) | 5.04                          | 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 NINE MONTHS ENDED 30 SEPTEMBER 2015**

|   | Attributable to owners of the Company |                            |                              |                             |                                  |                              |                                  |                                | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
|---|---------------------------------------|----------------------------|------------------------------|-----------------------------|----------------------------------|------------------------------|----------------------------------|--------------------------------|-----------------|--|---------------------------|
|   | Non-distributable                     |                            |                              |                             | Distributable                    |                              |                                  |                                |                 |  |                           |
|   | Share<br>capital<br>RM'000            | Share<br>premium<br>RM'000 | Treasury<br>shares<br>RM'000 | Merger<br>reserve<br>RM'000 | Translation<br>reserve<br>RM'000 | Hedging<br>reserve<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Retained<br>earnings<br>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 | -                                     | -                          | -                            | -                           | (5)                              | -                            | -                                | -                              | (5)             | -  | (5)                       |
| Cash flow hedge   | -                                     | -                          | -                            | -                           | -                                | 164                          | -                                | -                              | 164             | -  | 164                       |
| Total other comprehensive income/(loss) for the period          | -                                     | -                          | -                            | -                           | (5)                              | 164                          | -                                | -                              | 159             | -  | 159                       |
| Profit for the period   | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | 1,887                          | 1,887           | (145)                                      | 1,742                     |
| Total comprehensive income/(loss) for the period                | -                                     | -                          | -                            | -                           | (5)                              | 164                          | -                                | 1,887                          | 2,046           | (145)                                      | 1,901                     |
| Purchase of treasury shares                                     | -                                     | -                          | (2)                          | -                           | -                                | -                            | -                                | -                              | (2)             | -  | (2)                       |
| Dividend - 2013 final   | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | (2,930)                        | (2,930)         | -  | (2,930)                   |
| Dividend - 2014 interim   | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | (2,929)                        | (2,929)         | -  | (2,929)                   |
| At 30 September 2014  | 67,200                                | 615                        | (4,203)                      | (41,614)                    | 557                              | 362                          | 12,205                           | 260,789                        | 295,911         | 37   | 295,948                   |
| <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 | -                                     | -                          | -                            | -                           | 1,167                            | -                            | -                                | -                              | 1,167           | -  | 1,167                     |
| Cash flow hedge   | -                                     | -                          | -                            | -                           | -                                | 1,750                        | -                                | -                              | 1,750           | -  | 1,750                     |
| Total other comprehensive income/(loss) for the period          | -                                     | -                          | -                            | -                           | 1,167                            | 1,750                        | -                                | -                              | 2,917           | -  | 2,917                     |
| Transfer of revaluation surplus on properties                   | -                                     | -                          | -                            | -                           | -                                | -                            | (232)                            | 232                            | -               | -  | -                         |
| Loss for the period   | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | (363)                          | (363)           | (171)                                      | (534)                     |
| Total comprehensive income/(loss) for the period                | -                                     | -                          | -                            | -                           | 1,167                            | 1,750                        | (232)                            | (131)                          | 2,554           | (171)                                      | 2,383                     |
| Purchase of treasury shares                                     | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | -                              | -               | -  | -                         |
| Dividend - 2014 final   | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | (2,930)                        | (2,930)         | -  | (2,930)                   |
| Dividend - 2015 interim   | -                                     | -                          | -                            | -                           | -                                | -                            | -                                | (1,627)                        | (1,627)         | -  | (1,627)                   |
| At 30 September 2015  | 67,200                                | 615                        | (4,206)                      | (41,614)                    | 2,494                            | 1,566                        | 45,860                           | 256,018                        | 327,933         | (366)                                      | 327,567                   |

