



**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 2019**

*(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 2019**

	<b>Quarter and Year-to-date Ended</b>		
	<b>31.03.2019</b>	31.03.2018	<b>Changes</b>
	<b>RM'000</b>	RM'000	<b>%</b>
Revenue	<b>112,901</b>	121,070	(7)
Cost of sales	<b>(82,188)</b>	(88,353)	(7)
Gross profit	<b>30,713</b>	32,717	(6)
Other income	<b>227</b>	489	(54)
Selling and distribution expenses	<b>(9,842)</b>	(11,396)	(14)
Administrative and general expenses	<b>(18,591)</b>	(18,474)	1
Interest expense	<b>(3,160)</b>	(3,318)	(5)
Interest income	<b>334</b>	335	(0)
Share of loss of equity-accounted associate, net of tax	<b>(72)</b>	(78)	(8)
Share of profit of equity-accounted joint ventures, net of tax	<b>2,352</b>	2,114	11
Profit before tax	<b>1,961</b>	2,389	(18)
Tax expense	<b>(1,167)</b>	(491)	138
<b>Profit for the period</b>	<b>794</b>	1,898	(58)
<b>Profit attributable to :</b>			
Owners of the Company	<b>896</b>	2,038	(56)
Non-controlling interests	<b>(102)</b>	(140)	(27)
	<b>794</b>	1,898	(58)
<b>Earnings per share (sen) attributable to owners of the Company:</b>			
- Basic	<b>1.38</b>	3.13	
- Diluted	<b>N/A</b>	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 2018 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 31 MARCH 2019**

	<b>Quarter and Year-to-date Ended</b>		
	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Profit for the period	<b>794</b>	1,898	(58)
Other comprehensive income / (loss), net of tax			
<i><b>Items that are or may be reclassified subsequently to profit or loss</b></i>			
Net change in fair value of cash flow hedge	<b>77</b>	259	(70)
Foreign exchange differences from translation	<b>(64)</b>	(975)	(93)
<b>Total other comprehensive income / (loss), net of tax</b>	<b>13</b>	(716)	(102)
<b>Total comprehensive income</b>	<b>807</b>	1,182	(32)
<b>Total comprehensive income / (loss) attributable to :</b>			
Owners of the Company	<b>909</b>	1,322	(31)
Non-controlling interests	<b>(102)</b>	(140)	(27)
	<b>807</b>	1,182	(32)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

	As at 31.03.2019 RM'000	As at 31.12.2018 RM'000
<b>ASSETS</b>		
Property, plant and equipment	284,445	277,422
Right-of-use assets	5,583	-
Investment property	45,400	45,400
Investment in an associate	1,654	1,069
Investment in joint ventures	39,140	37,348
Other investments	6	6
Lease receivables	3,890	4,343
Deferred tax assets	2,844	2,575
Intangible assets	12,352	12,520
<b>Total non-current assets</b>	<b>395,314</b>	<b>380,683</b>
Inventories	179,424	168,885
Receivables, deposits and prepayments	238,043	170,237
Derivative financial assets	10	38
Current tax assets	8,665	8,510
Cash and cash equivalents	72,641	75,679
<b>Total current assets</b>	<b>498,783</b>	<b>423,349</b>
<b>TOTAL ASSETS</b>	<b>894,097</b>	<b>804,032</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	67,815	67,815
Reserves	16,089	16,174
Retained earnings	256,686	255,853
Treasury shares	(4,213)	(4,213)
<b>Total equity attributable to owners of the Company</b>	<b>336,377</b>	<b>335,629</b>
<b>Non-controlling interests</b>	<b>11,667</b>	<b>11,269</b>
<b>TOTAL EQUITY</b>	<b>348,044</b>	<b>346,898</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	12,781	12,064
Employee benefits	6,537	6,324
Lease liabilities	2,277	-
Hire purchase liabilities	11,150	15,540
<b>Total non-current liabilities</b>	<b>32,745</b>	<b>33,928</b>
Payables and accruals	242,618	156,070
Contract liabilities	7,714	7,463
Lease liabilities	3,171	-
Hire purchase liabilities	26,675	29,994
Borrowings	231,286	227,106
Derivative financial liability	40	169
Current tax liabilities	1,804	2,404
<b>Total current liabilities</b>	<b>513,308</b>	<b>423,206</b>
<b>TOTAL LIABILITIES</b>	<b>546,053</b>	<b>457,134</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>894,097</b>	<b>804,032</b>
	RM	RM
<b>Net assets per share attributable to owners of the Company</b>	<b>5.17</b>	<b>5.16</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

