



WARISAN TC HOLDINGS BERHAD

(Company No: 424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 ENDED 31 DECEMBER 2018**

	Quarter Ended			Year Ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
	RM'000	RM000	%	RM'000	RM000	%
		(Restated)			(Restated)	
Revenue	120,306	121,920	(1)	496,976	490,622	1
Cost of sales	(86,947)	(92,680)	(6)	(360,313)	(356,524)	1
Gross profit	33,359	29,240	14	136,663	134,098	2
Other income	2,637	2,864	(8)	3,364	4,198	(20)
Fair value changes on investment properties	-	(400)	(100)	-	(400)	(100)
Selling and distribution expenses	(13,879)	(15,650)	(11)	(49,648)	(47,767)	4
Administrative and general expenses	(17,163)	(9,250)	86	(72,936)	(71,307)	2
Interest expense	(3,323)	(3,342)	(1)	(13,185)	(14,305)	(8)
Interest income	909	234	288	1,997	1,280	56
Share of loss of equity-accounted associate, net of tax	(80)	(183)	(56)	(384)	(183)	110
Share of (loss) / profit of equity-accounted joint ventures, net of tax	(397)	(144)	176	3,701	2,768	34
Profit before tax	2,063	3,369	(39)	9,572	8,382	14
Tax expense	(582)	(2,927)	(80)	(2,570)	(4,045)	(36)
Profit for the period / year	1,481	442	235	7,002	4,337	61
Profit attributable to :						
Owners of the Company	1,757	592	197	7,460	4,698	59
Non-controlling interests	(276)	(150)	84	(458)	(361)	27
	1,481	442	235	7,002	4,337	61
Earnings per share (sen) attributable to owners of the Company:						
- Basic	2.70	0.91		11.46	7.22	
- 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 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 DECEMBER 2018**

	Quarter Ended			Year Ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
	RM'000	RM000	%	RM'000	RM000	%
		(Restated)			(Restated)	
Profit for the period / year	1,481	442	235	7,002	4,337	61
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	(124)	(198)	(37)	287	(349)	(182)
Foreign exchange differences from translation	51	(925)	(106)	144	(1,787)	(108)
	(73)	(1,123)	(93)	431	(2,136)	(120)
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit liabilities	725	(165)	539	725	(165)	539
Revaluation of property, plant and equipment	-	9,738	(100)	-	9,738	(100)
Share of loss of equity-accounted joint venture	(19)	(7)	171	(19)	(7)	171
Total other comprehensive income, net of tax	633	8,443	(93)	1,137	7,430	(85)
Total comprehensive income	2,114	8,885	(76)	8,139	11,767	(31)
Total comprehensive income / (loss) attributable to :						
Owners of the Company	2,390	9,035	(74)	8,597	12,128	(29)
Non-controlling interests	(276)	(150)	84	(458)	(361)	27
	2,114	8,885	(76)	8,139	11,767	(31)

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 DECEMBER 2018**

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
		(Restated)
ASSETS		
Property, plant and equipment	272,775	304,188
Investment property	45,400	45,400
Investment in an associate	1,069	979
Investment in joint ventures	37,374	35,993
Other investments	6	10
Lease receivables	4,369	1,728
Other receivables	-	698
Deferred tax assets	2,575	2,664
Intangible assets	12,520	12,374
Total non-current assets	376,088	404,034
Inventories	168,882	125,002
Receivables, deposits and prepayments	165,996	157,775
Derivative financial assets	38	10
Current tax assets	8,542	10,538
Cash and cash equivalents	81,004	94,052
Total current assets	424,462	387,377
TOTAL ASSETS	800,550	791,411
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,815	67,815
Reserves	16,192	16,153
Retained earnings	255,616	249,662
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	335,410	329,417
Non-controlling interests	11,269	(1,380)
TOTAL EQUITY	346,679	328,037
LIABILITIES		
Deferred tax liabilities	12,678	17,678
Employee benefits	6,325	6,534
Hire purchase liabilities	10,954	36,867
Borrowings	-	10,750
Total non-current liabilities	29,957	71,829
Payables and accruals	166,675	142,610
Hire purchase liabilities	27,902	35,960
Borrowings	227,138	210,461
Derivative financial liability	169	519
Current tax liabilities	2,030	1,995
Total current liabilities	423,914	391,545
TOTAL LIABILITIES	453,871	463,374
TOTAL EQUITY AND LIABILITIES	800,550	791,411
	RM	RM
Net assets per share attributable to owners of the Company	5.15	5.06

