



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2018**

(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 31 MARCH 2018**

	Quarter and Year-To-Date Ended		
	31.03.2018	31.03.2017	Changes
	RM'000	RM'000	%
Revenue	121,070	112,550	8
Cost of sales	(88,353)	(78,893)	12
Gross profit	32,717	33,657	(3)
Other income	489	309	58
Selling and distribution expenses	(11,396)	(10,588)	8
Administrative and general expenses	(18,474)	(20,687)	(11)
Interest expense	(3,318)	(3,654)	(9)
Interest income	335	419	(20)
Share of loss of equity-accounted associate, net of tax	(78)	-	-
Share of profit of equity-accounted joint ventures, net of tax	2,114	886	139
Profit before tax	2,389	342	599
Tax expense	(491)	(67)	633
Profit for the period	1,898	275	590
Profit attributable to :			
Owners of the Company	2,038	332	514
Non-controlling interests	(140)	(57)	146
	1,898	275	590
Earnings per share (sen) attributable to owners of the Company:			
- Basic	3.13	0.51	
- Diluted	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 2017 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 ENDED 31 MARCH 2018**

	Quarter and Year-To-Date Ended		
	31.03.2018	31.03.2017	Changes
	RM'000	RM'000	%
Profit for the period	1,898	275	590
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	259	44	489
Foreign exchange differences from translation	(975)	(267)	265
Total other comprehensive loss, net of tax	(716)	(223)	221
Total comprehensive income	1,182	52	2,173
Total comprehensive income attributable to :			
Owners of the Company	1,322	109	1,113
Non-controlling interests	(140)	(57)	146
	1,182	52	2,173

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

**WARISAN TC HOLDINGS BERHAD***(Company No: 424834-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2018**

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
ASSETS		
Property, plant and equipment	293,886	304,188
Investment property	45,400	45,400
Investment in an associate	901	979
Investment in joint ventures	37,547	35,993
Other investments	10	10
Lease receivables	1,215	1,728
Other receivables	698	698
Deferred tax assets	3,007	2,664
Intangible assets	12,216	12,374
Total non-current assets	394,880	404,034
Inventories	130,022	125,002
Receivables, deposits and prepayments	192,375	157,775
Derivative financial assets	12	10
Current tax assets	9,960	10,538
Cash and cash equivalents	72,009	94,052
Total current assets	404,378	387,377
TOTAL ASSETS	799,258	791,411
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,815	67,815
Reserves	15,339	16,153
Retained earnings	252,419	250,535
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	331,360	330,290
Non-controlling interests	(1,520)	(1,380)
TOTAL EQUITY	329,840	328,910
LIABILITIES		
Deferred tax liabilities	17,380	17,678
Employee benefits	6,742	6,534
Hire purchase liabilities	30,259	36,867
Borrowings	9,500	10,750
Total non-current liabilities	63,881	71,829
Payables and accruals	161,955	141,737
Hire purchase liabilities	34,759	35,960
Borrowings	206,927	210,461
Derivative financial liability	181	519
Current tax liabilities	1,715	1,995
Total current liabilities	405,537	390,672
TOTAL LIABILITIES	469,418	462,501
TOTAL EQUITY AND LIABILITIES	799,258	791,411
	RM	RM
Net assets per share attributable to owners of the Company	5.09	5.07

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 AND YEAR-TO-DATE ENDED 31 MARCH 2018**

	← 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 2018	67,815	-	(4,213)	(41,614)	3,266	(387)	54,888	250,535	330,290	(1,380)	328,910
Effect of adoption of MFRS 9	-	-	-	-	-	-	-	(252)	(252)	-	(252)
At 1 January 2018 - restated	67,815	-	(4,213)	(41,614)	3,266	(387)	54,888	250,283	330,038	(1,380)	328,658
Foreign currency translation differences for foreign operations	-	-	-	-	(975)	-	-	-	(975)	-	(975)
Change in fair value of cash flow hedge	-	-	-	-	-	259	-	-	259	-	259
Total other comprehensive loss, net of tax	-	-	-	-	(975)	259	-	-	(716)	-	(716)
Profit for the period	-	-	-	-	-	-	-	2,038	2,038	(140)	1,898
Total comprehensive income for the period	-	-	-	-	(975)	259	-	2,038	1,322	(140)	1,182
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(98)	98	-	-	-
At 31 March 2018	67,815	-	(4,213)	(41,614)	2,291	(128)	54,790	252,419	331,360	(1,520)	329,840

