



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2016**

(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 YEAR ENDED 31 DECEMBER 2016

| | Quarter ended 31 December | | Year ended 31 December | |
|---|------------------------------|----------------|---------------------------|----------------|
| | 2016 RM'000 | 2015 RM'000 | 2016 RM'000 | 2015 RM'000 |
| Revenue | 114,222 | 105,703 | 446,360 | 445,943 |
| Cost of sales | (79,375) | (73,932) | (314,727) | (322,265) |
| Gross profit | 34,847 | 31,771 | 131,633 | 123,678 |
| Other income | 863 | 1,359 | 3,639 | 2,602 |
| Fair value gain on investment properties | - | 1,300 | - | 1,300 |
| Selling and distribution expenses | (11,554) | (12,757) | (46,728) | (43,354) |
| Administrative and general expenses | (21,098) | (15,904) | (78,813) | (71,470) |
| Interest expense | (3,507) | (1,628) | (13,907) | (12,282) |
| Interest income | 451 | (1,108) | 1,593 | 1,626 |
| Share of (loss) / profit of jointly controlled entities | (298) | 17 | 1,638 | 1,838 |
| (Loss) / Profit before tax | (296) | 3,050 | (945) | 3,938 |
| Tax expense | (1,008) | (1,721) | (4,838) | (3,143) |
| (Loss) / Profit for the period/year | (1,304) | 1,329 | (5,783) | 795 |
| Other comprehensive income / (loss), 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 | (273) | (1,483) | (121) | 267 |
| Foreign exchange differences from translation | 1,379 | 1,844 | 715 | 3,011 |
| | 1,106 | 361 | 594 | 3,278 |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | |
| Remeasurement of defined benefit liabilities | (1,104) | (124) | (1,104) | (124) |
| Share of gain of equity-accounted joint venture | 72 | 2 | 72 | 2 |
| Total other comprehensive income / (loss) for the period/year | 74 | 239 | (438) | 3,156 |
| Total comprehensive (loss) / income for the period/year | (1,230) | 1,568 | (6,221) | 3,951 |
| (Loss) / Profit attributable to: | | | | |
| Owners of the Company | (887) | 1,548 | (5,179) | 1,185 |
| Non-controlling interests | (417) | (219) | (604) | (390) |
| | (1,304) | 1,329 | (5,783) | 795 |
| Total comprehensive (loss) / income attributable to: | | | | |
| Owners of the Company | (813) | 1,787 | (5,617) | 4,341 |
| Non-controlling interests | (417) | (219) | (604) | (390) |
| | (1,230) | 1,568 | (6,221) | 3,951 |
| Basic (loss) / earnings per share (sen) | (1.36) | 2.38 | (7.95) | 1.82 |
| 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 2015 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 31 DECEMBER 2016**