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 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 YEAR ENDED 31 DECEMBER 2018**

	← Attributable to owners of the Company →								Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	← Non-distributable →				→ Distributable →						
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Translation reserve RM'000	Hedging reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 31 December 2016, as previously reported	67,200	615	(4,210)	(41,614)	5,053	(38)	45,464	247,465	319,935	(1,021)	318,914
Effect of adoption of MFRS 15	-	-	-	-	-	-	-	(690)	(690)	-	(690)
At 1 January 2017 - restated	67,200	615	(4,210)	(41,614)	5,053	(38)	45,464	246,775	319,245	(1,021)	318,224
Adjustment for effects of Companies Act 2016 (Note a)	615	(615)	-	-	-	-	-	-	-	-	-
Investment by minority shareholders	-	-	-	-	-	-	-	-	-	2	2
Foreign currency translation differences for foreign operations	-	-	-	-	(1,787)	-	-	-	(1,787)	-	(1,787)
Remeasurement of retirement benefit obligations	-	-	-	-	-	-	-	(165)	(165)	-	(165)
Change in fair value of cash flow hedge	-	-	-	-	-	(349)	-	-	(349)	-	(349)
Revaluation of property, plant and equipment	-	-	-	-	-	-	9,738	-	9,738	-	9,738
Share of loss of equity-accounted joint venture	-	-	-	-	-	-	-	(7)	(7)	-	(7)
Total other comprehensive loss, net of tax	-	-	-	-	(1,787)	(349)	9,738	(172)	7,430	-	7,430
Profit for the year	-	-	-	-	-	-	-	4,698	4,698	(361)	4,337
Total comprehensive income for the year	-	-	-	-	(1,787)	(349)	9,738	4,526	12,128	(361)	11,767
Purchase of treasury shares	-	-	(3)	-	-	-	-	-	(3)	-	(3)
Dividend - 2016 final	-	-	-	-	-	-	-	(1,302)	(1,302)	-	(1,302)
Dividend - 2017 interim	-	-	-	-	-	-	-	(651)	(651)	-	(651)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(314)	314	-	-	-
At 31 December 2017 - restated	67,815	-	(4,213)	(41,614)	3,266	(387)	54,888	249,662	329,417	(1,380)	328,037

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 YEAR ENDED 31 DECEMBER 2018**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total Equity
	← Non-distributable →			Distributable						
	Share capital	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 31 December 2017, as previously reported	67,815	(4,213)	(41,614)	3,266	(387)	54,888	250,535	330,290	(1,380)	328,910
Effect of adoption of MFRS 15	-	-	-	-	-	-	(873)	(873)	-	(873)
At 1 January 2018 - restated	67,815	(4,213)	(41,614)	3,266	(387)	54,888	249,662	329,417	(1,380)	328,037
Investment by minority shareholders	-	-	-	-	-	-	-	-	13,107	13,107
Foreign currency translation differences for foreign operations	-	-	-	144	-	-	-	144	-	144
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	725	725	-	725
Change in fair value of cash flow hedge	-	-	-	-	287	-	-	287	-	287
Share of loss of equity-accounted joint venture	-	-	-	-	-	-	(19)	(19)	-	(19)
Total other comprehensive loss, net of tax	-	-	-	144	287	-	706	1,137	-	1,137
Profit for the year	-	-	-	-	-	-	7,460	7,460	(458)	7,002
Total comprehensive income for the year	-	-	-	144	287	-	8,166	8,597	(458)	8,139
Dividend - 2017 final	-	-	-	-	-	-	(1,953)	(1,953)	-	(1,953)
Dividend - 2018 interim	-	-	-	-	-	-	(651)	(651)	-	(651)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(392)	392	-	-	-
At 31 December 2018	67,815	(4,213)	(41,614)	3,410	(100)	54,496	255,616	335,410	11,269	346,679

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 YEAR ENDED 31 DECEMBER 2018**

