



**WARISAN TC HOLDINGS BERHAD**

*(Company No: 424834-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 31 MARCH 2017**

*(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 ENDED 31 MARCH 2017**

	Quarter ended 31 March		Period ended 31 March	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	112,550	104,990	112,550	104,990
Cost of sales	(78,893)	(75,608)	(78,893)	(75,608)
Gross profit	33,657	29,382	33,657	29,382
Other income	309	1,026	309	1,026
Selling and distribution expenses	(10,588)	(11,242)	(10,588)	(11,242)
Administrative and general expenses	(20,687)	(18,207)	(20,687)	(18,207)
Interest expense	(3,654)	(3,410)	(3,654)	(3,410)
Interest income	419	315	419	315
Share of profit of jointly controlled entities	886	1,327	886	1,327
Profit / (Loss) before tax	342	(809)	342	(809)
Tax expense	(67)	(417)	(67)	(417)
<b>Profit / (Loss) for the period</b>	<b>275</b>	<b>(1,226)</b>	<b>275</b>	<b>(1,226)</b>
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	44	(2,420)	44	(2,420)
Foreign exchange differences from translation	(267)	(1,576)	(267)	(1,576)
<b>Total other comprehensive loss for the period</b>	<b>(223)</b>	<b>(3,996)</b>	<b>(223)</b>	<b>(3,996)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>52</b>	<b>(5,222)</b>	<b>52</b>	<b>(5,222)</b>
Profit/(Loss) attributable to:				
Owners of the Company	332	(1,151)	332	(1,151)
Non-controlling interests	(57)	(75)	(57)	(75)
	275	(1,226)	275	(1,226)
Total comprehensive income / (loss) attributable to:				
Owners of the Company	109	(5,147)	109	(5,147)
Non-controlling interests	(57)	(75)	(57)	(75)
	52	(5,222)	52	(5,222)
Basic earnings / (loss) per share (sen)	0.51	(1.77)	0.51	(1.77)
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 2016 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 MARCH 2017**

	<b>As at 31.03.17 RM'000</b>	As at 31.12.16 RM'000
<b>ASSETS</b>		
Property, plant and equipment	<b>307,621</b>	308,417
Investment property	<b>45,800</b>	45,800
Investment in an associate company	<b>148</b>	148
Investment in jointly controlled entities	<b>34,333</b>	34,007
Other investments	<b>10</b>	10
Lease receivables	<b>2,628</b>	3,793
Other receivables	<b>561</b>	561
Deferred tax assets	<b>2,514</b>	2,522
Intangible assets	<b>11,537</b>	11,584
<b>Total non-current assets</b>	<b>405,152</b>	406,842
Inventories	<b>126,376</b>	132,140
Receivables, deposits and prepayments	<b>180,304</b>	158,218
Derivative financial assets	<b>142</b>	204
Current tax assets	<b>14,056</b>	13,801
Cash and cash equivalents	<b>71,975</b>	84,056
<b>Total current assets</b>	<b>392,853</b>	388,419
<b>TOTAL ASSETS</b>	<b>798,005</b>	795,261
<b>EQUITY</b>		
Share capital	<b>67,815</b>	67,200
Share premium	<b>-</b>	615
Reserves	<b>8,564</b>	8,865
Retained earnings	<b>247,875</b>	247,465
Treasury shares	<b>(4,210)</b>	(4,210)
<b>Total equity attributable to owners of the Company</b>	<b>320,044</b>	319,935
<b>Non-controlling interests</b>	<b>(1,078)</b>	(1,021)
<b>TOTAL EQUITY</b>	<b>318,966</b>	318,914
<b>LIABILITIES</b>		
Deferred tax liabilities	<b>18,874</b>	19,065
Employee benefits	<b>5,908</b>	5,717
Hire purchase liabilities	<b>42,734</b>	36,937
Borrowings	<b>21,500</b>	29,913
<b>Total non-current liabilities</b>	<b>89,016</b>	91,632
Payables and accruals	<b>151,285</b>	144,128
Hire purchase liabilities	<b>26,256</b>	26,258
Borrowings	<b>212,167</b>	213,849
Derivative financial liability	<b>148</b>	254
Current tax liabilities	<b>167</b>	226
<b>Total current liabilities</b>	<b>390,023</b>	384,715
<b>TOTAL LIABILITIES</b>	<b>479,039</b>	476,347
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>798,005</b>	795,261
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>4.92</b>	4.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 QUARTER ENDED 31 MARCH 2017**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total Equity	
	Share capital	Share premium	Non-distributable		Translation reserve	Hedging reserve	Revaluation reserve				Distributable Retained earnings
	RM'000	RM'000	Treasury shares	Merger reserve	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2016</b>	67,200	615	(4,209)	(41,614)	4,338	83	45,778	257,526	329,717	(585)	329,132
Investment by minority shareholders	-	-	-	-	-	-	-	-	-	181	181
Foreign currency translation differences for foreign operations	-	-	-	-	(1,576)	-	-	-	(1,576)	-	(1,576)
Remeasurement of retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	-	(2,420)	-	-	(2,420)	-	(2,420)
Total other comprehensive income for the period	-	-	-	-	(1,576)	(2,420)	-	-	(3,996)	-	(3,996)
Loss for the period	-	-	-	-	-	-	-	(1,151)	(1,151)	(75)	(1,226)
Total comprehensive income for the period	-	-	-	-	(1,576)	(2,420)	-	(1,151)	(5,147)	(75)	(5,222)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(78)	78	-	-	-
<b>At 31 March 2016</b>	<b>67,200</b>	<b>615</b>	<b>(4,209)</b>	<b>(41,614)</b>	<b>2,762</b>	<b>(2,337)</b>	<b>45,700</b>	<b>256,453</b>	<b>324,570</b>	<b>(479)</b>	<b>324,091</b>
<b>At 1 January 2017</b>	<b>67,200</b>	<b>615</b>	<b>(4,210)</b>	<b>(41,614)</b>	<b>5,053</b>	<b>(38)</b>	<b>45,464</b>	<b>247,465</b>	<b>319,935</b>	<b>(1,021)</b>	<b>318,914</b>
Adjustment for effects of Companies Act 2016 (Note a)	615	(615)	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	(267)	-	-	-	(267)	-	(267)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	-	44	-	-	44	-	44
Total other comprehensive loss for the period	-	-	-	-	(267)	44	-	-	(223)	-	(223)
Profit for the period	-	-	-	-	-	-	-	332	332	(57)	275
Total comprehensive income for the period	-	-	-	-	(267)	44	-	332	109	(57)	52
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(78)	78	-	-	-
<b>At 31 March 2017</b>	<b>67,815</b>	<b>-</b>	<b>(4,210)</b>	<b>(41,614)</b>	<b>4,786</b>	<b>6</b>	<b>45,386</b>	<b>247,875</b>	<b>320,044</b>	<b>(1,078)</b>	<b>318,966</b>