| | As at 31.12.16 RM'000 | As at 31.12.15 RM'000 |
|--|--------------------------------------|-----------------------------|
| ASSETS | | |
| Property, plant and equipment | 310,628 | 274,482 |
| Investment property | 45,800 | 45,800 |
| Investment in an associate company | 148 | - |
| Investment in jointly controlled entities | 34,001 | 33,473 |
| Other investments | 10 | 10 |
| Lease receivables | 5,206 | 2,364 |
| Deferred tax assets | 2,523 | 1,749 |
| Intangible assets | 9,376 | 9,131 |
| Total non-current assets | 407,692 | 367,009 |
| Inventories | 132,139 | 144,089 |
| Receivables, deposits and prepayments | 151,576 | 155,333 |
| Derivative financial assets | 204 | 118 |
| Current tax assets | 13,801 | 9,681 |
| Cash and cash equivalents | 82,040 | 94,562 |
| Total current assets | 379,760 | 403,783 |
| TOTAL ASSETS | 787,452 | 770,792 |
| EQUITY | | |
| Share capital | 67,200 | 67,200 |
| Share premium | 615 | 615 |
| Reserves | 8,865 | 8,585 |
| Retained earnings | 247,397 | 257,526 |
| Treasury shares | (4,210) | (4,209) |
| Total equity attributable to owners of the Company | 319,867 | 329,717 |
| Non-controlling interests | (1,021) | (585) |
| TOTAL EQUITY | 318,846 | 329,132 |
| LIABILITIES | | |
| Deferred tax liabilities | 19,127 | 17,810 |
| Employee benefits | 5,716 | 3,824 |
| Hire purchase liabilities | 29,742 | 19,907 |
| Borrowings | 29,913 | 39,565 |
| Total non-current liabilities | 84,498 | 81,106 |
| Payables and accruals | 136,324 | 116,578 |
| Hire purchase liabilities | 33,453 | 26,121 |
| Borrowings | 213,849 | 217,795 |
| Derivative financial liability | 254 | 8 |
| Current tax liabilities | 228 | 52 |
| Total current liabilities | 384,108 | 360,554 |
| TOTAL LIABILITIES | 468,606 | 441,660 |
| TOTAL EQUITY AND LIABILITIES | 787,452 | 770,792 |
| Net assets per share attributable to owners of the Company (RM) | 4.91 | 5.06 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 YEAR ENDED 31 DECEMBER 2016**

| | Attributable to owners of the Company | | | | | | | Total | Non-controlling interests | Total Equity | |
|---|---------------------------------------|---------------|-----------------|----------------------------------|---------------------|-----------------|---------------------|----------------|---------------------------|----------------|---------------------------------|
| | Share capital | Share premium | Treasury shares | Non-distributable Merger reserve | Translation reserve | Hedging reserve | Revaluation reserve | | | | Distributable Retained earnings |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 1 January 2015 | 67,200 | 615 | (4,206) | (41,614) | 1,327 | (184) | 46,092 | 260,706 | 329,936 | (195) | 329,741 |
| Foreign currency translation differences for foreign operations | - | - | - | - | 3,011 | - | - | - | 3,011 | - | 3,011 |
| Remeasurement of retirement benefit obligations | - | - | - | - | - | - | - | (124) | (124) | - | (124) |
| Change in fair value of cash flow hedge | - | - | - | - | - | 267 | - | - | 267 | - | 267 |
| Share of gain of equity-accounted joint venture | - | - | - | - | - | - | - | 2 | 2 | - | 2 |
| Total other comprehensive income for the year | - | - | - | - | 3,011 | 267 | - | (122) | 3,156 | - | 3,156 |
| Profit for the year | - | - | - | - | - | - | - | 1,185 | 1,185 | (390) | 795 |
| Total comprehensive income for the year | - | - | - | - | 3,011 | 267 | - | 1,063 | 4,341 | (390) | 3,951 |
| Purchase of treasury shares | - | - | (3) | - | - | - | - | - | (3) | - | (3) |
| Dividend - 2014 final | - | - | - | - | - | - | - | (2,930) | (2,930) | - | (2,930) |
| Dividend - 2015 interim | - | - | - | - | - | - | - | (1,627) | (1,627) | - | (1,627) |
| Portion of revaluation reserve transferred through depreciation | - | - | - | - | - | - | (314) | 314 | - | - | - |
| At 31 December 2015 | 67,200 | 615 | (4,209) | (41,614) | 4,338 | 83 | 45,778 | 257,526 | 329,717 | (585) | 329,132 |
| At 1 January 2016 | 67,200 | 615 | (4,209) | (41,614) | 4,338 | 83 | 45,778 | 257,526 | 329,717 | (585) | 329,132 |
| Investment by minority shareholders | - | - | - | - | - | - | - | - | - | 168 | 168 |
| Foreign currency translation differences for foreign operations | - | - | - | - | 715 | - | - | - | 715 | - | 715 |
| Remeasurement of defined benefit liabilities | - | - | - | - | - | - | - | (1,104) | (1,104) | - | (1,104) |
| Change in fair value of cash flow hedge | - | - | - | - | - | (121) | - | - | (121) | - | (121) |
| Share of gain of equity-accounted joint venture | - | - | - | - | - | - | - | 72 | 72 | - | 72 |
| Total other comprehensive income / (loss) for the year | - | - | - | - | 715 | (121) | - | (1,032) | (438) | - | (438) |
| Loss for the year | - | - | - | - | - | - | - | (5,179) | (5,179) | (604) | (5,783) |
| Total comprehensive income/ (loss) for the year | - | - | - | - | 715 | (121) | - | (6,211) | (5,617) | (604) | (6,221) |
| Purchase of treasury shares | - | - | (1) | - | - | - | - | - | (1) | - | (1) |
| Dividend - 2015 final | - | - | - | - | - | - | - | (2,930) | (2,930) | - | (2,930) |
| Dividend - 2016 interim | - | - | - | - | - | - | - | (1,302) | (1,302) | - | (1,302) |
| Portion of revaluation reserve transferred through depreciation | - | - | - | - | - | - | (314) | 314 | - | - | - |
| At 31 December 2016 | 67,200 | 615 | (4,210) | (41,614) | 5,053 | (38) | 45,464 | 247,397 | 319,867 | (1,021) | 318,846 |

