



**WARISAN TC HOLDINGS BERHAD**

*(Company No: 424834-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 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 30 JUNE 2017**

|                                                                                                                                     | Quarter ended<br>30 June |                | Period ended<br>30 June |                |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|-------------------------|----------------|
|                                                                                                                                     | 2017<br>RM'000           | 2016<br>RM'000 | 2017<br>RM'000          | 2016<br>RM'000 |
| Revenue                                                                                                                             | 134,274                  | 121,635        | 246,824                 | 226,625        |
| Cost of sales                                                                                                                       | (99,602)                 | (87,139)       | (178,495)               | (162,747)      |
| Gross profit                                                                                                                        | 34,672                   | 34,496         | 68,329                  | 63,878         |
| Other income                                                                                                                        | 489                      | 130            | 798                     | 1,156          |
| Selling and distribution expenses                                                                                                   | (10,699)                 | (10,651)       | (21,287)                | (21,893)       |
| Administrative and general expenses                                                                                                 | (20,418)                 | (20,246)       | (41,105)                | (38,453)       |
| Interest expense                                                                                                                    | (3,441)                  | (3,489)        | (7,095)                 | (6,899)        |
| Interest income                                                                                                                     | 215                      | 419            | 634                     | 734            |
| Share of profit / (loss) of jointly controlled entities                                                                             | 406                      | (443)          | 1,292                   | 884            |
| Profit / (Loss) before tax                                                                                                          | 1,224                    | 216            | 1,566                   | (593)          |
| Tax expense                                                                                                                         | (489)                    | (2,438)        | (556)                   | (2,855)        |
| <b>Profit / (Loss) for the period</b>                                                                                               | <b>735</b>               | <b>(2,222)</b> | <b>1,010</b>            | <b>(3,448)</b> |
| Other comprehensive income / (loss), 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                                                                                         | (276)                    | 2,608          | (232)                   | 188            |
| Foreign exchange differences from translation                                                                                       | (507)                    | 534            | (774)                   | (1,042)        |
| <b>Total other comprehensive (loss) / income for the period</b>                                                                     | <b>(783)</b>             | <b>3,142</b>   | <b>(1,006)</b>          | <b>(854)</b>   |
| <b>Total comprehensive income / (loss) for the period</b>                                                                           | <b>(48)</b>              | <b>920</b>     | <b>4</b>                | <b>(4,302)</b> |
| Profit/(Loss) attributable to:                                                                                                      |                          |                |                         |                |
| Owners of the Company                                                                                                               | 839                      | (2,179)        | 1,171                   | (3,330)        |
| Non-controlling interests                                                                                                           | (104)                    | (43)           | (161)                   | (118)          |
|                                                                                                                                     | 735                      | (2,222)        | 1,010                   | (3,448)        |
| Total comprehensive income / (loss) attributable to:                                                                                |                          |                |                         |                |
| Owners of the Company                                                                                                               | 56                       | 963            | 165                     | (4,184)        |
| Non-controlling interests                                                                                                           | (104)                    | (43)           | (161)                   | (118)          |
|                                                                                                                                     | (48)                     | 920            | 4                       | (4,302)        |
| Basic earnings / (loss) per share (sen)                                                                                             | 1.29                     | (3.35)         | 1.80                    | (5.11)         |
| 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 30 JUNE 2017**