	Year ended	
	31.12.2018	31.12.2017
	RM'000	RM'000
		(Restated)
Cash flow from operating activities		
Profit before tax	9,572	8,382
Adjustments for:		
Depreciation and amortisation	55,973	59,542
Property, plant and equipment written off	338	581
Gain on disposal of property, plant and equipment	(157)	(313)
Gain on disposal of assets held for rental	(5,501)	(5,707)
Gain on disposal of other investments	(1)	-
Other non-cash items	(1,651)	172
Non-operating items	11,188	13,025
Operating profit before working capital changes	69,761	75,682
Changes in working capital	(10,919)	13,929
Tax paid, net of refunds	(5,749)	(1,583)
Retirement benefit paid	(248)	(295)
Proceeds from disposal of assets held for rental	33,244	21,948
Net cash generated from operating activities	86,089	109,681
Cash flows from investing activities		
Acquisition of subsidiary	(382)	-
Investment in an associate	(474)	(1,014)
Dividend received from joint ventures	2,310	780
Purchase of property, plant and equipment	(69,979)	(31,061)
Purchase of intangible assets	(77)	(1,333)
Proceeds from disposal of property, plant and equipment	922	658
Proceeds from disposal of other investments	5	-
Interest received	1,997	1,280
Net cash used in investing activities	(65,678)	(30,690)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(2,604)	(1,953)
Repayment of hire purchase financing	(37,136)	(29,233)
Drawdown of bankers' acceptances	138,496	89,905
Repayment of bankers' acceptances	(118,790)	(98,003)
Repayment of term loans	(12,370)	(16,395)
Drawdown of revolving credits	1,820,000	1,804,000
Repayment of revolving credits	(1,821,100)	(1,801,000)
Interest paid	(13,185)	(14,305)
Subscription of share in subsidiary by non-controlling interests	13,244	-
Purchase of treasury shares	-	(3)
Net cash used in financing activities	(33,445)	(66,987)
Net changes in cash and cash equivalents	(13,034)	12,004
Cash and cash equivalents at beginning of year	92,780	81,726
Effects of exchange rate fluctuation on cash and cash equivalents	295	(950)
Cash and cash equivalents at end of year	80,041	92,780
Cash and cash equivalents comprise:		
Short term deposits	4,893	7,266
Cash at bank and in hand	50,270	43,797
Fixed deposits with licensed banks	25,841	42,989
Bank overdrafts	(963)	(1,272)
	80,041	92,780

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 except for the following standards:

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. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures.



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.

Upon the adoption of MFRS 15, the Group recognizes revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

In accordance with the transitional provisions in MFRS 15, the Group has elected to adopt full retrospective approach requiring the restatement of the comparative year presented in the financial statements. The following tables summarise the impact of adopting MFRS 15 on the Group’s financial statements.

Restatement of comparative figures

(i) Reconciliation of profit or loss and comprehensive income

	Quarter Ended 31/12/2017			Year Ended 31/12/2017		
	Previously reported RM'000	Effects of MFRS 15 RM'000	Restated RM'000	Previously reported RM'000	Effects of MFRS 15 RM'000	Restated RM'000
Revenue	122,103	(183)	121,920	490,805	(183)	490,622
Profit before tax	3,552	(183)	3,369	8,565	(183)	8,382
Profit after tax	625	(183)	442	4,520	(183)	4,337
Profit for the period / year attributable to owners of the Company	775	(183)	592	4,881	(183)	4,698
Total comprehensive income for the period / year attributable to owners of the Company	9,218	(183)	9,035	12,311	(183)	12,128
Earnings per share (sen) attributable to owners of the Company - basic	1.19		0.91	7.50		7.22

(ii) Reconciliation of financial position and equity

	As at 31/12/2017		
	Previously reported RM'000	Effects of MFRS 15 RM'000	Restated RM'000
Payables and accruals	141,737	873	142,610
Retained earnings	250,535	(873)	249,662
Total equity attributable to owners of the Company	330,290	(873)	329,417
Total equity	328,910	(873)	328,037

Restatement of comparative figures (continued)

(iii) Reconciliation of cash flows

	Year Ended 31/12/2017		
	Previously reported RM'000	Effects of MFRS 15 RM'000	Restated RM'000
Profit for the year	8,565	(183)	8,382
Operating profit before working capital changes	75,865	(183)	75,682
Changes in working capital	13,746	183	13,929

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
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 101 and MFRS 108	Definition of Materiality

2. Audit qualification of financial statements

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

3. Seasonal or cyclical factors

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

4. Nature and amount of unusual items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income, or cash flows during the current quarter and year ended 31 December 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 ended 31 December 2018.