	← 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 2018, as previously reported	67,815	(4,213)	(41,614)	3,392	(100)	54,496	255,853	335,629	11,269	346,898
Effect of adoption of MFRS 16	-	-	-	-	-	-	(161)	(161)	-	(161)
At 1 January 2019 - restated	67,815	(4,213)	(41,614)	3,392	(100)	54,496	255,692	335,468	11,269	346,737
Investment by minority shareholders	-	-	-	-	-	-	-	-	500	500
Foreign currency translation differences for foreign operations	-	-	-	(64)	-	-	-	(64)	-	(64)
Change in fair value of cash flow hedge	-	-	-	-	77	-	-	77	-	77
Total other comprehensive loss, net of tax	-	-	-	(64)	77	-	-	13	-	13
Profit for the period	-	-	-	-	-	-	896	896	(102)	794
Total comprehensive income for the year	-	-	-	(64)	77	-	896	909	(102)	807
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(98)	98	-	-	-
At 31 March 2019	67,815	(4,213)	(41,614)	3,328	(23)	54,398	256,686	336,377	11,667	348,044

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total Equity
	Share capital	Treasury shares	Non-distributable			Revaluation reserve	Distributable Retained earnings			
			Merger reserve	Translation reserve	Hedging reserve					
RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	
At 1 January 2018 - restated	67,200	(4,213)	(41,614)	3,266	(387)	54,888	249,871	329,626	(1,380)	328,246
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 year	-	-	-	(975)	259	-	2,038	1,322	(140)	1,182
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(98)	98	-	-	-
At 31 March 2018	67,200	(4,213)	(41,614)	2,291	(128)	54,790	252,007	330,948	(1,520)	329,428

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

	<b>Quarter and Year-To-Date Ended</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before tax	1,961	2,389
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	13,316	14,019
Depreciation of right-of-use assets	831	-
Property, plant and equipment written off	385	160
Gain on disposal of property, plant and equipment	(46)	(47)
Gain on disposal of assets held for rental	(1,573)	(1,043)
Other non-cash items	(2,171)	(1,693)
Non-operating items	2,826	2,983
<b>Operating profit before working capital changes</b>	<b>15,529</b>	<b>16,768</b>
Changes in working capital	5,051	(16,598)
Tax paid, net of refunds	(1,449)	(868)
Retirement benefit paid	(5)	(8)
Proceeds from disposal of assets held for rental	9,141	4,951
<b>Net cash generated from operating activities</b>	<b>28,267</b>	<b>4,245</b>
<b>Cash flows from investing activities</b>		
Investment in an associate	(657)	-
Dividend received from joint ventures	560	560
Purchase of property, plant and equipment	(22,513)	(9,201)
Purchase of intangible assets	-	(20)
Proceeds from disposal of property, plant and equipment	151	134
Interest received	334	335
<b>Net cash used in investing activities</b>	<b>(22,125)</b>	<b>(8,192)</b>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase financing	(9,511)	(9,376)
Drawdown of bankers' acceptances	30,828	14,230
Repayment of bankers' acceptances	(40,796)	(16,196)
Repayment of term loans	(1,250)	(1,620)
Drawdown of revolving credits	525,000	428,000
Repayment of revolving credits	(510,000)	(428,000)
Repayment of lease liabilities	(805)	-
Interest paid	(3,160)	(3,318)
<b>Net cash used in financing activities</b>	<b>(9,694)</b>	<b>(16,280)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(3,552)</b>	<b>(20,227)</b>
Cash and cash equivalents at beginning of year	74,748	92,780
Effects of exchange rate fluctuation on cash and cash equivalents	116	(618)
Cash and cash equivalents at end of year	71,312	71,935
Cash and cash equivalents comprise:		
Short term deposits	4,735	7,235
Cash at bank and in hand	41,739	37,604
Fixed deposits with licensed banks	26,167	27,170
Bank overdrafts	(1,329)	(74)
	<b>71,312</b>	<b>71,935</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018. 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 2018.

**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 2019:

**MFRSs / Amendments / Interpretations**

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases
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
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

The adoptions of the above did not have any significant impact on the financial statements of the Group.