|                                                                            | <b>As at<br/>30.06.17<br/>RM'000</b> | As at<br>31.12.16<br>RM'000 |
|----------------------------------------------------------------------------|--------------------------------------|-----------------------------|
| <b>ASSETS</b>                                                              |                                      |                             |
| Property, plant and equipment                                              | <b>314,345</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>34,519</b>                        | 34,007                      |
| Other investments                                                          | <b>10</b>                            | 10                          |
| Lease receivables                                                          | <b>2,341</b>                         | 3,793                       |
| Other receivables                                                          | <b>561</b>                           | 561                         |
| Deferred tax assets                                                        | <b>2,556</b>                         | 2,522                       |
| Intangible assets                                                          | <b>11,654</b>                        | 11,584                      |
| <b>Total non-current assets</b>                                            | <b>411,934</b>                       | 406,842                     |
| Inventories                                                                | <b>139,147</b>                       | 132,140                     |
| Receivables, deposits and prepayments                                      | <b>183,772</b>                       | 158,218                     |
| Derivative financial assets                                                | <b>11</b>                            | 204                         |
| Current tax assets                                                         | <b>14,625</b>                        | 13,801                      |
| Cash and cash equivalents                                                  | <b>62,722</b>                        | 84,056                      |
| <b>Total current assets</b>                                                | <b>400,277</b>                       | 388,419                     |
| <b>TOTAL ASSETS</b>                                                        | <b>812,211</b>                       | 795,261                     |
| <b>EQUITY</b>                                                              |                                      |                             |
| Share capital                                                              | <b>67,815</b>                        | 67,200                      |
| Share premium                                                              | <b>-</b>                             | 615                         |
| Reserves                                                                   | <b>7,704</b>                         | 8,865                       |
| Retained earnings                                                          | <b>247,489</b>                       | 247,465                     |
| Treasury shares                                                            | <b>(4,212)</b>                       | (4,210)                     |
| <b>Total equity attributable to owners of the Company</b>                  | <b>318,796</b>                       | 319,935                     |
| <b>Non-controlling interests</b>                                           | <b>(1,182)</b>                       | (1,021)                     |
| <b>TOTAL EQUITY</b>                                                        | <b>317,614</b>                       | 318,914                     |
| <b>LIABILITIES</b>                                                         |                                      |                             |
| Deferred tax liabilities                                                   | <b>19,516</b>                        | 19,065                      |
| Employee benefits                                                          | <b>6,074</b>                         | 5,717                       |
| Hire purchase liabilities                                                  | <b>61,941</b>                        | 36,937                      |
| Borrowings                                                                 | <b>20,250</b>                        | 29,913                      |
| <b>Total non-current liabilities</b>                                       | <b>107,781</b>                       | 91,632                      |
| Payables and accruals                                                      | <b>153,973</b>                       | 144,128                     |
| Hire purchase liabilities                                                  | <b>15,509</b>                        | 26,258                      |
| Borrowings                                                                 | <b>216,924</b>                       | 213,849                     |
| Derivative financial liability                                             | <b>293</b>                           | 254                         |
| Current tax liabilities                                                    | <b>117</b>                           | 226                         |
| <b>Total current liabilities</b>                                           | <b>386,816</b>                       | 384,715                     |
| <b>TOTAL LIABILITIES</b>                                                   | <b>494,597</b>                       | 476,347                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                        | <b>812,211</b>                       | 795,261                     |
| <b>Net assets per share attributable to owners<br/>of the Company (RM)</b> | <b>4.90</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 30 JUNE 2017**