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 ended 31 December 2018.

7. Dividends paid

The following dividends were paid:

	RM'000
Final single tier dividend of 3.0 sen for the financial year ended 31 December 2017 approved by the shareholders on 25 May 2018 was paid on 22 June 2018.	1,953
Interim single tier dividend of 1.0 sen for the financial year ending 31 December 2018 was paid on 28 September 2018.	651



8. Operating segments

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

	← Year-To-Date Ended 31 Dec →									
	<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	247,725	244,683	168,364	178,481	55,745	49,953	25,142	17,505	496,976	490,622
										(Restated)
Inter-segment revenue	-	-	1,414	1,348	-	-	-	-	1,414	1,348
Segment profit / (loss)	28,916	25,202	53,989	64,726	(631)	(3,416)	(5,643)	(5,273)	76,631	81,239
										(Restated)
Segment assets	289,152	264,035	299,047	324,526	47,724	48,623	115,378	107,326	751,301	744,510
Segment liabilities	172,537	154,498	187,331	218,878	48,779	40,630	28,314	29,645	436,961	443,651
										(Restated)

Operating segments (continued)

	Year-To-Date Ended 31 Dec	
	2018	2017
	RM'000	RM000
Reconciliation of reportable segment profit or loss		(Restated)
Total profit or loss for reportable segments	76,631	81,239
Depreciation and amortisation	(55,973)	(59,542)
Interest expense	(13,185)	(14,305)
Interest income	1,997	1,280
Non-reportable segment expenses	(3,215)	(2,875)
Share of profit/(loss) from equity accounted investments, net of tax		
- associate	(384)	(183)
- joint ventures	3,701	2,768
Consolidated profit before tax	9,572	8,382
Reconciliation of reportable segment assets		
Total assets for reportable segments	751,301	744,510
Assets for other non-reportable segment	10,806	9,929
Share of assets from equity accounted investments		
- associate	1,069	979
- joint ventures	37,374	35,993
Consolidated assets	800,550	791,411
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	436,961	443,651
Liabilities for other non-reportable segment	16,910	19,723
Consolidated liabilities	453,871	463,374

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 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.

In compliance with MFRS 140, the Group has engaged an independent professional valuer to carry out the required valuation on its investment property. Based on the valuation report dated 31 December 2018, the Group does not have any fair value gain or loss on investment property to be recognized (2017: RM0.4 million loss) in the statement of comprehensive income for the year ended 31 December 2018.

11. Material subsequent event

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

12. Changes in composition of the Group

During the quarter under review, the changes to the composition of the Group are as follows:-

- a) On 25 January 2019, a new subsidiary, Mayflower Logistics Solutions Sdn Bhd (MLS) was incorporated by its wholly owned subsidiary, Mayflower Car Rental Sdn Bhd. MLS has an issued share capital of RM1.00 comprising 1 ordinary share. The intended principal activities of MLS are to carry on business of providing logistics and transportation related services. Please refer to the announcement dated 25 January 2019 for further details.

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 31.12.18 RM'000	As at 31.12.17 RM'000
Approved and contracted for	26,332	6,209
Approved but not contracted for	21,193	1,066

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 31.12.18 RM'000	As at 31.12.17 RM'000
Not later than 1 year	47,170	45,780
Later than 1 year and not later than 5 years	32,127	38,355
	79,297	84,135

- (b) As lessee – for office premises

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

	As at 31.12.18 RM'000	As at 31.12.17 RM'000
Not later than 1 year	2,483	2,414
Later than 1 year and not later than 5 years	822	980
	3,305	3,394

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	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Sales of goods and services	9,842	4,967	38,406	20,247
Rental income	665	711	2,694	2,574
	10,507	5,678	41,100	22,821
Purchases goods and services	48,927	7,623	101,809	53,828
Rental expenses	543	522	2,199	1,626
Financing and leasing	137	328	918	1,753
	49,607	8,473	104,926	57,207