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 YEAR ENDED 31 DECEMBER 2016**

| | Year ended 31 December 2016 RM'000 | Year ended 31 December 2015 RM'000 |
|---|--|--|
| Cash flow from operating activities | | |
| (Loss)/Profit before tax | (945) | 3,938 |
| Adjustments for: | | |
| Depreciation | 51,295 | 49,649 |
| Property, plant and equipment written off | 1,525 | 775 |
| Gain on disposal of property, plant and equipment | (331) | (212) |
| Gain on disposal of assets held for rental | (6,731) | (3,083) |
| Other non-cash items | 3,954 | (1,897) |
| Non-operating items | 12,314 | 10,656 |
| Operating profit before working capital changes | 61,081 | 59,826 |
| Changes in working capital | 28,071 | (1,002) |
| Tax paid | (7,855) | (8,942) |
| Retirement benefit paid | (454) | (205) |
| Proceeds from disposal of assets held for rental | 25,359 | 18,445 |
| Net cash generated from operating activities | 106,202 | 68,122 |
| Cash flows from investing activities | | |
| Acquisition of subsidiary, net of cash acquired | (27) | - |
| Investment in non-controlling interests | (148) | - |
| Dividend received from jointly controlled entities | 1,232 | 1,054 |
| Dividend received from other investment | 14 | - |
| Purchase of property, plant and equipment | (58,238) | (51,968) |
| Proceeds from disposal of property, plant and equipment | 1,136 | 1,837 |
| Interest received | 1,593 | 1,626 |
| Net cash used in investing activities | (54,438) | (47,451) |
| Cash flows from financing activities | | |
| Dividends paid to shareholders of the Company | (4,232) | (4,557) |
| Repayment of hire purchase financing | (32,891) | (20,071) |
| Drawdown of bankers' acceptances | 131,293 | 145,715 |
| Repayment of bankers' acceptances | (144,632) | (179,800) |
| Drawdown of term loans | - | 20,000 |
| Repayment of term loans | (17,296) | (32,861) |
| Drawdown of revolving credits | 1,762,000 | 1,474,000 |
| Repayment of revolving credits | (1,747,000) | (1,409,000) |
| Interest paid | (13,907) | (12,282) |
| Purchase of treasury shares | (1) | (3) |
| Net cash used in financing activities | (66,666) | (18,859) |
| Net changes in cash and cash equivalents | (14,902) | 1,812 |
| Cash and cash equivalents at beginning of year | 94,269 | 89,545 |
| Effects of exchange rate fluctuation on cash and cash equivalents | 343 | 2,912 |
| Cash and cash equivalents at end of year | 79,710 | 94,269 |
| Cash and cash equivalents comprise: | | |
| Short term deposits | 8,376 | 20,709 |
| Cash at bank and in hand | 44,461 | 25,314 |
| Fixed deposits with licensed banks | 29,203 | 48,539 |
| Bank overdrafts | (2,330) | (293) |
| | 79,710 | 94,269 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2015. 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 2015.