|                                                                 | ← Attributable to owners of the Company → |               |                 |                |                     |                 |                     | Distributable Retained earnings | Total   | Non-controlling interests | Total Equity |
|-----------------------------------------------------------------|-------------------------------------------|---------------|-----------------|----------------|---------------------|-----------------|---------------------|---------------------------------|---------|---------------------------|--------------|
|                                                                 | Non-distributable                         |               |                 |                | Translation reserve | Hedging reserve | Revaluation reserve |                                 |         |                           |              |
|                                                                 | Share capital                             | Share premium | Treasury shares | Merger reserve |                     |                 |                     |                                 |         |                           |              |
| RM000                                                           | RM000                                     | RM000         | RM000           | RM000          | RM000               | RM000           | RM000               | RM000                           | RM000   | RM000                     |              |
| <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                             | -                                         | -             | -               | -              | -                   | -               | -                   | -                               | -       | 169                       | 169          |
| Foreign currency translation differences for foreign operations | -                                         | -             | -               | -              | (1,042)             | -               | -                   | -                               | (1,042) | -                         | (1,042)      |
| Change in fair value of cash flow hedge                         | -                                         | -             | -               | -              | -                   | 188             | -                   | -                               | 188     | -                         | 188          |
| Total other comprehensive income for the period                 | -                                         | -             | -               | -              | (1,042)             | 188             | -                   | -                               | (854)   | -                         | (854)        |
| Loss for the period                                             | -                                         | -             | -               | -              | -                   | -               | -                   | (3,330)                         | (3,330) | (118)                     | (3,448)      |
| Total comprehensive income for the period                       | -                                         | -             | -               | -              | (1,042)             | 188             | -                   | (3,330)                         | (4,184) | (118)                     | (4,302)      |
| Purchase of treasury shares                                     | -                                         | -             | -               | -              | -                   | -               | -                   | -                               | -       | -                         | -            |
| Dividend - 2015 final                                           | -                                         | -             | -               | -              | -                   | -               | -                   | (2,930)                         | (2,930) | -                         | (2,930)      |
| Portion of revaluation reserve transferred through depreciation | -                                         | -             | -               | -              | -                   | -               | (155)               | 155                             | -       | -                         | -            |
| <b>At 30 June 2016</b>                                          | 67,200                                    | 615           | (4,209)         | (41,614)       | 3,296               | 271             | 45,623              | 251,421                         | 322,603 | (534)                     | 322,069      |
| <b>At 1 January 2017</b>                                        | 67,200                                    | 615           | (4,210)         | (41,614)       | 5,053               | (38)            | 45,464              | 247,465                         | 319,935 | (1,021)                   | 318,914      |
| Adjustment for effects of Companies Act 2016 (Note a)           | 615                                       | (615)         | -               | -              | -                   | -               | -                   | -                               | -       | -                         | -            |
| Foreign currency translation differences for foreign operations | -                                         | -             | -               | -              | (774)               | -               | -                   | -                               | (774)   | -                         | (774)        |
| Remeasurement of defined benefit liabilities                    | -                                         | -             | -               | -              | -                   | -               | -                   | -                               | -       | -                         | -            |
| Change in fair value of cash flow hedge                         | -                                         | -             | -               | -              | -                   | (232)           | -                   | -                               | (232)   | -                         | (232)        |
| Total other comprehensive loss for the period                   | -                                         | -             | -               | -              | (774)               | (232)           | -                   | -                               | (1,006) | -                         | (1,006)      |
| Profit for the period                                           | -                                         | -             | -               | -              | -                   | -               | -                   | 1,171                           | 1,171   | (161)                     | 1,010        |
| Total comprehensive income for the period                       | -                                         | -             | -               | -              | (774)               | (232)           | -                   | 1,171                           | 165     | (161)                     | 4            |
| Purchase of treasury shares                                     | -                                         | -             | (2)             | -              | -                   | -               | -                   | -                               | (2)     | -                         | (2)          |
| Dividend - 2016 final                                           | -                                         | -             | -               | -              | -                   | -               | -                   | (1,302)                         | (1,302) | -                         | (1,302)      |
| Portion of revaluation reserve transferred through depreciation | -                                         | -             | -               | -              | -                   | -               | (155)               | 155                             | -       | -                         | -            |
| <b>At 30 June 2017</b>                                          | 67,815                                    | -             | (4,212)         | (41,614)       | 4,279               | (270)           | 45,309              | 247,489                         | 318,796 | (1,182)                   | 317,614      |