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

	Individual quarter		Cumulative quarters	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Sales of goods and services	44	148	138	1,077
Purchases of goods	-	-	-	17

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	
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
	RM'000	RM'000		RM'000	RM'000	
		(Restated)			(Restated)	
Revenue	120,306	121,920	(1)	496,976	490,622	1
Operating Profit	4,954	6,804	(27)	17,443	18,822	(7)
Profit Before Interest and Tax	4,477	6,477	(31)	20,760	21,407	(3)
Profit Before Tax	2,063	3,369	(39)	9,572	8,382	14
Profit After Tax	1,481	442	235	7,002	4,337	61
Profit Attributable to Ordinary Equity Holders of the Company	1,757	592	197	7,460	4,698	59

Year ended 31 December 2018

The Group's revenue increased to RM497.0 million from RM490.6 million last year attributable mainly to higher revenue contributions by the Machinery and Automotive Division. Profit before tax ("PBT") was recorded at RM9.6 million as compared with RM8.4 million in prior year primarily due to a higher profit from the Machinery Division and lower loss contributed by Automotive Division. Profit after tax increased to RM7.0 million as compared to RM4.3 million registered in prior year.

Machinery Division

Revenue from the Machinery Division increased to RM247.7 million from RM244.7 million recorded in prior year. In line with the improvement in revenue and lower operating expenses as a result of extensive cost control initiatives, segment profit increased by 14.7% to RM28.9 million from RM25.2 million recorded in prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded a decline in revenue of 5.7% to RM168.4 million from RM178.5 million recorded in prior year. The decrease was primarily attributable to lower contributions from car rental segment which were offset by increase in revenue from travel segment. As a result from the lower revenue, segment profit decreased to RM54.0 million from RM64.7 million recorded in prior year.

Automotive Division

The Automotive Division recorded an increase of 11.4% in revenue to RM55.7 million from RM50.0 million recorded in prior year as a result of increase in units sold in both the heavy and light commercial vehicles segment. This division recorded a lower segment loss of RM0.6 million as compared to a loss of RM3.4 million in prior year due to higher revenue as explained above.

Jointly controlled entities

Our share of profit from our joint ventures, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, increased to RM3.7 million from RM2.8 million in prior year. Higher revenue as a result of strong branding and customer loyalty coupled with aggressive promotional activities throughout the year have contributed to the increased profit.

3 months ended 31 December 2018

The Group's recorded lower revenue at RM120.3 million in the fourth quarter of 2018 as compared to RM121.9 million in the corresponding quarter prior year. This was primarily due to lower contributions by the Machinery Division in the final quarter as most of its customers have brought forward their purchases in Quarter 3 to enjoy huge savings during the Goods and Services Tax holidays from June 2018 to August 2018. As a result, lower profit before tax of RM2.1 million was recorded as compared to RM3.4 million in the corresponding quarter prior year.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.12.2018	30.09.2018	
	RM'000	RM'000	
Revenue	120,306	143,520	(16)
Operating Profit	4,954	4,938	-
Profit Before Interest and Tax	4,477	6,620	(32)
Profit Before Tax	2,063	3,740	(45)
Profit After Tax	1,481	2,115	(30)
Profit Attributable to Ordinary Equity Holders of the Company	1,757	1,893	(7)

The Group's revenue decreased by 16.2% to RM120.3 million as compared to RM143.5 million registered in the preceding quarter. This was primarily due to lower revenue contribution from the Machinery division and Automotive division in the final quarter of 2018 as a result of Goods and Services Tax holidays from June 2018 to August 2018 which changed the customers' purchasing plan. As a result of lower revenue, the Group's profit before tax has decreased to RM2.1 million as compared to RM3.7 million in the preceding quarter.

3. Group's Prospects

While International Monetary Fund ("IMF") has projected a lower global economic growth of 3.5% in its January 2019 report as a result of the soft international trade and manufacturing activity, elevated trade tensions between USA and China and financial market pressures, our domestic economic issues such as the huge national debts, the likely widening fiscal gap, soft property market and high household debts will pose a major concern for 2019 outlook.

The Government of Malaysia's decision to downscale and postpone some of the infrastructure related projects and the softening of property market will be seen as a challenge to the Machinery Division in the year ahead.