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 AND YEAR-TO-DATE ENDED 31 MARCH 2018**

	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	-	-	-	-	(267)	-	-	-	(267)	-	(267)
Change in fair value of cash flow hedge	-	-	-	-	-	44	-	-	44	-	44
Total other comprehensive loss, net of tax	-	-	-	-	(267)	44	-	-	(223)	-	(223)
Profit for the period	-	-	-	-	-	-	-	332	332	(57)	275
Total comprehensive income for the period	-	-	-	-	(267)	44	-	332	109	(57)	52
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(78)	78	-	-	-
At 31 March 2017	67,815	-	(4,210)	(41,614)	4,786	6	45,386	247,875	320,044	(1,078)	318,966

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 2017 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 AND YEAR-TO-DATE ENDED 31 MARCH 2018**

	Quarter and Year-To-Date Ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
Cash flow from operating activities		
Profit before tax	2,389	342
Adjustments for:		
Depreciation & amortisation	14,019	14,755
Property, plant and equipment written off	160	37
Gain on disposal of property, plant and equipment	(47)	(102)
Gain on disposal of assets held for rental	(1,043)	(904)
Other non-cash items	(1,693)	(563)
Non-operating items	2,983	3,235
Operating profit before working capital changes	16,768	16,800
Changes in working capital	(16,598)	(7,029)
Tax paid, net of refunds	(868)	(562)
Retirement benefit paid	(8)	(15)
Proceeds from disposal of assets held for rental	4,951	3,020
Net cash generated from operating activities	4,245	12,214
Cash flows from investing activities		
Dividend received from joint ventures	560	560
Purchase of property, plant and equipment	(9,201)	(2,795)
Purchase of intangible assets	(20)	(68)
Proceeds from disposal of property, plant and equipment	134	372
Interest received	335	419
Net cash used in investing activities	(8,192)	(1,512)
Cash flows from financing activities		
Repayment of hire purchase financing	(9,376)	(8,580)
Drawdown of bankers' acceptances	14,230	24,893
Repayment of bankers' acceptances	(16,196)	(35,123)
Repayment of term loans	(1,620)	(2,311)
Drawdown of revolving credits	428,000	521,000
Repayment of revolving credits	(428,000)	(519,000)
Interest paid	(3,318)	(3,654)
Net cash used in financing activities	(16,280)	(22,775)
Net changes in cash and cash equivalents	(20,227)	(12,073)
Cash and cash equivalents at beginning of period	92,780	81,726
Effects of exchange rate fluctuation on cash and cash equivalents	(618)	(454)
Cash and cash equivalents at end of period	71,935	69,199
Cash and cash equivalents comprise:		
Short term deposits	7,235	14,009
Cash at bank and in hand	37,604	26,840
Fixed deposits with licensed banks	27,170	31,126
Bank overdrafts	(74)	(2,776)
	71,935	69,199

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2017. 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 2017.

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 2018:

MFRSs / Amendments / Interpretations

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendment to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standard 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
Amendment to MFRS 15	Clarifications to MFRS 15
Amendment to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

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:

Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
MFRS 16	Leases
MFRS 17	Insurance Contracts
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendment to MFRS 3	Business Combinations
Amendment to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 14	Regulatory Deferral Accounts
Amendment to MFRS 101	Presentation of Financial Statements
Amendment to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to MFRS 134	Interim Financial Reporting
Amendment to MFRS 138	Intangible Assets

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In the implementation of MFRS 9, the Group assesses the impact of the MFRS 9 by estimating the loss rate using Flow Rate method.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

On the date of initial application, MFRS 9 did not affect the classification and measurement assets and financial liabilities, except debts which has decreased by RM252,000 as at 1 January 2018 as a result of applying the ECL model on trade receivables. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening retained earnings of the current period.