**Note a :** Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 use the amount standing to the credit of the share premium account of RM615,000 for the purposes set out in Section 618(3) of the CA 2016.

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 QUARTER ENDED 31 MARCH 2017**

	<b>Three months ended 31 March 2017 RM'000</b>	Three months ended 31 March 2016 RM'000
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax	342	(809)
Adjustments for:		
Depreciation & amortisation	14,755	12,747
Property, plant and equipment written off	37	196
Loss on disposal of property, plant and equipment	779	343
Gain on disposal of assets held for rental	(904)	(821)
Other non-cash items	(563)	(1,522)
Non-operating items	3,235	3,095
<b>Operating profit before working capital changes</b>	<b>17,681</b>	<b>13,229</b>
Changes in working capital	(7,029)	(5,730)
Tax paid, net of refunds	(562)	(1,997)
Retirement benefit paid	(15)	(35)
Proceeds from disposal of assets held for rental	3,020	3,623
<b>Net cash generated from operating activities</b>	<b>13,095</b>	<b>9,090</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	-	(27)
Dividend received from jointly controlled entities	560	560
Dividend received from other investment	-	14
Purchase of property, plant and equipment	(716)	(4,385)
Purchase of intangible assets	(68)	-
Proceeds from disposal of property, plant and equipment	(2,588)	(1,125)
Interest received	419	315
<b>Net cash used in investing activities</b>	<b>(2,393)</b>	<b>(4,648)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase financing	(8,580)	(6,624)
Drawdown of bankers' acceptances	24,893	31,532
Repayment of bankers' acceptances	(35,123)	(40,554)
Repayment of term loans	(2,311)	(3,163)
Drawdown of revolving credits	521,000	537,000
Repayment of revolving credits	(519,000)	(527,000)
Interest paid	(3,654)	(3,410)
<b>Net cash used in financing activities</b>	<b>(22,775)</b>	<b>(12,219)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(12,073)</b>	<b>(7,777)</b>
Cash and cash equivalents at beginning of period	81,726	94,269
Effects of exchange rate fluctuation on cash and cash equivalents	(454)	(806)
Cash and cash equivalents at end of period	<b>69,199</b>	<b>85,686</b>
Cash and cash equivalents comprise:		
Short term deposits	14,009	17,828
Cash at bank and in hand	26,840	29,258
Fixed deposits with licensed banks	31,126	39,864
Bank overdrafts	(2,776)	(1,264)
	<b>69,199</b>	<b>85,686</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2016. 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 2016.