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, that become effective for annual periods beginning on or after 1 January 2016:

MFRSs / Amendments / Interpretations

| | |
|---|--|
| MFRS 14 | Regulatory Deferral Accounts |
| Amendments to MFRS 116 and MFRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation |
| Amendments to MFRS 11 | Accounting for Acquisitions of Interests in Joint Operations |
| Amendments to MFRS 127 | Equity Method in Separate Financial Statements |
| Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134 | Annual Improvements to MFRSs 2012-2014 Cycle |
| Amendments to MFRS 101 | Disclosure Initiative |
| Amendments to MFRS 10, MFRS 12 and MFRS 128 | Investment Entities: Applying the Consolidation Exception |

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

The Group have not applied the following standards and amendments that have been issued by the MASB but are not yet effective:

| | |
|------------------------------------|---|
| MFRS 15 | Revenue from Contracts with Customers |
| MFRS 9 | Financial Instruments |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| MFRS 16 | Leases |
| Amendments to MFRS 107 | Disclosure Initiative |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses |



2. Audit qualification of financial statements

The auditors' report of the preceding annual financial statements was not subject to any qualification.

3. Seasonal or cyclical factors

Apart from the general economic environment in which the Group operates, the businesses of the Group are not affected by any significant seasonal or cyclical factors.

4. Nature and amount of unusual items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income, or cash flows during the current quarter and year ended 31 December 2016.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect in the current quarter and year ended 31 December 2016.

6. Debt and equity securities

During the current quarter, a total of 200 ordinary shares were repurchased from the open market at RM1.95 per share for a total consideration of RM434. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

There were no other issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter and year ended 31 December 2016.

7. Dividends paid

The following dividends were paid:

| | RM'000 |
|--|---------------|
| Final single tier dividend of 4.5 sen for the financial year ended 31 December 2015 approved by the shareholders on 26 May 2016 was paid on 24 June 2016 | 2,930 |
| Interim single tier dividend of 2.0 sen for the financial year ending 31 December 2016 was paid on 30 September 2016 | 1,302 |



8. Operating segments

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

| | 12 Months Ended 31 Dec | | | | | | | | | |
|-------------------------|------------------------|----------------|------------------------------|----------------|-------------------|----------------|-------------------------|----------------|----------------|----------------|
| | <u>Machinery</u> | | <u>Travel and car rental</u> | | <u>Automotive</u> | | <u>Other operations</u> | | <u>Total</u> | |
| | 2016 RM'000 | 2015 RM'000 | 2016 RM'000 | 2015 RM'000 | 2016 RM'000 | 2015 RM'000 | 2016 RM'000 | 2015 RM'000 | 2016 RM'000 | 2015 RM'000 |
| External revenue | 207,700 | 200,239 | 194,456 | 192,540 | 27,781 | 41,787 | 16,423 | 11,377 | 446,360 | 445,943 |
| Inter-segment revenue | - | - | 1,135 | 1,426 | - | - | - | - | 1,135 | 1,426 |
| Segment profit / (loss) | 18,781 | 14,646 | 50,831 | 51,966 | (1,619) | (2,380) | (4,217) | 765 | 63,776 | 64,997 |
| Segment assets | 264,230 | 269,932 | 321,331 | 298,235 | 59,143 | 68,742 | 100,530 | 95,920 | 745,234 | 732,829 |
| Segment liabilities | 160,908 | 169,287 | 231,997 | 204,884 | 44,192 | 49,346 | 14,400 | 4,837 | 451,497 | 428,354 |