**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 30 JUNE 2017**

|                                                                   | <b>Six months<br/>ended<br/>30 June 2017<br/>RM'000</b> | <b>Six months<br/>ended<br/>30 June 2016<br/>RM'000</b> |
|-------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>Cash flow from operating activities</b>                        |                                                         |                                                         |
| Profit / (Loss) before tax                                        | 1,566                                                   | (593)                                                   |
| Adjustments for:                                                  |                                                         |                                                         |
| Depreciation & amortisation                                       | 29,726                                                  | 25,030                                                  |
| Property, plant and equipment written off                         | 38                                                      | 199                                                     |
| Gain on disposal of property, plant and equipment                 | (682)                                                   | (4,349)                                                 |
| Gain on disposal of assets held for rental                        | (1,764)                                                 | (4,022)                                                 |
| Other non-cash items                                              | (855)                                                   | (626)                                                   |
| Non-operating items                                               | 6,461                                                   | 6,165                                                   |
| <b>Operating profit before working capital changes</b>            | <b>34,490</b>                                           | <b>21,804</b>                                           |
| Changes in working capital                                        | (22,412)                                                | (28,910)                                                |
| Tax paid, net of refunds                                          | (1,053)                                                 | (3,743)                                                 |
| Retirement benefit paid                                           | (56)                                                    | (34)                                                    |
| Proceeds from disposal of assets held for rental                  | 7,066                                                   | 16,208                                                  |
| <b>Net cash generated from operating activities</b>               | <b>18,035</b>                                           | <b>5,325</b>                                            |
| <b>Cash flows from investing activities</b>                       |                                                         |                                                         |
| Acquisition of subsidiary, net of cash acquired                   | -                                                       | (27)                                                    |
| Dividend received from jointly controlled entities                | 780                                                     | 1,233                                                   |
| Dividend received from other investment                           | -                                                       | 14                                                      |
| Purchase of property, plant and equipment                         | (10,762)                                                | (15,841)                                                |
| Purchase of intangible assets                                     | (299)                                                   | -                                                       |
| Proceeds from disposal of property, plant and equipment           | 3,229                                                   | 16,304                                                  |
| Interest received                                                 | 634                                                     | 734                                                     |
| <b>Net cash (used in)/generated from investing activities</b>     | <b>(6,418)</b>                                          | <b>2,417</b>                                            |
| <b>Cash flows from financing activities</b>                       |                                                         |                                                         |
| Dividends paid to shareholders of the Company                     | (1,302)                                                 | (2,930)                                                 |
| Repayment of hire purchase financing                              | (17,652)                                                | (15,058)                                                |
| Drawdown of bankers' acceptances                                  | 43,100                                                  | 62,775                                                  |
| Repayment of bankers' acceptances                                 | (54,582)                                                | (64,792)                                                |
| Repayment of term loans                                           | (4,672)                                                 | (5,524)                                                 |
| Drawdown of revolving credits                                     | 1,020,000                                               | 874,000                                                 |
| Repayment of revolving credits                                    | (1,012,000)                                             | (866,000)                                               |
| Interest paid                                                     | (7,095)                                                 | (6,899)                                                 |
| Purchase of treasury shares                                       | (2)                                                     | -                                                       |
| <b>Net cash used in financing activities</b>                      | <b>(34,205)</b>                                         | <b>(24,428)</b>                                         |
| <b>Net changes in cash and cash equivalents</b>                   | <b>(22,588)</b>                                         | <b>(16,686)</b>                                         |
| Cash and cash equivalents at beginning of period                  | 81,726                                                  | 94,269                                                  |
| Effects of exchange rate fluctuation on cash and cash equivalents | (312)                                                   | (672)                                                   |
| Cash and cash equivalents at end of period                        | <b>58,826</b>                                           | <b>76,911</b>                                           |
| Cash and cash equivalents comprise:                               |                                                         |                                                         |
| Short term deposits                                               | 8,508                                                   | 11,678                                                  |
| Cash at bank and in hand                                          | 28,645                                                  | 29,428                                                  |
| Fixed deposits with licensed banks                                | 25,569                                                  | 36,895                                                  |
| Bank overdrafts                                                   | (3,896)                                                 | (1,090)                                                 |
|                                                                   | <b>58,826</b>                                           | <b>76,911</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. The 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 became 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                                                                                |
| MFRS 17                            | Insurance Contracts                                                                   |



## **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 30 June 2017.

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

There were no changes in estimates that have had any material effect on the condensed interim financial statements in the current quarter ended 30 June 2017.

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

During the current quarter, a total of 1,000 ordinary shares was repurchased from the open market at RM2.13 per share for a total consideration of RM2,176.08. The transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

There were no other issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter and six months ended 30 June 2017.

