



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

(The figures have not been audited)



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	Quarter ended			Year-To-Date Ended		
	30.09.2017	30.09.2016	Changes	30.09.2017	30.09.2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	121,878	105,513	16	368,702	332,138	11
Cost of sales	(85,349)	(72,605)	18	(263,844)	(235,352)	12
Gross profit	36,529	32,908	11	104,858	96,786	8
Other income	536	1,620	(67)	1,334	2,776	(52)
Selling and distribution expenses	(10,830)	(13,281)	(18)	(32,117)	(35,174)	(9)
Administrative and general expenses	(20,952)	(19,262)	9	(62,057)	(57,715)	8
Interest expense	(3,868)	(3,501)	10	(10,963)	(10,400)	5
Interest income	412	408	1	1,046	1,142	(8)
Share of profit of jointly controlled entities	1,620	1,052	54	2,912	1,936	50
Profit / (Loss) before tax	3,447	(56)	6,255	5,013	(649)	872
Tax expense	(562)	(975)	(42)	(1,118)	(3,830)	(71)
Profit / (Loss) for the period	2,885	(1,031)	380	3,895	(4,479)	187
Profit/(Loss) attributable to :						
Owners of the Company	2,935	(962)	405	4,106	(4,292)	196
Non-controlling interests	(50)	(69)	28	(211)	(187)	(13)
	2,885	(1,031)	380	3,895	(4,479)	187
Earnings / (Loss) per share (sen) attributable to owners of the Company:						
- Basic	4.51	(1.48)		6.31	(6.59)	
- Diluted	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Profit or Loss 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 COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	Quarter ended			Year-To-Date Ended		
	30.09.2017	30.09.2016	Changes	30.09.2017	30.09.2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit / (Loss) for the period	2,885	(1,031)	380	3,895	(4,479)	187
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	81	(36)	325	(151)	152	(199)
Foreign exchange differences from translation	(88)	378	(123)	(862)	(664)	(30)
	(7)	342	(102)	(1,013)	(512)	(98)
Total other comprehensive (loss) / income, net of tax	(7)	342	(102)	(1,013)	(512)	(98)
Total comprehensive income / (loss)	2,878	(689)	518	2,882	(4,991)	158
Total comprehensive income / (loss) attributable to :						
Owners of the Company	2,928	(620)	572	3,093	(4,804)	164
Non-controlling interests	(50)	(69)	28	(211)	(187)	(13)
	2,878	(689)	518	2,882	(4,991)	158

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 SEPTEMBER 2017**

	As at 30.09.17 RM'000	As at 31.12.16 RM'000
ASSETS		
Property, plant and equipment	302,641	308,417
Investment property	45,800	45,800
Investment in an associate company	148	148
Investment in jointly controlled entities	36,139	34,007
Other investments	10	10
Lease receivables	2,260	3,793
Other receivables	677	561
Deferred tax assets	2,774	2,522
Intangible assets	11,683	11,584
Total non-current assets	402,132	406,842
Inventories	128,728	132,140
Receivables, deposits and prepayments	195,877	158,218
Derivative financial assets	7	204
Current tax assets	11,699	13,801
Cash and cash equivalents	63,921	84,056
Total current assets	400,232	388,419
TOTAL ASSETS	802,364	795,261
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,815	67,200
Share premium	-	615
Reserves	7,620	8,865
Retained earnings	249,850	247,465
Treasury shares	(4,212)	(4,210)
Total equity attributable to owners of the Company	321,073	319,935
Non-controlling interests	(1,232)	(1,021)
TOTAL EQUITY	319,841	318,914
LIABILITIES		
Deferred tax liabilities	17,049	19,065
Employee benefits	6,260	5,717
Hire purchase liabilities	39,401	36,937
Borrowings	12,000	29,913
Total non-current liabilities	74,710	91,632
Payables and accruals	149,482	144,128
Hire purchase liabilities	34,109	26,258
Borrowings	223,995	213,849
Derivative financial liability	208	254
Current tax liabilities	19	226
Total current liabilities	407,813	384,715
TOTAL LIABILITIES	482,523	476,347
TOTAL EQUITY AND LIABILITIES	802,364	795,261
	RM	RM
Net assets per share attributable to owners of the Company	4.93	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 YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	← Attributable to owners of the Company →								Total	Non-controlling interests	Total Equity
	← Non-distributable →				Distributable						
	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2017	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	-	-	-	-	(862)	-	-	-	(862)	-	(862)
Change in fair value of cash flow hedge	-	-	-	-	-	(151)	-	-	(151)	-	(151)
Total other comprehensive loss, net of tax	-	-	-	-	(862)	(151)	-	-	(1,013)	-	(1,013)
Profit for the period	-	-	-	-	-	-	-	4,106	4,106	(211)	3,895
Total comprehensive income	-	-	-	-	(862)	(151)	-	4,106	3,093	(211)	2,882
Purchase of treasury shares	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Dividend - 2016 final	-	-	-	-	-	-	-	(1,302)	(1,302)	-	(1,302)
Dividend - 2017 interim	-	-	-	-	-	-	-	(651)	(651)	-	(651)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(232)	232	-	-	-
At 30 September 2017	67,815	-	(4,212)	(41,614)	4,191	(189)	45,232	249,850	321,073	(1,232)	319,841