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**

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

|   | Nine months<br>ended<br>30 Sep 2015<br>RM'000 | Nine months<br>ended<br>30 Sep 2014<br>RM'000 |
|---|---|---|
| <b>Cash flow from operating activities</b>                        |   |   |
| (Loss)/Profit before tax  | 888   | 4,125   |
| Adjustments for:  |   |   |
| Depreciation  | 35,966  | 34,035  |
| Property, plant and equipment written off                         | 571   | 1,303   |
| Gain on disposal of property, plant and equipment                 | (464)   | (1,391)                                       |
| Gain on disposal of assets held for rental                        | (2,413)                                       | (8,728)                                       |
| Other non-cash items  | (780)   | (2,207)                                       |
| Non-operating items   | 7,920   | 7,338   |
| <b>Operating profit before working capital changes</b>            | <b>41,688</b>                                 | <b>34,475</b>                                 |
| Changes in working capital  | 13,612  | (3,940)                                       |
| Tax paid  | (6,869)                                       | (5,698)                                       |
| Retirement benefit paid   | (44)  | (38)  |
| Proceeds from disposal of assets held for rental                  | 14,540  | 29,334  |
| <b>Net cash generated from operating activities</b>               | <b>62,927</b>                                 | <b>54,133</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                         | (41,147)                                      | (30,423)                                      |
| Proceeds from disposal of property, plant and equipment           | 2,312   | 4,672   |
| Interest received   | 2,734   | 1,595   |
| <b>Net cash used in investing activities</b>                      | <b>(35,047)</b>                               | <b>(22,417)</b>                               |
| <b>Cash flows from financing activities</b>                       |   |   |
| Dividends paid to shareholders of the Company                     | (4,557)                                       | (5,859)                                       |
| Repayment of hire purchase financing                              | (14,370)                                      | (9,045)                                       |
| Drawdown of bankers' acceptances                                  | 110,694                                       | 236,072                                       |
| Repayment of bankers' acceptances                                 | (144,190)                                     | (248,646)                                     |
| Drawdown of term loans  | 20,000  | 35,000  |
| Repayment of term loans   | (27,507)                                      | (32,707)                                      |
| Drawdown of revolving credits                                     | 1,059,000                                     | 233,000                                       |
| Repayment of revolving credits                                    | (1,013,000)                                   | (230,000)                                     |
| Interest paid   | (10,654)                                      | (8,933)                                       |
| Purchase of treasury shares                                       | -   | (2)   |
| <b>Net cash used in financing activities</b>                      | <b>(24,584)</b>                               | <b>(31,120)</b>                               |
| <b>Net changes in cash and cash equivalents</b>                   | <b>3,296</b>                                  | <b>596</b>                                    |
| Cash and cash equivalents at beginning of period                  | 89,545  | 108,328                                       |
| Effects of exchange rate fluctuation on cash and cash equivalents | 71  | 8   |
| Cash and cash equivalents at end of period                        | <b>92,912</b>                                 | <b>108,932</b>                                |
| Cash and cash equivalents comprise:                               |   |   |
| Short term deposits   | 10,747  | 13,080  |
| Cash at bank and in hand  | 46,016  | 38,661  |
| Fixed deposits with licensed banks                                | 37,731  | 59,755  |
| Bank overdrafts   | (1,582)                                       | (2,564)                                       |
|   | <b>92,912</b>                                 | <b>108,932</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* issued by Malaysian Accounting Standards Board (“MASB”) 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.

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 2018

- MFRS 15 Revenue from Contracts with Customers
- 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 nine months ended 30 September 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 nine months ended 30 September 2015.

#### 6. Debt and equity securities

There were no other issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter and nine month ended 30 September 2015.

#### 7. Dividends paid

The following dividends were paid:

|   | RM'000       |
|---|--------------|
| Interim single tier dividend of 2.5 sen (2014: 4.5 sen single tier) for the financial year ending 31 December 2015 approved by the Board of Directors on 25 August 2015 was paid on 30 September 2015 | <u>1,627</u> |
| Final single tier dividend of 4.5 sen (2013: 6 sen less tax at 25%) for the financial year ended 31 December 2014 approved by the shareholders on 28 May 2015 was paid on 25 June 2015                | <u>2,930</u> |