	As reported at 31 December 2017 RM'000	Adjustment from adoption of MFRS 9 RM'000	Restated balance at 1 January 2018 RM'000
Group			
Trade and other receivables	157,775	(252)	157,523
Retained earnings	250,535	(252)	250,283
	=====	=====	=====

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programs, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services.

Currently, the Group recognizes revenue from contracts with customers on the basis that persuasive evidence exists, usually in the form of an executed sales agreement, and that the significant risks and rewards of ownership have been transferred to the customer. Upon adoption of MFRS 15, the Group will recognize revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has done its assessment by reviewing the contracts with major customers. Based on the assessment, the impact to its retained earnings is reduced by approximately RM728,000. The Group adopted MFRS 15 in accordance with the partial retrospective application for annual periods beginning on 1 January 2018 and the comparatives will not be restated.

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 31 March 2018.

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 31 March 2018.

6. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter and year-to-date ended 31 March 2018.

7. Dividends paid

No dividend was paid during the current quarter and year-to-date ended 31 March 2018.



8. Operating segments

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

	← Year-To-Date Ended 31 Mar →									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	62,287	51,482	41,831	44,409	11,991	11,670	4,961	4,989	121,070	112,550
Inter-segment revenue	-	-	107	243	-	-	-	-	107	243
Segment profit / (loss)	6,066	5,723	13,971	14,368	(369)	(910)	(1,738)	(914)	17,930	18,267
Segment assets	266,757	257,873	333,771	331,947	42,249	66,006	109,739	103,949	752,516	759,775
Segment liabilities	156,076	155,706	222,166	240,368	38,740	45,318	33,187	20,248	450,169	461,640

Operating segments (continued)

	Year-To-Date Ended 31 Mar	
	2018	2017
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	17,930	18,267
Depreciation and amortisation	(14,019)	(14,755)
Interest expense	(3,318)	(3,654)
Interest income	335	419
Non-reportable segment expenses	(575)	(821)
Share of profit/(loss) from equity accounted investments, net of tax		
- associate	(78)	-
- joint ventures	2,114	886
Consolidated profit / (loss) before tax	2,389	342
Reconciliation of reportable segment assets		
Total assets for reportable segments	752,516	759,775
Assets for other non-reportable segment	8,294	3,749
Share of assets from equity accounted investments		
- associate	901	148
- joint ventures	37,547	34,333
Consolidated assets	799,258	798,005
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	450,169	461,640
Liabilities for other non-reportable segment	19,249	17,399
Consolidated liabilities	469,418	479,039

9. Valuations of property, plant and equipment

The valuations of property, plant and equipment were brought forward without amendment from the audited annual financial statements for the year ended 31 December 2017.

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 4 October 2017.

11. Material subsequent event

There were no material events subsequent to the end of the current quarter and year-to-date ended 31 March 2018.

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 31 March 2018.



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 31.03.2018 RM'000	As at 31.03.2017 RM'000
Approved and contracted for	61,479	5,751
Approved but not contracted for	-	46,679

15. Operating lease commitments

(a) As lessor – for the leases of commercial vehicles and machinery:

The future minimum lease rental receivables under non-cancellable leases are as follows:

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
Not later than 1 year	49,124	52,863
Later than 1 year and not later than 5 years	36,868	42,399
	85,992	95,262

(b) As lessee – for office premises

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

	As at 31.03.2018 RM'000	As at 31.03.2017 RM'000
Not later than 1 year	2,783	2,501
Later than 1 year and not later than 5 years	1,107	2,038
	3,890	4,539