## **7. Dividends paid**

A final single tier dividend of 2.0 sen (2015: 4.5 sen) for the financial year ended 31 December 2016 totalling to RM1,302,012 approved by the shareholders on 26 May 2017, was paid on 23 June 2017.



## 8. Operating segments

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

|                         | ← 6 Months Ended 30 June → |         |                              |         |                   |         |                         |         |                |         |
|-------------------------|----------------------------|---------|------------------------------|---------|-------------------|---------|-------------------------|---------|----------------|---------|
|                         | <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>109,491</b>             | 102,522 | <b>101,372</b>               | 99,848  | <b>27,572</b>     | 15,138  | <b>8,389</b>            | 9,117   | <b>246,824</b> | 226,625 |
| Inter-segment revenue   | -                          | -       | <b>883</b>                   | 709     | -                 | -       | -                       | -       | <b>883</b>     | 709     |
| Segment profit / (loss) | <b>11,504</b>              | 8,742   | <b>30,483</b>                | 24,851  | <b>(1,726)</b>    | (1,209) | <b>(1,961)</b>          | (1,869) | <b>38,300</b>  | 30,515  |
| Segment assets          | <b>265,629</b>             | 277,286 | <b>349,817</b>               | 289,967 | <b>56,651</b>     | 58,938  | <b>101,911</b>          | 120,019 | <b>774,008</b> | 746,210 |
| Segment liabilities     | <b>164,740</b>             | 175,873 | <b>249,541</b>               | 197,839 | <b>41,891</b>     | 42,604  | <b>20,000</b>           | 32,087  | <b>476,172</b> | 448,403 |



**Operating segments (continued)**

|                                                     | <u>6 Months Ended 30 June</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>38,300</b>                 | 30,515   |
| Depreciation and amortisation                       | <b>(29,726)</b>               | (25,030) |
| Interest expense                                    | <b>(7,095)</b>                | (6,899)  |
| Interest income                                     | <b>634</b>                    | 734      |
| Non-reportable segment expenses                     | <b>(1,839)</b>                | (797)    |
| Share of profit from equity accounted investments   | <b>1,292</b>                  | 884      |
| Consolidated profit / (loss) before tax             | <b>1,566</b>                  | (593)    |
| Reconciliation of reportable segment assets         |                               |          |
| Total assets for reportable segments                | <b>774,008</b>                | 746,210  |
| Assets for other non-reportable segment             | <b>3,536</b>                  | 5,705    |
| Investment in an associate                          | <b>148</b>                    | -        |
| Share of assets from equity accounted investments   | <b>34,519</b>                 | 33,111   |
| Consolidated assets                                 | <b>812,211</b>                | 785,026  |
| Reconciliation of reportable segment liabilities    |                               |          |
| Total liabilities for reportable segments           | <b>476,172</b>                | 448,403  |
| Liabilities for other non-reportable segment        | <b>18,425</b>                 | 14,554   |
| Consolidated liabilities                            | <b>494,597</b>                | 462,957  |

**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 30 June 2017.



**13. Changes in contingent liabilities**

There was no contingent liability as at end of current quarter nor was there any as at end of last financial year.

**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<br/>30.06.17<br/>RM'000</b> | As at<br>30.06.16<br>RM'000 |
|---------------------------------|--------------------------------------|-----------------------------|
| Approved and contracted for     | <b>6,583</b>                         | 18,761                      |
| Approved but not contracted for | <b>18,451</b>                        | 20,688                      |

**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<br/>30.06.17<br/>RM'000</b> | As at<br>30.06.16<br>RM'000 |
|----------------------------------------------|--------------------------------------|-----------------------------|
| Not later than 1 year                        | <b>53,385</b>                        | 41,323                      |
| Later than 1 year and not later than 5 years | <b>41,091</b>                        | 42,388                      |
|                                              | <b>94,476</b>                        | 83,711                      |