## 8. Operating segments (continued)

|   | 9 months ended 30 Sep |                |
|---|-----------------------|----------------|
|   | 2015                  | 2014           |
|   | RM'000                | RM'000         |
| <b>Reconciliation of reportable segment profit or loss</b>    |                       |                |
| Total profit or loss for reportable segments                  | 45,459                | 48,850         |
| Depreciation  | (35,966)              | (34,035)       |
| Interest expenses   | (10,654)              | (8,933)        |
| Interest income   | 2,734                 | 1,595          |
| Non-reportable segment expenses                               | (2,506)               | (6,180)        |
| Share of profit from equity accounted investments, net of tax | 1,821                 | 2,828          |
| Consolidated profit before tax                                | <u>888</u>            | <u>4,125</u>   |
| <b>Reconciliation of reportable segment assets</b>            |                       |                |
| Total assets for reportable segments                          | 782,971               | 691,913        |
| Assets for non-reportable segment                             | 4,185                 | 8,160          |
| Share of assets from equity accounted investments             | 32,957                | 32,820         |
| Consolidated assets   | <u>820,113</u>        | <u>732,893</u> |
| <b>Reconciliation of reportable segment liabilities</b>       |                       |                |
| Total liabilities for reportable segments                     | 479,749               | 421,705        |
| Liabilities for non-reportable segment                        | 12,797                | 15,240         |
| Consolidated liabilities                                      | <u>492,546</u>        | <u>436,945</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.

A valuation of the investment property was carried out on 19 October 2015 by an independent professional valuer and was announced to Bursa Securities on 17 November 2015. Arising from the valuation, the Group recognized a fair value gain on investment property of RM1.3 million (2014: RM1.9 million) in the statement of comprehensive income subsequent to the current quarter.

## 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 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 MUV Solutions Sdn Bhd ('MUVS') on 8 September 2015. The intended principal activities of MUVS are to carry on business as research and development, commercialization of software, provision of technology, maintenance and its related services.

## 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<br>30.09.15<br>RM'000 |
|---------------------------------|-----------------------------|
| Approved and contracted for     | <u>4,610</u>                |
| Approved but not contracted for | <u>41,992</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<br>30.09.15<br>RM'000 |
|--|-----------------------------|
| Not later than 1 year                        | 31,179                      |
| Later than 1 year and not later than 5 years | <u>29,112</u>               |
|  | <u>60,291</u>               |

(b) As lessee – for office premises

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

|  | As at<br>30.09.15<br>RM'000 |
|--|-----------------------------|
| Not later than 1 year                        | 5,430                       |
| Later than 1 year and not later than 5 years | <u>6,787</u>                |
|  | <u>12,217</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 |                    |
|---------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                 | 30.09.15<br>RM'000 | 30.09.14<br>RM'000 | 30.09.15<br>RM'000  | 30.09.14<br>RM'000 |
| Sales of goods and services     | <b>4,911</b>       | 3,269              | <b>14,628</b>       | 27,988             |
| Rental income                   | <b>620</b>         | 533                | <b>1,821</b>        | 1,531              |
|                                 | <b>5,531</b>       | 3,802              | <b>16,449</b>       | 29,519             |
| Purchases of goods and services | <b>11,265</b>      | 9,900              | <b>59,068</b>       | 44,227             |
| Rental expenses                 | <b>159</b>         | 93                 | <b>444</b>          | 215                |
| Financing and leasing           | <b>5,725</b>       | 13,191             | <b>11,006</b>       | 42,014             |
|                                 | <b>17,149</b>      | 23,184             | <b>70,518</b>       | 86,456             |

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

|                             | Individual quarter |                    | Cumulative quarters |                    |
|-----------------------------|--------------------|--------------------|---------------------|--------------------|
|                             | 30.09.15<br>RM'000 | 30.09.14<br>RM'000 | 30.09.15<br>RM'000  | 30.09.14<br>RM'000 |
| Sales of goods and services | <b>785</b>         | 472                | <b>1,881</b>        | 3,364              |
| Purchases of goods          | <b>20</b>          | (3)                | <b>77</b>           | 90                 |

The above transactions were entered into in the ordinary course of business based on normal commercial terms and on arms-length basis. These transactions were established on terms that are not materially different from those with unrelated parties.