#### **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 2017:

#### **MFRSs / Amendments / Interpretations**

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Annual Improvement to MFRS Standards 2014-2016 Cycle

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
Amendment to MFRS 15	Clarification to MFRS 15
Amendment to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendment to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
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
Amendment to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
MFRS 16	Leases



**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 ended 31 March 2017.

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

There were no changes in estimates that have had any material effect in the current quarter ended 31 March 2017.

**6. Debt and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter ended 31 March 2017.

**7. Dividends paid**

No dividend was paid during the current quarter ended 31 March 2017.



8. Operating segments

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

	← 3 Months Ended 31 Mar →									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	<b>51,482</b>	50,168	<b>44,409</b>	43,075	<b>11,670</b>	8,353	<b>4,989</b>	3,394	<b>112,550</b>	104,990
Inter-segment revenue	-	-	<b>1,135</b>	22	-	-	-	-	<b>1,135</b>	22
Segment profit / (loss)	<b>5,723</b>	3,739	<b>14,368</b>	11,826	<b>(910)</b>	(691)	<b>(914)</b>	(737)	<b>18,267</b>	14,137
Segment assets	<b>257,873</b>	265,087	<b>331,947</b>	307,310	<b>66,006</b>	65,610	<b>103,949</b>	105,627	<b>759,775</b>	743,634
Segment liabilities	<b>155,706</b>	167,980	<b>240,368</b>	213,598	<b>45,318</b>	46,955	<b>20,248</b>	17,225	<b>461,640</b>	445,758



**Operating segments (continued)**

	<u>3 Months Ended 31 Mar</u>	
	<b>2017</b>	2016
	<b>RM'000</b>	RM000
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	<b>18,267</b>	14,137
Depreciation and amortisation	<b>(14,755)</b>	(12,747)
Interest expense	<b>(3,654)</b>	(3,410)
Interest income	<b>419</b>	315
Non-reportable segment expenses	<b>(821)</b>	(431)
Share of profit from equity accounted investments	<b>886</b>	1,327
Consolidated profit / (loss) before tax	<b>342</b>	(809)
Reconciliation of reportable segment assets		
Total assets for reportable segments	<b>759,775</b>	743,634
Assets for other non-reportable segment	<b>3,749</b>	5,814
Investment in an associate	<b>148</b>	-
Share of assets from equity accounted investments	<b>34,333</b>	34,227
Consolidated assets	<b>798,005</b>	783,675
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	<b>461,640</b>	445,758
Liabilities for other non-reportable segment	<b>17,399</b>	13,826
Consolidated liabilities	<b>479,039</b>	459,584

**9. Valuations 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 2016.

**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 fair value of the investment property is based on a valuation carried out by an external valuer on 8 November 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 ended 31 March 2017.



### 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 31.03.17 RM'000</b>	As at 31.03.16 RM'000
Approved and contracted for	<b>8,043</b>	5,751
Approved but not contracted for	<b>27,540</b>	46,679

### 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 31.03.17 RM'000</b>
Not later than 1 year	<b>52,863</b>
Later than 1 year and not later than 5 years	<b>42,399</b>
	<b>95,262</b>

(b) As lessee – for office premises

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

	<b>As at 31.03.17 RM'000</b>
Not later than 1 year	<b>2,501</b>
Later than 1 year and not later than 5 years	<b>2,038</b>
	<b>4,539</b>

## 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:

	<b>Quarter ended</b>	
	<b>31.03.17</b>	31.03.16
	<b>RM'000</b>	RM'000
Sales of goods and services	<b>4,617</b>	8,596
Rental income	<b>616</b>	632
	<b><u>5,233</u></b>	<u>9,228</u>
Purchases of goods and services	<b>13,077</b>	5,935
Rental expenses	<b>268</b>	264
Financing and leasing	<b>566</b>	7,072
	<b><u>13,911</u></b>	<u>13,271</u>

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

	<b>Quarter ended</b>	
	<b>31.03.17</b>	31.03.16
	<b>RM'000</b>	RM'000
Sales of goods and services	<b><u>200</u></b>	<u>44</u>
Purchases of goods	<b><u>17</u></b>	<u>36</u>

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

#### Quarter ended 31 March 2017

Group revenue increased to RM112.6 million from RM105.0 million registered for the corresponding period prior year, representing an increase of 7.2%. Generally, all divisions reported an improvement in revenue. In line with the increase in revenue, the Group registered a profit before tax ("PBT") of RM0.3 million for the current period compared to a loss before tax ("LBT") of RM0.8 million for the corresponding period prior year.

#### **Machinery Division**

Revenue from the Machinery Division increased to RM51.5 million from RM50.2 million registered in the first quarter of prior year. The increase in revenue was primarily due to higher sales of heavy machinery. Consequently, the segment profit increased to RM5.7 million from RM3.7 million registered in the corresponding period prior year.