The Group have not applied the following standards and amendments that have been issued by the MASB but are not yet effective:

MFRS 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





### Adoption of MFRS 16” Leases” (“MFRS 16”)

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117 and did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using modified retrospective method and comparatives are not restated. The following table summarises the impact of adopting MFRS 16 to opening balances are as follows:

#### Statement of financial position

1 January 2019

	<i>Impact of change in accounting policies</i>		
	<i>As previously reported</i>	<i>MFRS 16 adjustment</i>	<i>After adjustments</i>
	RM'000	RM'000	RM'000
<b>Assets</b>			
Right-of use assets	-	6,021	6,021
Deferred tax assets	2,575	43	2,618
Impact to assets	2,575	6,064	8,639
<b>Liabilities</b>			
Lease liabilities	-	6,225	6,225
Impact to liabilities	-	6,225	6,225
<b>Equity</b>			
Retained earnings	255,853	(161)	255,692

### 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 2019.

**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 2019.

**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 31 March 2019.

**7. Dividends paid**

No dividend was paid during the current quarter and year-to-date ended 31 March 2019.



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>	
	<b>2019</b>	2018	<b>2019</b>	2018	<b>2019</b>	2018	<b>2019</b>	2018	<b>2019</b>	2018
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
External revenue	<b>47,101</b>	62,287	<b>38,353</b>	41,831	<b>7,775</b>	11,991	<b>19,672</b>	4,961	<b>112,901</b>	121,070
Inter-segment revenue	-	-	<b>1,770</b>	107	-	-	-	-	<b>1,770</b>	107
Segment profit / (loss)	<b>6,246</b>	6,066	<b>11,333</b>	13,971	<b>(174)</b>	(369)	<b>(147)</b>	(1,738)	<b>17,258</b>	17,930
Segment assets	<b>282,709</b>	266,757	<b>396,699</b>	333,771	<b>47,484</b>	42,249	<b>117,340</b>	109,739	<b>844,232</b>	752,516
Segment liabilities	<b>167,105</b>	156,076	<b>280,348</b>	222,166	<b>47,996</b>	38,740	<b>44,820</b>	33,187	<b>540,269</b>	450,169

## Operating segments (continued)

	Year-To-Date Ended 31 Mar	
	2019	2018
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	<b>17,258</b>	17,930
Depreciation and amortisation	<b>(13,316)</b>	(14,019)
Depreciation of right-of-use assets	<b>(831)</b>	-
Interest expense	<b>(3,160)</b>	(3,318)
Interest income	<b>334</b>	335
Non-reportable segment expenses	<b>(604)</b>	(575)
Share of profit/(loss) from equity accounted investments, net of tax		
- associate	<b>(72)</b>	(78)
- joint ventures	<b>2,352</b>	2,114
Consolidated profit before tax	<b>1,961</b>	2,389
Reconciliation of reportable segment assets		
Total assets for reportable segments	<b>844,232</b>	752,516
Assets for other non-reportable segment	<b>9,071</b>	8,294
Share of assets from equity accounted investments		
- associate	<b>1,654</b>	901
- joint ventures	<b>39,140</b>	37,547
Consolidated assets	<b>894,097</b>	799,258
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	<b>540,269</b>	450,169
Liabilities for other non-reportable segment	<b>5,784</b>	19,249
Consolidated liabilities	<b>546,053</b>	469,418

## 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 2018.

## 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 20 December 2018.

## 11. Material subsequent event

There were no material events subsequent to the end of the current quarter and year-to-date ended 31 March 2019.

## 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 2019.



**13. Changes in contingent liabilities**

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

**14. Capital commitments**

Capital commitments of the Group in respect of property, plant and equipment not provided for as at the end of the quarter are as follows:

	<b>As at 31.03.2019 RM'000</b>	As at 31.03.2018 RM'000
Approved and contracted for	<b>35,202</b>	61,479
Approved but not contracted for	<b>26,222</b>	-

**15. Operating lease commitments**

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

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

	<b>As at 31.03.2019 RM'000</b>	As at 31.03.2018 RM'000
Not later than 1 year	<b>47,161</b>	49,124
Later than 1 year and not later than 5 years	<b>31,234</b>	36,868
	<b>78,395</b>	85,992

(a) As lessee – for office premises

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

	<b>As at 31.03.2019 RM'000</b>	As at 31.03.2018 RM'000
Not later than 1 year	-	2,783
Later than 1 year and not later than 5 years	-	1,107
	-	3,890

## 16. Related party disclosures

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

	<b>Individual quarter</b>	
	<b>31.03.19</b>	31.03.18
	<b>RM'000</b>	RM'000
Sales of goods and services	<b>8,947</b>	5,697
Rental income	<b>672</b>	712
	<b><u>9,619</u></b>	<u>6,409</u>
Purchases goods and services	<b>83,758</b>	11,246
Rental expenses	<b>503</b>	604
Financing and leasing	<b>96</b>	326
	<b><u>84,357</u></b>	<u>12,176</u>