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 CHANGES IN EQUITY (UNAUDITED)
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total Equity	
	← Non-distributable →				Distributable						
	Share capital	Share premium	Treasury shares	Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve				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 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	-	-	-	-	(664)	-	-	-	(664)	-	(664)
Change in fair value of cash flow hedge	-	-	-	-	-	152	-	-	152	-	152
Total other comprehensive loss, net of tax	-	-	-	-	(664)	152	-	-	(512)	-	(512)
Loss for the period	-	-	-	-	-	-	-	(4,292)	(4,292)	(187)	(4,479)
Total comprehensive loss	-	-	-	-	(664)	152	-	(4,292)	(4,804)	(187)	(4,991)
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	-	-	-	-	-	-	(232)	232	-	-	-
At 30 September 2016	67,200	615	(4,209)	(41,614)	3,674	235	45,546	249,234	320,681	(604)	320,077

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 YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

	Year-To-Date Ended	
	30.09.2017	30.09.2016
	RM'000	RM000
Cash flow from operating activities		
Profit / (Loss) before tax	5,013	(649)
Adjustments for:		
Depreciation & amortisation	44,968	37,652
Property, plant and equipment written off	252	1,221
Gain on disposal of property, plant and equipment	(1,686)	(345)
Gain on disposal of assets held for rental	(3,297)	(5,654)
Other non-cash items	(2,207)	(502)
Non-operating items	9,917	9,258
Operating profit before working capital changes	52,960	40,981
Changes in working capital	(30,942)	(1,617)
Tax paid, net of refunds	(1,466)	(5,698)
Retirement benefit paid	(78)	(46)
Proceeds from disposal of assets held for rental	14,297	22,145
Net cash generated from operating activities	34,771	55,765
Cash flows from investing activities		
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	(15,733)	(29,030)
Purchase of intangible assets	(443)	-
Proceeds from disposal of property, plant and equipment	6,829	409
Interest received	1,046	1,142
Net cash used in investing activities	(7,521)	(26,259)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(1,953)	(4,232)
Repayment of hire purchase financing	(26,457)	(23,912)
Drawdown of bankers' acceptances	67,453	101,236
Repayment of bankers' acceptances	(74,092)	(109,679)
Repayment of term loans	(14,033)	(14,885)
Drawdown of revolving credits	1,482,400	1,399,000
Repayment of revolving credits	(1,469,400)	(1,384,000)
Interest paid	(10,963)	(10,400)
Purchase of treasury shares	(2)	-
Net cash used in financing activities	(47,047)	(46,872)
Net changes in cash and cash equivalents	(19,797)	(17,366)
Cash and cash equivalents at beginning of period	81,726	94,269
Effects of exchange rate fluctuation on cash and cash equivalents	(243)	(186)
Cash and cash equivalents at end of period	61,686	76,717
Cash and cash equivalents comprise:		
Short term deposits	8,577	11,770
Cash at bank and in hand	29,991	36,785
Fixed deposits with licensed banks	25,353	29,862
Bank overdrafts	(2,235)	(1,700)
	61,686	76,717