(b) As lessee – for office premises

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

|                                              | <b>As at<br/>30.06.17<br/>RM'000</b> | As at<br>30.06.16<br>RM'000 |
|----------------------------------------------|--------------------------------------|-----------------------------|
| Not later than 1 year                        | <b>2,573</b>                         | 2,547                       |
| Later than 1 year and not later than 5 years | <b>1,657</b>                         | 1,822                       |
|                                              | <b>4,230</b>                         | 4,369                       |

## 16. Related party disclosures

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

|                              | Individual quarter   |                    | Cumulative quarters  |                    |
|------------------------------|----------------------|--------------------|----------------------|--------------------|
|                              | 30.06.17<br>RM'000   | 30.06.16<br>RM'000 | 30.06.17<br>RM'000   | 30.06.16<br>RM'000 |
| Sales of goods and services  | <b>5,814</b>         | 5,895              | <b>10,432</b>        | 14,491             |
| Rental income                | <b>624</b>           | 629                | <b>1,240</b>         | 1,261              |
|                              | <b><u>6,438</u></b>  | <u>6,524</u>       | <b><u>11,672</u></b> | <u>15,752</u>      |
| Purchases goods and services | <b>25,278</b>        | 14,998             | <b>38,355</b>        | 20,933             |
| Rental expenses              | <b>305</b>           | 308                | <b>573</b>           | 572                |
| Financing and leasing        | <b>465</b>           | 9,498              | <b>1,031</b>         | 16,570             |
|                              | <b><u>26,048</u></b> | <u>24,804</u>      | <b><u>39,959</u></b> | <u>38,075</u>      |

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

|                             | Individual quarter |                    | Cumulative quarters |                    |
|-----------------------------|--------------------|--------------------|---------------------|--------------------|
|                             | 30.06.17<br>RM'000 | 30.06.16<br>RM'000 | 30.06.17<br>RM'000  | 30.06.16<br>RM'000 |
| Sales of goods and services | <b>683</b>         | 1,526              | <b>883</b>          | 1,571              |
| Purchases of goods          | <b>-</b>           | 17                 | <b>17</b>           | 53                 |

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

#### **6 months ended 30 June 2017**

Group revenue increased to RM246.8 million from RM226.6 million in the first half of prior year, representing an increase of 8.9%. The increase in revenue was mainly attributable to the improvement in the revenues of Machinery and the Travel and Car Rental Divisions. In line with the improvement in revenue, the Group recorded a profit before tax of RM1.6 million compared to a loss before tax of RM0.6 million in the corresponding period prior year.

#### Machinery Division

Revenue of the Machinery Division increased to RM109.5 million from RM102.5 million in the corresponding period prior year. In line with the improvement in revenue and lower operating expenses, segment profit increased to RM11.5 million from RM8.7 million recorded in the corresponding period prior year.

#### Travel and Car Rental Division

The Travel and Car Rental Division recorded a 1.6% increase in revenue to RM101.4 million from RM99.8 million in the corresponding period prior year. This was primarily due to additional corporate accounts secured during the period. In line with the 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 RM27.6 million from RM15.1 million registered in the first half of prior year due to increase in revenue from trading of used vehicles. Notwithstanding the higher revenue, the Division recorded a segment loss of RM1.7 million compared to a loss of RM1.2 million in first half of prior year due to lower margins in the competitive used vehicles market.

#### Jointly controlled entities

Our share of profit from our joint ventures, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, increased to RM1.3 million as compared to RM0.9 million during the first half of prior year because of higher sales achieved by both companies.

#### **3 months ended 30 June 2017**

The Group recorded higher revenue at RM134.3 million in the second quarter of 2017 compared to RM121.6 million in the corresponding quarter prior year. A profit before tax of RM1.2 million was recorded compared to a profit before tax of RM0.2 million in corresponding quarter prior year. This was primarily due to the higher sales from Travel and Car Rental and Machinery Divisions in the current quarter as well as increase on share of joint venture profit from RM0.4 million compared to a loss of RM0.4 million in the corresponding quarter prior year.