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

**1. Review of performance**

**9 months ended 30 September 2015**

Group revenue declined to RM340.2 million from RM356.9 million in the first nine months of prior year, representing a decrease of 4.7%. The decline in revenue was primarily due to the lower contribution from the Travel and Car Rental Division. In line with the lower revenue, the Group registered a lower profit before tax of RM0.9 million compared to RM4.1 million in the corresponding period prior year. However, the Group recorded a loss after tax of RM0.5 million compared to a profit after tax of RM1.7 million registered in the corresponding period prior year.

Machinery Division

Revenue from the Machinery Division increased slightly to RM155.7 million from RM153.4 million registered the first nine months of prior year. Segment profit was lower compared to prior year due to lower average gross margin resulting from the disposal of used and aged stocks and higher operating expenses.

Travel and Car Rental Division

The Travel and Car Rental Division saw an 8.0% decline in revenue to RM145.3 million from RM158.0 million registered in the corresponding period prior year. This was primarily due to fewer rental vehicles disposed compared to the corresponding period prior year. As a result, it recorded a lower gain on disposal of vehicles as well as a lower profit before tax compared to the corresponding period prior year.

Automotive Division

The Automotive Division recorded a decrease of 18.0% in revenue to RM31.1 million from RM37.9 million registered in the first nine months of prior year due to lower sales volume of commercial trucks. However, it recorded a slightly lower loss of RM1.5 million compared to a loss of RM1.9 million in the corresponding period prior year due to lower expenses incurred.

Jointly controlled entities

Our share of profit of our joint ventures, namely Shiseido Malaysia Sdn Bhd (“Shiseido”) and Wacoal Malaysia Sdn Bhd, decreased by 35.6% compared to the first nine months of prior year primarily due to foreign exchange losses and higher advertising and promotional expenses incurred by Shiseido.

**3 months ended 30 September 2015**

The Group recorded higher revenue at RM122.0 million in the third quarter of 2015 compared with RM112.1 million in the corresponding quarter last year. This was primarily due to higher volume of sales by the Automotive Division. Profit before tax of RM3.9 million was recorded compared to a loss before tax of RM1.9 million in the corresponding quarter prior year. This was primarily due to the better performance of the Automotive Division and lower operating cost recorded by the Travel and Car Rental Division.

## 2. Comparison with preceding quarter's results

The Group recorded a 22.8% increase in revenue to 122.0 million from RM99.4 million recorded in the preceding quarter. This was primarily due to the decline in sales in the second quarter as a result of customers front-loading purchases into the first quarter ahead of the introduction of the GST. Profit before tax was recorded at RM3.9 million compared to a loss before tax of RM4.2 million in the preceding quarter due to the improved sales and lower operating costs recorded by the Travel and Car rental Division.

## 3. Prospects

The business environment in Malaysia continues to be challenging with a weakened consumer sentiment on the backdrop of subdued economic growth. The weak Ringgit, potential US interest rate hike and tighter lending conditions are expected to continue to dampen consumer spending.

To chart through the challenging operating environment, the Group will continue to intensify its sales and marketing initiatives while at the same time placing even greater emphasis on productivity improvements to lower its operating costs.

The Group is cautious on the near term outlook of its businesses but remains positive on their longer term prospects.

## 4. Profit forecast

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

## 5. Tax expenses

|                             | Individual quarter |                    | Cumulative quarters |                    |
|-----------------------------|--------------------|--------------------|---------------------|--------------------|
|                             | 30.09.15<br>RM'000 | 30.09.14<br>RM'000 | 30.09.15<br>RM'000  | 30.09.14<br>RM'000 |
| <b>Tax expenses</b>         |                    |                    |                     |                    |
| Current year                | <b>1,413</b>       | 688                | <b>2,745</b>        | 4,933              |
| Prior year                  | <b>(1,207)</b>     | 109                | <b>(1,207)</b>      | 586                |
| <b>Deferred tax expense</b> |                    |                    |                     |                    |
| Current year                | <b>570</b>         | (386)              | <b>33</b>           | (3,070)            |
| Prior year                  | <b>(149)</b>       | (66)               | <b>(149)</b>        | (66)               |
|                             | <b>627</b>         | 345                | <b>1,422</b>        | 2,383              |