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, which became effective for annual periods beginning on or after 1 January 2017:

MFRSs / Amendments / Interpretations

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

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:

Amendment to MFRS 1	Annual Improvement to MFRS Standards 2014-2016 Cycle
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
MFRS 15	Revenue from Contracts with Customers
Amendment to MFRS 15	Clarification to MFRS 15
MFRS 16	Leases
MFRS 17	Insurance Contracts
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendment to MFRS 140	Transfer of Investment Property
IC Interpretation 23	Uncertainty Over Income Tax Treatments

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-to-date ended 30 September 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 and year-to-date ended 30 September 2017.

6. Debt and equity securities

There were no other issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter and year-to-date ended 30 September 2017.

7. Dividends paid

The following dividends were paid:

Final single tier dividend of 2.0 sen for the financial year ended 31 December 2016 approved by the shareholders on 26 May 2017 was paid on 23 June 2017.

RM'000

1,302

Interim single tier dividend of 1.0 sen for the financial year ending 31 December 2017 was paid on 29 September 2017.

651



8. Operating segments

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

	← Year-To-Date Ended 30 Sep →									
	<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	178,309	156,801	135,707	142,750	42,175	19,633	12,511	12,954	368,702	332,138
Inter-segment revenue	-	-	1,329	1,056	-	-	-	-	1,329	1,056
Segment profit / (loss)	18,562	13,179	46,126	37,564	(2,406)	(887)	(2,880)	(3,617)	59,402	46,239
Segment assets	268,215	268,497	337,037	315,012	50,907	58,147	105,470	103,176	761,629	744,832
Segment liabilities	164,185	168,070	235,321	223,817	40,463	42,182	24,325	14,927	464,294	448,996

Operating segments (continued)

	Year-To-Date Ended 30 Sep	
	2017	2016
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	59,402	46,239
Depreciation and amortisation	(44,968)	(37,652)
Interest expense	(10,963)	(10,400)
Interest income	1,046	1,142
Non-reportable segment expenses	(2,416)	(1,914)
Share of profit from equity accounted investments	2,912	1,936
Consolidated profit / (loss) before tax	5,013	(649)
Reconciliation of reportable segment assets		
Total assets for reportable segments	761,629	744,832
Assets for other non-reportable segment	4,448	5,516
Investment in an associate	148	-
Share of assets from equity accounted investments	36,139	34,163
Consolidated assets	802,364	784,511
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	464,294	448,996
Liabilities for other non-reportable segment	18,229	15,438
Consolidated liabilities	482,523	464,434

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 and year-to-date ended 30 September 2017.

12. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter and year-to-date ended 30 September 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:

	As at 30.09.17 RM'000	As at 30.09.16 RM'000
Approved and contracted for	3,077	37,177
Approved but not contracted for	10,356	-

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:

	As at 30.09.17 RM'000	As at 30.09.16 RM'000
Not later than 1 year	46,859	49,312
Later than 1 year and not later than 5 years	37,916	43,854
	84,775	93,166

(b) As lessee – for office premises

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

	As at 30.09.17 RM'000	As at 30.09.16 RM'000
Not later than 1 year	2,565	2,910
Later than 1 year and not later than 5 years	1,265	2,951
	3,830	5,861

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	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Sales of goods and services	4,848	7,835	15,280	22,326
Rental income	623	673	1,863	1,934
	5,471	8,508	17,143	24,260
Purchases goods and services	7,850	23,995	46,205	44,928
Rental expenses	531	281	1,104	853
Financing and leasing	394	1,841	1,425	18,411
	8,775	26,117	48,734	64,192

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

	Individual quarter		Cumulative quarters	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Sales of goods and services	38	611	929	2,182
Purchases of goods	-	6	17	59