8. Operating segments (continued)

| | <u>12 Months Ended 31 Dec</u> | |
|---|-------------------------------|----------------|
| | 2016 RM'000 | 2015 RM'000 |
| Reconciliation of reportable segment profit or loss | | |
| Total profit or loss for reportable segments | 63,776 | 64,997 |
| Depreciation and amortisation | (51,295) | (49,649) |
| Interest expense | (13,907) | (12,282) |
| Interest income | 1,593 | 1,626 |
| Non-reportable segment expenses | (2,750) | (2,592) |
| Share of profit from equity accounted investments | 1,638 | 1,838 |
| Consolidated (loss)/profit before tax | (945) | 3,938 |
| Reconciliation of reportable segment assets | | |
| Total assets for reportable segments | 745,234 | 732,829 |
| Assets for other non-reportable segment | 8,069 | 4,490 |
| Investment in an associate | 148 | - |
| Share of assets from equity accounted investments | 34,001 | 33,473 |
| Consolidated assets | 787,452 | 770,792 |
| Reconciliation of reportable segment liabilities | | |
| Total liabilities for reportable segments | 451,497 | 428,354 |
| Liabilities for other non-reportable segment | 17,109 | 13,306 |
| Consolidated liabilities | 468,606 | 441,660 |

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 2015.

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 8 November 2016 by an independent professional valuer and arising from the valuation, the Group do not have any fair value gain or loss on investment property to be recognized (2015: RM1.3 million gain) in the statement of comprehensive income for the year ended 31 December 2016.

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.

13. Capital commitments

Capital commitments of the Group in respect of property, plant and equipment not provided for as at the end of the quarter are as follows:

| | As at 31.12.16 RM'000 | As at 31.12.15 RM'000 |
|---------------------------------|--------------------------------------|-----------------------------|
| Approved and contracted for | <u>15,179</u> | 3,006 |
| Approved but not contracted for | <u>-</u> | <u>22,817</u> |

14. Operating lease commitments

The future minimum lease payments under non-cancellable operating leases in respect of office premises are as follows:

| | As at 31.12.16 RM'000 | As at 31.12.15 RM'000 |
|--|--------------------------------------|-----------------------------|
| Not later than 1 year | <u>2,719</u> | 4,785 |
| Later than 1 year and not later than 5 years | <u>2,485</u> | <u>5,932</u> |
| | <u>5,204</u> | <u>10,717</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 | |
|---------------------------------|--------------------|--------------------|---------------------|--------------------|
| | 31.12.16 RM'000 | 31.12.15 RM'000 | 31.12.16 RM'000 | 31.12.15 RM'000 |
| Sales of goods and services | 5,994 | 6,025 | 28,320 | 20,653 |
| Rental income | 674 | 635 | 2,608 | 2,456 |
| | <u>6,668</u> | <u>6,660</u> | <u>30,928</u> | <u>23,109</u> |
| Purchases of goods and services | 41,474 | 17,955 | 86,402 | 77,023 |
| Rental expenses | 504 | 466 | 1,357 | 910 |
| Financing and leasing | 6,929 | 16,152 | 25,340 | 27,158 |
| | <u>48,907</u> | <u>34,573</u> | <u>113,099</u> | <u>105,091</u> |

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

| | Individual quarter | | Cumulative quarters | |
|-----------------------------|--------------------|--------------------|---------------------|--------------------|
| | 31.12.16 RM'000 | 31.12.15 RM'000 | 31.12.16 RM'000 | 31.12.15 RM'000 |
| Sales of goods and services | <u>293</u> | <u>363</u> | <u>2,473</u> | <u>2,244</u> |
| Purchases of goods | <u>7</u> | <u>42</u> | <u>66</u> | <u>119</u> |

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



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

1. Review of performance

Year ended 31 December 2016

Group revenue increased marginally to RM446.4 million from RM445.9 million last year attributable mainly to higher revenue contributions by the Machinery, Travel & Car Rental and Vehicle Auction business units, partially offset by a decline in Automotive Division's revenue. Notwithstanding the higher revenue, the Group recorded a loss before tax ("LBT") of RM0.9 million compared to a profit before tax of RM3.9 million in prior year primarily due to gestation costs of new businesses.