Rising cost of living, cautious customer sentiment arising from uncertain economic outlook will continue to cloud the Travel and Car Rental Division. Improvement on operational efficiency, tighter cost control measures while anticipating and managing changes in the external environment will continue to be deployed to enhance our competitiveness in this market. Efforts to improve on the performance of overseas business ventures, especially in Indochina such as Cambodia, Thailand and Myanmar will be intensified in our effort to generate additional revenue stream for the Group.

The Automotive Division will continue to be impacted by the softened domestic demand for motor vehicles, stringent loan approval, currency fluctuations and any possible increase in interest rates. Identifying 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 has been able to perform commendably in 2018 as a result of their strong branding, quality and customer loyalty. Such trait will continue to be critical to the future performance of our joint venture entities in anticipation of the prolonged cautious customer spending habit which has been affecting the retail market.

Against the backdrop of such uncertainties and challenges faced, the Group will remain resilient and take decisive actions in managing such changes to ensure sustainable growth for the Group.

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	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
Current year	5,467	3,201	5,639	5,224
Prior year	-	51	2,140	1,393
Deferred tax expense				
Current year	(2,427)	2,007	(2,666)	(330)
Prior year	(2,458)	(2,332)	(2,543)	(2,242)
	582	2,927	2,570	4,045

The effective tax rate for the quarter and financial year ended 31 December 2018 is higher than the prima facie tax rate mainly due to losses suffered by certain subsidiaries whose group relief is not available.

6. Status of corporate proposals

There were no corporate proposal announced but not completed at the reporting date.

7. Group borrowings

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

	As at 31.12.2018		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	10,954	27,902	38,856
Unsecured			
- Term loan	-	10,750	10,750
- Revolving credits	-	164,900	164,900
- Banker acceptance	-	50,525	50,525
- Bank overdrafts	-	963	963
	-	227,138	227,138
Total borrowings	10,954	255,040	265,994

	As at 31.12.2017		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	36,867	35,960	72,827
Unsecured			
- Term loan	10,750	12,370	23,120
- Revolving credits	-	166,000	166,000
- Banker acceptance	-	30,819	30,819
- Bank overdrafts	-	1,272	1,272
	10,750	210,461	221,211
Total borrowings	47,617	246,421	294,038

The above borrowings were denominated in Ringgit Malaysia.

8. Material litigation

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

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

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

9. Dividend

The Board of Directors is pleased to recommend a final single tier dividend of 3.0 sen (2017: 3.0 sen single tier) per share for the financial year ended 31 December 2018, subject to shareholders' approval at the forthcoming annual general meeting. Together with the interim single tier dividend of 1.0 sen (2017: 1.0 sen single tier) per share already declared and paid, this represents a total single tier dividend of 4.0 sen (2017: 4.0 sen single tier) per share for the financial year ended 31 December 2018.

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

10. Earnings per share

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

	Quarter Ended		Year-To-Date Ended	
	31.12.18	31.12.17	31.12.18	31.12.17
Profit attributable to owners of the Company (RM'000)	1,757	(Restated) 592	7,460	(Restated) 4,698
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	65,101	65,103	65,101	65,103
Effect of share buyback	(1)	(2)	(1)	(2)
At end of period	65,100	65,101	65,100	65,101
Basic earnings per share (sen)	2.70	0.91	11.46	7.22

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Quarter Ended		Year-To-Date Ended	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Depreciation and amortization	14,152	14,574	55,973	59,542
Provision/(Write back) for doubtful debts	475	(757)	576	(600)
Bad debts written off	68	73	68	73
Provision for inventories	38	2,018	193	2,300
Inventories written off	-	-	-	-
(Gain)/Loss on disposal of quoted or unquoted investments	(1)	-	(1)	-
(Gain)/Loss on disposal of properties	-	-	-	-
Impairment of assets	9	61	9	61
Foreign exchange (gain)/loss	(158)	2	(171)	(370)
(Gain)/Loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-



12. Derivative financial instruments

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

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

	Notional amount 31.12.18 RM'000	Fair value assets/ (liabilities) 31.12.18 RM'000
Less than 1 year	25,420	(131)

BY ORDER OF THE BOARD
ANG LAY BEE
Company Secretary
Kuala Lumpur
22 February 2019