## 2. Comparison with preceding quarter's results

The Group recorded a 19.3% increase in revenue of RM134.3 million compared to RM112.6 million registered in the preceding quarter. This was due to higher revenue contribution from the Machinery and Travel and Car Rental Divisions. The Group recorded a profit before tax of RM1.2 million compared to a profit before tax of RM0.3 million in the preceding quarter. This is primarily in line with the increase of revenue during the current quarter under review.

## 3. Prospects

The second half of 2017 will continue to remain challenging as external factors such as uncertainties in the global political, economic and financial environment, higher inflation and volatile capital flows are expected to affect business sentiment.

Despite these challenges, the Group will continue to focus on improving productivity, cost rationalization and leveraging on technology enhancements to deliver satisfactory results for the year.

## 4. Profit forecast

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

## 5. Tax expenses

|                             | Individual quarter |                    | Cumulative quarters |                    |
|-----------------------------|--------------------|--------------------|---------------------|--------------------|
|                             | 30.06.17<br>RM'000 | 30.06.16<br>RM'000 | 30.06.17<br>RM'000  | 30.06.16<br>RM'000 |
| <b>Tax expenses</b>         |                    |                    |                     |                    |
| Current year                | (135)              | 3,365              | 119                 | 4,578              |
| Prior year                  | 8                  | -                  | 5                   | -                  |
| <b>Deferred tax expense</b> |                    |                    |                     |                    |
| Current year                | 614                | (939)              | 231                 | (1,728)            |
| Prior year                  | 2                  | 12                 | 201                 | 5                  |
|                             | <b>489</b>         | <b>2,438</b>       | <b>556</b>          | <b>2,855</b>       |

The Group's effective tax rates for the quarter and six months ended 30 June 2017 were higher than the prima facie tax rate due mainly to deferred tax assets that have not been recognized for certain loss making subsidiaries and certain expenses not deductible for tax purpose.

## 6. Status of corporate proposals

On 5 July 2017, Mayflower Holidays Sdn Bhd ("MH"), a wholly-owned subsidiary of the Company entered into a Joint Venture Agreement relating to Mayflower Online Sdn Bhd with Agile Quick Services Sdn Bhd to undertake and pursue the business of providing multiple travel products and services via electronic platform including the managing of online business of sales of travel products and services for MH. Subsequent to this, Mayflower Online Sdn Bhd has been incorporated on 21 July 2017 under the Companies Act, 2016. For further details, please refer to our announcements on 5 July 2017 and 21 July 2017 respectively.



**7. Group borrowings**

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

|                                 | As at<br><b>30.06.17</b><br>RM'000 |
|---------------------------------|------------------------------------|
| <b>Current</b>                  |                                    |
| <u>Unsecured</u>                |                                    |
| Bankers' acceptances            | 27,435                             |
| Revolving credits               | 171,000                            |
| Term loans                      | 14,593                             |
| Bank overdrafts                 | 3,896                              |
|                                 | <u>216,924</u>                     |
| <u>Secured</u>                  |                                    |
| Hire purchase creditors         | 15,509                             |
|                                 | <u>232,433</u>                     |
| <br><b>Non-current</b>          |                                    |
| Term loans-unsecured            | 20,250                             |
| Hire purchase creditors-secured | 61,941                             |
|                                 | <u>82,191</u>                      |

The above borrowings were denominated in Ringgit Malaysia.

**8. Material litigation**

On 3 July 2002, the Company and a subsidiary claimed for damages against two former directors of the subsidiary for breaches of their fiduciary and/or contractual duties. On or about 25 June 2004, two (2) former employees of subsidiaries of the Company were added as defendants to the action.

On 7 February 2006, the plaintiffs filed an application for leave to include another party as co-defendant. The application was allowed by the Court.

The parties are awaiting further direction from the Court to set a date for a further mention date.

**9. Dividend**

The Board of Directors is pleased to declare an interim single tier dividend of 1.0 sen (2016: 2.0 sen single tier) per share for the financial year ending 31 December 2017. The interim dividend is lower than that in the corresponding period prior year in view of the challenging business environment and the need to conserve cash to finance the Group's expansion plan during the second half of 2017.