Machinery Division

Revenue from the Machinery Division increased slightly to RM207.7 million from RM200.2 million recorded in prior year. In line with the improvement in revenue and lower operating expenses as a result of cost rationalisation initiatives, segment profit increased 28.2% to RM18.8 million from RM14.6 million recorded in prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded an increase in revenue of 1% to RM194.5 million from RM192.5 million recorded in prior year. The increase is primarily attributable to higher contributions from the corporate car leasing segment as well as higher proceeds generated from the disposal of used vehicles. Segment profit declined marginally to RM50.8 from RM52.0 primarily due to a decline in the profit contribution from the Travel subdivision.

Automotive Division

The Automotive Division recorded a decrease of 33.5% in revenue to RM27.8 million from RM41.8 million recorded in prior year as a result of lower sales volume of commercial trucks. The contraction in sales volume was due to inter alia more stringent hire purchase loan approvals and slower consumer spending in view of the economic uncertainties. However, it recorded a slightly lower segment loss of RM1.6 million compared to a loss of RM2.4 million in period prior year due to lower expenses incurred.

Jointly controlled entities

Our share of profit of our joint ventures, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, decreased to RM1.6 million from RM1.8 million in prior year. This is primarily due to the impact of unfavourable foreign exchange rates due to the weaker ringgit.

3 months ended 31 December 2016

The Group recorded higher revenue at RM114.2 million in the fourth quarter of 2016 compared with RM105.7 million in the corresponding quarter prior year. This was primarily due to higher contributions by the Travel and Car Rental Division and Machinery Division. Loss before tax of RM0.3 million was recorded compared to a profit before tax of RM3.1 million in the corresponding quarter prior year. This was partly due to lower profit contribution by the Travel and Car Rental Division compared to the corresponding period prior year. In addition, the Group recognised RM1.3 million fair value gain on investment property in the corresponding quarter prior year whereas no such fair value gain was recognised in the current quarter.

2. Comparison with preceding quarter's results

The Group recorded a 8.3% increase in revenue to RM114.2 million from RM105.5 million recorded in the preceding quarter. This was primarily due to higher contributions by the Travel and Car Rental Division and Automotive Division. Loss before tax was recorded at RM0.3 million compared to a loss before tax of RM0.1 million in the preceding quarter primarily due to the recognition of a share of loss of jointly controlled entities in the current quarter compared to a share of profit in the preceding quarter.

3. Prospects

Both consumer sentiment and business confidence remain weak as reflected by the Malaysian Institute of Economic Research 2016 fourth quarter's Consumer Sentiments Index and Business Conditions Index, which are below the 100-point threshold of optimism. Both indices have also dropped compared to the previous quarter, signaling consumers' continuing pessimism and contractionary tendencies of businesses.

The prognosis coupled with exogenous headwinds particularly currency volatility and market uncertainties may continue to dampen spending in the short term and consequently weigh on our businesses.

Notwithstanding the short term economic challenges, we are cautiously optimistic on the performance of the Group for the upcoming financial year as we intensify our sales and marketing efforts while continuing to drive cost rationalisation initiatives.

4. Profit forecast

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

5. Tax expenses

| | Individual quarter | | Cumulative quarters | |
|-----------------------------|--------------------|--------------------|---------------------|--------------------|
| | 31.12.16 RM'000 | 31.12.15 RM'000 | 31.12.16 RM'000 | 31.12.15 RM'000 |
| Tax expenses | | | | |
| Current year | (2,147) | 1,394 | 3,466 | 4,139 |
| Prior year | 58 | (566) | 96 | (1,773) |
| Deferred tax expense | | | | |
| Current year | 3,061 | (348) | 1,254 | (315) |
| Prior year | 36 | 1,241 | 22 | 1,092 |
| | 1,008 | 1,721 | 4,838 | 3,143 |