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

	Individual Quarter		Changes (%)	Cumulative Quarter		Changes (%)
	Current Year	Preceding Year		Current Year	Preceding Year	
	30.09.2017	30.09.2016		30.09.2017	30.09.2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	121,878	105,513	16	368,702	332,138	11
Operating Profit	5,283	1,985	166	12,018	6,673	80
Profit Before Interest and Tax	6,903	3,037	127	14,930	8,609	73
Profit/(Loss) Before Tax	3,447	(56)	6,255	5,013	(649)	872
Profit/(Loss) After Tax	2,885	(1,031)	380	3,895	(4,479)	187
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	2,935	(962)	405	4,106	(4,292)	196

9 months ended 30 September 2017

Group revenue increased to RM368.7 million from RM332.1 million in the first nine months of prior year, representing an increase of 11.0%. The increase in revenue was primarily due to the higher contribution from the Machinery Division and trading of used vehicles in Automotive Division. In line with the higher revenue, the Group registered a profit before tax of RM5.0 million compared to a loss before tax of RM0.6 million in the corresponding period prior year.

Machinery Division

Revenue from the Machinery Division increased to RM178.3 million from RM156.8 million registered during the first nine months of prior year, representing an increase of 13.7%. In line with the improvement in revenue and lower operating expenses as a result of cost rationalisation initiatives, segment profit increased by 40.8% to RM18.6 million from RM13.2 million registered in the corresponding period prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded a 4.9% decline in revenue to RM135.7 million from RM142.8 million registered in the first nine months of prior year. This was primarily due to lower contribution from the Travel subdivision specifically slowdown in incentive tour market which are highly dependent on the customers' financial position. Notwithstanding the lower revenue, segment profit increased by 22.8% from RM37.6 million to RM46.1 million compared to the corresponding period prior year primarily due to continuous cost rationalisation carried out by the Division.

Automotive Division

The Automotive Division recorded an increase in revenue to RM42.2 million from RM19.7 million registered in the first nine months of prior year due to increase in revenue from trading of used vehicles. Notwithstanding the higher revenue, the Division recorded a segment loss of RM2.4 million compared to a loss of RM0.9 million in first nine months of prior year due to lower overall gross profit margins achieved by the Division.

Jointly controlled entities

Our share of profit from our joint ventures partners, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, increased by 50.4% compared to the first nine months of prior year. Higher revenue as a result of new product launching and aggressive product promotion by the companies has contributed to the increased of profit.

3 months ended 30 September 2017

The Group recorded higher revenue at RM121.9 million in the third quarter of 2017 as compared to RM105.5 million in the corresponding quarter prior year. This was primarily due to higher contributions by the Machinery Division and trading of used vehicles in Automotive Division. Profit before tax of RM3.4 million was recorded compared to a loss before tax of RM0.1 million in the corresponding quarter prior year.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30.09.2017	30.06.2017	
	RM'000	RM'000	
Revenue	121,878	134,274	(9)
Operating Profit	5,283	4,044	31
Profit Before Interest and Tax	6,903	4,450	55
Profit Before Tax	3,447	1,224	182
Profit After Tax	2,885	735	293
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	2,935	839	250

The Group revenue decreased by 9.2% to RM121.9 million as compared to RM134.3 million registered in the preceding quarter. This was due to lower revenue contribution from the Travel and Car Rental Divisions and trading of used vehicles in Automotive Division. However, the Group's profit before tax has improved to RM3.4 million as compared to RM1.2 million in the preceding quarter. This is mainly due to higher revenue generated by the Machinery Division and continuous cost rationalisation exercise throughout the year.

3. Group's Prospects

The Group has recorded encouraging third quarter and year to date results despite the challenging external factors such as uncertainties in the global political, economic, higher inflation and volatile capital flows. By focusing on improving productivity and cost rationalisation, the Group is expected to improve on its results in the coming quarter.

The Machinery Division's performance is highly dependent on the growth of the construction, agricultural, industrial and mining sectors. As announced during the Malaysia Budget 2018, the Malaysian economy is expected to grow at a faster pace. This will provide a more positive outlook for this division. Stable demand with some secured orders in hand during the final quarter may turn in a satisfactory performance for this Division in 2017.