#### **Travel and Car Rental Division**

The Travel and Car Rental Division recorded an increase in revenue to 44.4 million from RM43.1 million in the corresponding period prior year. The increase in revenue was due to higher revenue achieved by the Car Rental subdivision, partially offset by a lower revenue contribution from the Travel subdivision. In line with the overall increase in revenue, the Division registered a higher segment profit compared to the corresponding period prior year.

#### **Automotive Division**

The Automotive Division recorded an increase in revenue to RM11.7 million from RM8.4 million registered for the corresponding period prior year due to an increase in revenue from trading of used vehicles. Segment loss increased to RM0.9 million from RM0.7 million registered in the corresponding period prior year due to a lower gross profit.

#### **Jointly controlled entities**

Our share of profit in our joint ventures, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, decreased to RM0.9 million from RM1.3 million registered in the corresponding period prior year. This was primarily due to higher advertising spend by Shiseido Malaysia.

### 2. Comparison with preceding quarter's results

The Group recorded slightly lower revenue of RM112.6 million compared to RM114.2 million registered in the preceding quarter. This was due to lower revenue contribution from the Travel and Car Rental Division. The Group recorded a PBT of RM0.3 million compared to a LBT of RM0.3 million in the preceding quarter. This is primarily due to the share of profit in joint ventures of RM0.9 million registered in the current quarter compared to a share of loss of RM0.3 million in the preceding quarter.



**3. Prospects**

The business environment for 2017 is expected to remain challenging. Economic headwinds such as higher inflation, volatile capital flows and lingering uncertainties in the global economic and financial environment continue to cloud business outlook.

In view of uncertain economic environment, the Group remains cautious on the financial performance for 2017. In navigating through the uncertain economic environment, the Group will continue to place emphasis on improving productivity and cost effectiveness, leveraging on technology enhancements.

**4. Profit forecast**

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

**5. Tax expenses**

	<b>Quarter ended</b>	
	<b>31.03.17</b>	31.03.16
	<b>RM'000</b>	RM'000
<b>Tax expenses</b>		
Current year	<b>251</b>	1,213
<b>Deferred tax expense</b>		
Current year	<b>(383)</b>	(789)
Prior year	<b>199</b>	(7)
	<b><u>67</u></b>	<u>417</u>

The Group's effective tax rate for the current quarter was lower than the prima facie tax rate due mainly to effects of different tax rate for subsidiary companies in Labuan.

**6. Status of corporate proposals**

There were no corporate proposals announced that have not been completed as at the reporting date.



**7. Group borrowings**

Particulars of the Group borrowings as at the reporting date are as follows:

	<b>As at 31.03.17 RM'000</b>
<b>Current</b>	
<u>Unsecured</u>	
Bankers' acceptances	28,687
Revolving credits	165,000
Term loans	15,704
Bank overdrafts	<u>2,776</u>
	<b>212,167</b>
<u>Secured</u>	
Hire purchase creditors	<u>26,256</u>
	<b>238,423</b>
<b>Non-current</b>	
Term loans-unsecured	21,500
Hire purchase creditors-secured	<u>42,734</u>
	<b>64,234</b>

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 for the first quarter ended 31 March 2017.

The Board of Directors has recommended 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 2 June 2017 and 23 June 2017 respectively.

## 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.

	Quarter ended	
	31.03.17	31.03.16
Profit/(Loss) attributable to owners of the Company (RM'000)	<u>332</u>	<u>(1,151)</u>
Weighted average number of ordinary shares in issue ('000)		
At beginning of period and at end of period	<u>65,103</u>	<u>65,103</u>
Basic earnings/(loss) per share (sen)	<u>0.51</u>	<u>(1.77)</u>

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

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

	Quarter ended	
	31.03.17 RM'000	31.03.16 RM'000
Depreciation and amortisation	14,755	12,747
Provision for doubtful debts	-	-
Bad debts written off	-	-
Write down of inventories	70	-
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	47	(386)
(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 March 2017, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Notional amount RM'000	Fair value assets/ (liabilities) RM'000
Less than 1 year	<u>33,571</u>	<u>(6)</u>

### 13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 March 2017, into realised and unrealised profits/(losses), is as follows:

	<b>As at 31.03.17 RM'000</b>	<b>As at 31.12.16 RM'000</b>
Total retained profits of the Group:		
- Realised	<b>201,009</b>	201,518
- Unrealised	<b>10,779</b>	10,595
	<b>211,788</b>	212,113
Total retained profits from jointly controlled entities:		
- Realised	<b>16,034</b>	15,708
- Unrealised	<b>938</b>	938
	<b>16,972</b>	16,646
Add: Consolidation adjustments	<b>19,115</b>	18,706
Total retained profits as per Statement of Financial Position	<b>247,875</b>	247,465

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  
 5 May 2017