The interim dividend will be paid on 29 September 2017. The entitlement to dividend will be determined on the basis of the record of depositors as at 8 September 2017.

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

- (a) shares transferred into the depositor's securities account before 4.00 p.m. on 8 September 2017 in respect of ordinary transfer; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis in accordance with the rules of Bursa Malaysia Securities Berhad.

## 10. Earnings per share

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

|                                                              | Individual quarter |                | Cumulative quarters |                |
|--------------------------------------------------------------|--------------------|----------------|---------------------|----------------|
|                                                              | 30.06.17           | 30.06.16       | 30.06.17            | 30.06.16       |
| Profit/(Loss) attributable to owners of the Company (RM'000) | <u>839</u>         | <u>(2,179)</u> | <u>1,171</u>        | <u>(3,330)</u> |
| Weighted average number of ordinary shares in issue ('000)   |                    |                |                     |                |
| At beginning of period                                       | 65,103             | 65,103         | 65,103              | 65,103         |
| Effect of share buyback                                      | <u>(2)</u>         | <u>-</u>       | <u>(2)</u>          | <u>-</u>       |
| At end of period                                             | <u>65,101</u>      | <u>65,103</u>  | <u>65,101</u>       | <u>65,103</u>  |
| Basic earnings/(loss) per share (sen)                        | <u>1.29</u>        | <u>(3.35)</u>  | <u>1.80</u>         | <u>(5.11)</u>  |

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

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

|                                                           | Individual quarter |                    | Cumulative quarters |                    |
|-----------------------------------------------------------|--------------------|--------------------|---------------------|--------------------|
|                                                           | 30.06.17<br>RM'000 | 30.06.16<br>RM'000 | 30.06.17<br>RM'000  | 30.06.16<br>RM'000 |
| Depreciation and amortization                             | 14,971             | 12,283             | 29,726              | 25,030             |
| Provision for doubtful debts                              | 139                | -                  | 139                 | -                  |
| Bad debts written off                                     | -                  | -                  | -                   | -                  |
| Provision for inventories                                 | 96                 | 54                 | 166                 | 54                 |
| 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                              | (328)              | 251                | (281)               | (135)              |
| (Gain)/Loss on derivatives                                | -                  | -                  | -                   | -                  |
| Exceptional items                                         | <u>-</u>           | <u>-</u>           | <u>-</u>            | <u>-</u>           |

## 12. Derivative financial instruments

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

As at 30 June 2017, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

|                  | <b>Notional<br/>amount<br/>30.06.17<br/>RM'000</b> | <b>Fair value<br/>assets/<br/>(liabilities)<br/>30.06.17<br/>RM'000</b> |
|------------------|----------------------------------------------------|-------------------------------------------------------------------------|
| Less than 1 year | <u><b>32,117</b></u>                               | <u><b>(282)</b></u>                                                     |

## 13. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2017, into realised and unrealised profits or losses, is as follows:

|                                                               | <b>As at<br/>30.06.17<br/>RM'000</b> | <b>As at<br/>31.12.16<br/>RM'000</b> |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Total retained profits of the Group:                          |                                      |                                      |
| - Realised                                                    | <b>200,976</b>                       | 201,518                              |
| - Unrealised                                                  | <b>10,127</b>                        | 10,595                               |
|                                                               | <u><b>211,103</b></u>                | <u>212,113</u>                       |
| Total retained profits from jointly controlled entities:      |                                      |                                      |
| - Realised                                                    | <b>16,220</b>                        | 15,708                               |
| - Unrealised                                                  | <b>938</b>                           | 938                                  |
|                                                               | <u><b>17,158</b></u>                 | <u>16,646</u>                        |
| Add: Consolidation adjustments                                | <b>19,228</b>                        | 18,706                               |
| Total retained profits as per Statement of Financial Position | <u><b>247,489</b></u>                | <u>247,465</u>                       |

The determination of realised and unrealised profits or losses 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 August 2017