Travel and Car Rental Division operations continue to face strong competition and cautious consumer spending. Intense competitive pricing by most major airlines including budget airlines remained a key challenge to this Division which resulted in lower margins. In order to remain competitive, the Group has recently launched "Mayflower Online" which provides multiple travel products and services via digital platform to cater for the younger generation market who are more receptive to online shopping.

The softened domestic demand for motor vehicles, stringent loan approval and the fluctuation of Ringgit Malaysia against major currencies are some of the challenges faced by the Automotive Division. Cost rationalisation and exploring new market are the main foci for the Division in the 4th quarter as the market sentiment for this Division is expected to remain weak in the near future.

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Shd Bhd have managed to record higher revenues and profits for the past 9 months. Their strong branding, new product launches and aggressive product promotion are expected to contribute positively to the Group's future earnings.

Despite all the challenges mentioned above, the Group will remain resilient and is expected 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

	Quarter Ended		Year-To-Date Ended	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Tax expenses				
Current year	1,904	1,035	2,023	5,613
Prior year	1,337	(6)	1,342	(6)
Deferred tax expense				
Current year	(1,118)	(79)	(887)	(1,807)
Prior year	(1,561)	25	(1,360)	30
	562	975	1,118	3,830

The Group's effective tax rates for the quarter and year-to-date ended 30 September 2017 are lower than the prima facie tax rate due mainly to utilisation of group tax relief from certain loss making subsidiaries.

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 3rd Quarter ended 30.09.2017		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
- Hire purchase	39,401	34,109	73,510
Unsecured			
- Term loan	12,000	13,482	25,482
- Revolving credits	-	176,000	176,000
- Banker acceptance	-	32,278	32,278
- Bank overdrafts	-	2,235	2,235
	12,000	223,995	235,995
Total borrowings	51,401	258,104	309,505
	As at 3rd Quarter ended 30.09.2016		
	Long Term	Short Term	Total borrowings
	RM	RM	RM
Secured			
- Hire purchase	36,761	7,539	44,300
Unsecured			
- Term loan	39,565	2,361	41,926
- Revolving credits	-	163,000	163,000
- Banker acceptance	-	43,813	43,813
- Bank overdrafts	-	1,700	1,700
	39,565	210,874	250,439
Total borrowings	76,326	218,413	294,739

The above borrowings were denominated in Ringgit Malaysia.

The increase in Group borrowings is mainly due to purchase of additional vehicles in the Travel and Car Rental Division to cater for its business requirement.

The Group borrowings are subject to interest ranging from 2.56% to 7.10% (2016: 2.35% to 7.46%) per annum.

**8. Material litigation**

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

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

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

9. Dividend

No dividend has been recommended since the last quarterly announcement.

10. Earnings per share

Basic earnings/(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.

	Quarter Ended		Year-To-Date Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
Profit/(Loss) attributable to owners of the Company (RM'000)	<u>2,935</u>	<u>(962)</u>	<u>4,106</u>	<u>(4,292)</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>4.51</u>	<u>(1.48)</u>	<u>6.31</u>	<u>(6.59)</u>

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Quarter Ended		Year-To-Date Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization	15,242	12,622	44,968	37,652
Provision for doubtful debts	18	967	157	967
Bad debts written off	-	-	-	-
Provision for inventories	116	-	282	-
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	(91)	5	(372)	(130)
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

**12. Derivative financial instruments**

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

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

	Notional amount 30.09.17 RM'000	Fair value assets/ (liabilities) 30.09.17 RM'000
Less than 1 year	31,871	(201)

13. Disclosure of realised and unrealised profits

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

	As at 30.09.17 RM'000	As at 31.12.16 RM'000
Total retained profits of the Group:		
- Realised	197,467	201,518
- Unrealised	12,799	10,595
	210,266	212,113
Total retained profits from jointly controlled entities:		
- Realised	17,840	15,708
- Unrealised	938	938
	18,778	16,646
Add: Consolidation adjustments	20,806	18,706
Total retained profits as per Statement of Financial Position	249,850	247,465

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
27 November 2017