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	
	31.03.18	31.03.17
	RM'000	RM'000
Sales of goods and services	5,697	4,617
Rental income	712	616
	<u>6,409</u>	<u>5,233</u>
Purchases goods and services	11,246	13,077
Rental expenses	604	268
Financing and leasing	326	566
	<u>12,176</u>	<u>13,911</u>

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

	Individual quarter	
	31.03.18	31.03.17
	RM'000	RM'000
Sales of goods and services	<u>33</u>	<u>200</u>
Purchases of goods	<u>-</u>	<u>17</u>

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



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

1. Review of performance

	Individual Quarter		Changes (%)
	Current Year	Preceding Year	
	31.03.2018	31.03.2017	
	RM'000	RM'000	
Revenue	121,070	112,550	8
Operating Profit	3,336	2,691	24
Profit Before Interest and Tax	5,372	3,577	50
Profit Before Tax	2,389	342	599
Profit After Tax	1,898	275	590
Profit Attributable to Ordinary Equity Holders of the Company	2,038	332	514

Quarter ended 31 March 2018

Group revenue increased to RM121.1 million from RM112.6 million registered for the corresponding period prior year, representing an increase of 8%. In line with the increase in revenue, the Group registered a profit before tax (“PBT”) of RM2.4 million for the current period compared to RM0.3 million for the corresponding period prior year.

Machinery Division

Revenue from the Machinery Division increased to RM62.3 million from RM51.5 million registered in the first quarter of prior year. The ongoing infrastructure related project in the country has contributed to the revenue increase. In line with the increase in revenue, the segment profit has increased to RM6.1 million from RM5.7 million registered in the corresponding period prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded lower revenue of RM41.8 million as compared to RM44.4 million in the corresponding period prior year mainly due to the lower revenue recorded by the Car Rental subdivision which was partially offset by a higher revenue contribution from the Travel subdivision. This has also resulted in the Division registering a lower segment profit as compared to the corresponding period prior year.

Automotive Division

The Automotive Division recorded marginally higher revenue of RM12.0 million from RM11.7 million registered for the corresponding period prior year due to an increase in the volume of light and heavy commercial vehicles sold. The increase in revenue and the continuous cost rationalization initiatives have resulted in lower segment loss of RM0.4 million as compared to RM0.9 million registered in the corresponding period prior year.

Jointly controlled entities

Our share of profit in our joint ventures, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, increased to RM2.1 million from RM0.9 million registered in the corresponding period prior year. This was primarily due to higher revenue recorded by the joint venture entities.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.03.2018	31.12.2017	
	RM'000	RM'000	
Revenue	121,070	122,103	(1)
Operating Profit	3,336	6,987	(52)
Profit Before Interest and Tax	5,372	6,660	(19)
Profit Before Tax	2,389	3,552	(33)
Profit After Tax	1,898	625	204
Profit Attributable to Ordinary Equity Holders of the Company	2,038	775	163

The Group revenue decreased by 1% to RM121.1 million as compared to RM122.1 million in the preceding quarter. This was due to lower contribution from the Travel and Car Rental Division and the online vehicle auction sub-division. This has also resulted in the Group recording lower Profit before tax of RM2.4 million as compared to RM3.6mil in to the preceding quarter.

3. Prospects

The business environment in Malaysia will continue to be challenging with weak consumer sentiments, intensifying competitive pricing and the outcome of the recent general election in Malaysia.

Nevertheless, the ongoing infrastructure related project in the country continues to provide traction to the Machinery Division.

Customers' cautious spending habit due to the uncertain economic outlook has an adverse impact on the Travel and Car Rental Division. Notwithstanding the challenges faced, this Division will continue to strive towards better performance via continuous implementation of cost rationalization measures, leveraging on technology enhancement and improving on revenues generated from our overseas business ventures in Cambodia and Thailand.

The Automotive Division will continue to be impacted by the softened domestic demand for motor vehicles, stringent loan approval and increase in interest rates. Exploring new products and new markets will be the key imperative for the future prospect of this division.