The Group's effective tax rate for the year ended 31 December 2016 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 31.12.16 RM'000 | As at 31.12.15 RM'000 |
|-----------------------------------|------------------------------------|-----------------------------|
| Current | | |
| <u>Unsecured</u> | | |
| Bankers' acceptances | 38,917 | 52,256 |
| Revolving credits | 163,000 | 148,000 |
| Term loans | 9,602 | 17,246 |
| Bank overdrafts | 2,330 | 293 |
| | 213,849 | 217,795 |
| <u>Secured</u> | | |
| Hire purchase creditors | 33,453 | 26,121 |
| | 247,302 | 243,916 |
| Non-current | | |
| Term loans-unsecured | 29,913 | 39,565 |
| Hire purchase creditors-unsecured | 29,742 | 19,907 |
| | 59,655 | 59,472 |

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 recommend a final single tier dividend of 2.0 sen (2015: 4.5 sen single tier) per share for the financial year ended 31 December 2016, subject to shareholders' approval at the forthcoming annual general meeting. Together with the interim single tier dividend of 2.0 sen (2015: 2.5 sen single tier) per share already declared and paid, this represents a total single tier dividend of 4.0 sen (2015: 7.0 sen single tier) per share for the financial year ended 31 December 2016.

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

**10. Earnings per share**

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

| | Individual quarter | | Cumulative quarters | |
|--|--------------------|----------|---------------------|----------|
| | 31.12.16 | 31.12.15 | 31.12.16 | 31.12.15 |
| (Loss)/Profit attributable to owners of the Company (RM'000) | (887) | 1,548 | (5,179) | 1,185 |
| Weighted average number of ordinary shares in issue ('000) | | | | |
| At beginning of period/year | 65,103 | 65,104 | 65,103 | 65,104 |
| Effect of share buyback | - | (1) | - | (1) |
| At end of period/year | 65,103 | 65,103 | 65,103 | 65,103 |
| Basic (loss)/earnings per share (sen) | (1.36) | 2.38 | (7.95) | 1.82 |

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 | |
|---|--------------------|--------------------|---------------------|--------------------|
| | 31.12.16 RM'000 | 31.12.15 RM'000 | 31.12.16 RM'000 | 31.12.15 RM'000 |
| Depreciation and amortisation | 13,643 | 13,683 | 51,295 | 49,649 |
| Provision for doubtful debts | 1,043 | 1,201 | 2,010 | 1,386 |
| Bad debts written off | - | 170 | - | 172 |
| Provision for inventories | 2,467 | 1,104 | 2,467 | 1,104 |
| 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 | (391) | (898) | 261 | (519) |
| (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 31 December 2016, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

| | Notional amount 31.12.16 RM'000 | Fair value assets/ (liabilities) 31.12.16 RM'000 | Notional amount 31.12.15 RM'000 | Fair value assets/ (liabilities) 31.12.15 RM'000 |
|------------------|--|---|--|--|
| Less than 1 year | <u>22,055</u> | <u>(50)</u> | <u>19,418</u> | <u>110</u> |

13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 December 2016, into realised and unrealised profits/losses, is as follows:

| | As at 31.12.16 RM'000 | As at 31.12.15 RM'000 |
|---|--------------------------------------|-----------------------------|
| Total retained profits of the Group: | | |
| - Realised | 209,270 | 218,689 |
| - Unrealised | 9,859 | 11,298 |
| | <u>219,129</u> | <u>229,987</u> |
| Total retained profits from jointly controlled entities: | | |
| - Realised | 15,476 | 15,271 |
| - Unrealised | 1,105 | 905 |
| | 16,581 | 16,176 |
| Less: Consolidation adjustments | 11,687 | 11,363 |
| Total retained profits as per Statement of Financial Position | <u>247,397</u> | <u>257,526</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
 24 February 2017