The Group's effective tax rate for the nine months ended 30 September 2015 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 and 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<br>30.09.15<br>RM'000 |
|---------------------------------|-----------------------------|
| <b>Current</b>                  |                             |
| <u>Unsecured</u>                |                             |
| Bankers' acceptances            | 52,845                      |
| Revolving credits               | 129,000                     |
| Term loans                      | 5,354                       |
| Bank overdrafts                 | 1,582                       |
|                                 | <u>188,781</u>              |
| <u>Secured</u>                  |                             |
| Hire purchase creditors         | 30,784                      |
|                                 | <u>219,565</u>              |
| <b>Non-current</b>              |                             |
| Term loans-unsecured            | 56,811                      |
| Hire purchase creditors-secured | 5,283                       |
|                                 | <u>62,094</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

No dividend has been recommended since the last quarterly announcement.

## 10. Earnings per share

Basic earnings per share is calculated based on profit for the period attributable to owners of the Company and weighted average number of ordinary shares in issue during the period.

|  | Individual quarter |          | Cumulative quarters |          |
|--|--------------------|----------|---------------------|----------|
|  | 30.09.15           | 30.09.14 | 30.09.15            | 30.09.14 |
| Profit/(loss) attributable to owners of the Company (RM'000) | <b>3,368</b>       | (2,186)  | <b>(363)</b>        | 1,887    |
| Weighted average number of ordinary shares in issue ('000)   |                    |          |                     |          |
| At beginning of period                                       | <b>65,103</b>      | 65,104   | <b>65,103</b>       | 65,119   |
| Effect of share buyback                                      | -                  | -        | -                   | (15)     |
| At end of period   | <b>65,103</b>      | 65,104   | <b>65,103</b>       | 65,104   |
| Basic earnings/(loss) per share (sen)                        | <b>5.17</b>        | (3.36)   | <b>(0.56)</b>       | 2.90     |

## 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 |                    |
|---|--------------------|--------------------|---------------------|--------------------|
|   | 30.09.15<br>RM'000 | 30.09.14<br>RM'000 | 30.09.15<br>RM'000  | 30.09.14<br>RM'000 |
| Depreciation and amortisation                             | <b>11,720</b>      | 11,293             | <b>35,966</b>       | 34,035             |
| Provision for doubtful debts                              | -                  | 75                 | <b>185</b>          | 75                 |
| Bad debts written off                                     | -                  | 72                 | <b>2</b>            | 72                 |
| Provision for inventories                                 | -                  | 70                 | -                   | 229                |
| 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>390</b>         | 176                | <b>379</b>          | 89                 |
| (Gain)/Loss on derivatives                                | -                  | -                  | -                   | -                  |
| Exceptional items   | -                  | -                  | -                   | -                  |

## 12. Derivative financial instruments

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

As at 30 September 2015, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

|                  | <b>Notional<br/>amount<br/>RM'000</b> | <b>Fair value<br/>assets/<br/>(liabilities)<br/>RM'000</b> |
|------------------|---------------------------------------|--|
| Less than 1 year | <u><b>41,877</b></u>                  | <u><b>1,575</b></u>  |

## 13. Disclosure of realised and unrealised profits

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

|   | <b>As at<br/>30.09.15<br/>RM'000</b> | <b>As at<br/>31.12.14<br/>RM'000</b> |
|---|--------------------------------------|--------------------------------------|
| Total retained profits of the Group:                          |                                      |                                      |
| - Realised  | <b>227,590</b>                       | 234,416                              |
| - Unrealised  | <u><b>11,427</b></u>                 | <u>11,740</u>                        |
|   | <b>239,017</b>                       | 246,156                              |
| Total retained profits from jointly controlled entities:      |                                      |                                      |
| - Realised  | <b>15,222</b>                        | 14,455                               |
| - Unrealised  | <u><b>366</b></u>                    | <u>366</u>                           |
|   | <b>15,588</b>                        | 14,821                               |
| Less: Consolidation adjustments                               | <u><b>1,413</b></u>                  | <u>(271)</u>                         |
| Total retained profits as per Statement of Financial Position | <u><b>256,018</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  
 17 November 2015