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, continue to record encouraging results throughout the year. Their strong branding, customer loyalty and new product launches have boosted their results despite the customers' cautious spending habit which invariably affected the consumer product industry as a whole in the country.

Despite these challenges, the Group will remain resilient and expect to deliver satisfactory results in the future.

4. Profit forecast

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

5. Tax expenses

	Quarter Ended	
	31.03.18 RM'000	31.03.17 RM'000
Tax expenses		
Current year	939	251
Prior year	230	-
Deferred tax expense		
Current year	(636)	(383)
Prior year	(42)	199
	<u>491</u>	<u>67</u>

The Group's effective tax rate for the quarter ended 31 March 2018 is lower than the prima facie tax rate mainly due to the utilization of group relief from losses of certain subsidiaries.

6. Status of corporate proposals

The Directorate of Investment and Company Administration Department, Ministry of Planning and Finance of Republic of the Union of Myanmar ("Myanmar") has issued a temporary Certificate of Incorporation dated 5 April 2018 for the incorporation of "MAT Transportation Solution (Myanmar) Company Limited" ("MAT Myanmar"), a wholly-owned subsidiary of MAT (Labuan) Pte Ltd. The issuance of the permanent Certificate of Incorporation is pending. MAT (Labuan) Pte Ltd is a wholly-owned subsidiary of the Company.

MAT Myanmar's intended principal activities are to carry on the business of rental and leasing of cars and coaches, as well as all related transportation businesses in Myanmar. MAT Myanmar's will have an authorised capital of USD1,000,000/- divided into 1,000,000 ordinary shares of USD1/- each and paid up capital of USD50,000.

Please refer to our announcement dated 9 April 2018 for further information on this corporate proposal.

7. Group borrowings

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

	As at 31.03.2018		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	30,259	34,759	65,018
Unsecured			
- Term loan	9,500	12,000	21,500
- Revolving credits	-	166,000	166,000
- Banker acceptances	-	28,853	28,853
- Bank overdrafts	-	74	74
	9,500	206,927	216,427
Total borrowings	39,759	241,686	281,445
	As at 31.03.2017		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	42,734	26,256	68,990
Unsecured			
- Term loan	21,500	15,704	37,204
- Revolving credits	-	165,000	165,000
- Banker acceptances	-	28,687	28,687
- Bank overdrafts	-	2,776	2,776
	21,500	212,167	233,667
Total borrowings	64,234	238,423	302,657

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 mention.

9. Dividend

No dividend has been recommended for the first quarter ended 31 March 2018.

10. Earnings per share

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

	Quarter Ended	
	31.03.18	31.03.07
Profit attributable to owners of the Company (RM'000)	<u>2,038</u>	<u>332</u>
Weighted average number of ordinary shares in issue ('000)		
At beginning of period	65,101	65,103
Effect of share buyback	-	-
At end of period	<u>65,101</u>	<u>65,103</u>
Basic earnings per share (sen)	<u>3.13</u>	<u>0.51</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	
	31.03.18 RM'000	31.03.17 RM'000
Depreciation and amortization	14,019	14,755
(Write back of)/Provision for doubtful debts	-	-
Bad debts written off	2	-
Provision for inventories	281	70
Inventories written off	-	-
(Gain)/Loss on disposal of quoted or unquoted investments	-	-
(Gain)/Loss on disposal of properties	-	-
Impairment of assets	-	-
Foreign exchange (gain)/loss	(168)	47
(Gain)/Loss on derivatives	-	-
Exceptional items	-	-



12. Derivative financial instruments

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

As at 31 March 2018, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Notional amount 31.03.18 RM'000	Fair value assets/ (liabilities) 31.03.18 RM'000
Less than 1 year	29,054	(169)

BY ORDER OF THE BOARD
ANG LAY BEE
CHANG PIE HOON
Company Secretaries
Kuala Lumpur
21 May 2018