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

	<b>Individual quarter</b>	
	<b>31.03.19</b>	31.03.18
	<b>RM'000</b>	RM'000
Sales of goods and services	<b><u>13</u></b>	<u>33</u>
Purchases of goods	<b><u>-</u></b>	<u>-</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	
	31.03.2019	31.03.2018	
	RM'000	RM'000	
Revenue	112,901	121,070	(7)
Operating Profit	2,507	3,336	(25)
Profit Before Interest and Tax	4,787	5,372	(11)
Profit Before Tax	1,961	2,389	(18)
Profit After Tax	794	1,898	(58)
Profit Attributable to Ordinary Equity Holders of the Company	896	2,038	(56)

**Quarter ended 31 March 2019**

The overall soft business and consumer sentiment which has posed a challenge to the Group since the final quarter of 2018 has continued to put pressure on the Group's performance in 2019. Group revenue decreased to RM112.9 million from RM121.1 million registered for the corresponding period prior year, representing decrease of 7%. In line with the decrease in revenue, the Group registered a profit before tax ("PBT") of RM2.0 million for the current period compared to RM2.4 million for the corresponding period prior year.

**Machinery Division**

Revenue from the Machinery Division decreased to RM47.1 million from RM62.3 million registered in the first quarter of prior year. The reduction in revenue was primarily due to slowdown in the demand of machineries as a result of lacklustre performance in the domestic construction and mining sector. However, the segment profit has increased marginally to RM6.3 million from RM6.1 million registered in the corresponding period prior year as a result of higher return from the inventories which were purchased during the Goods and Services Tax holiday period last year and effective cost control initiatives.

**Travel and Car Rental Division**

The Travel and Car Rental Division recorded lower revenue of RM38.4 million as compared to RM41.8 million in the corresponding period prior year mainly due to cautious customer sentiment in anticipation of local economic slowdown which continues to subdue the performance of this division. This has also resulted in the Division registering a lower segment profit of RM11.3 million as compared to RM14.0 million recorded in prior year.

**Automotive Division**

The Automotive Division recorded lower revenue of RM7.8 million from RM12.0 million registered for the corresponding period prior year due to reclassification of the used car trading subdivision's results into Other Operations which will enable this Division to focus solely on its core business which is, distribution of trucks, in

our effort to improve on the performance of this Automotive Division. As a result, the current quarter segment loss has reduced to RM0.2million as compared to RM0.4 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 RM2.4 million from RM2.1 million registered in the corresponding period prior year. This was primarily due to higher overall revenue recorded by the joint venture entities from the continuous support of its loyal customers.

## 2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.03.2019	31.12.2018	
	RM'000	RM'000	
Revenue	112,901	120,280	(6)
Operating Profit	2,507	4,985	(50)
Profit Before Interest and Tax	4,787	4,482	(7)
Profit Before Tax	1,961	2,075	(5)
Profit After Tax	794	1,509	(47)
Profit Attributable to Ordinary Equity Holders of the Company	896	1,785	(50)

The Group revenue decreased by 6% to RM112.9 million as compared to RM120.3 million in the preceding quarter. This was due to soft business and consumer sentiment which has a knock-on effect on the performance during the quarter. As a result, the Group recorded lower profit before tax of RM2.0 million as compared to RM2.1 million in the preceding quarter.

## 3. Prospects

The challenging business environment trend continues in 2019 as a result of the external headwind caused by amongst others, the slowing down of economic activities amid external uncertainties, rising cost of living and high cost of doing business.

The recent announcement on the revival of two mega projects in Malaysia, namely East Coast Rail Link and Bandar Malaysia will provide new business opportunity to the Machinery Division in the year ahead despite the overall softening of the domestic construction industry in Malaysia.

Business environment for Travel and Car Rental Division is anticipated to remain challenging as a result of rising cost of living and cautious customer spending. In view on this, improvement on operational efficiency, tighter cost control measures while anticipating and managing changes in the external environment are critical to enhance our competitiveness in this business environment. We will continue to focus on improving the performance of our overseas business ventures, especially in Indochina such as Cambodia, Thailand and Myanmar in our effort to generate additional revenue stream for the Group.

The Automotive Division will continue to be impacted by the margin as a result of fierce competition among the players in this industry. The soft domestic demand for motor vehicles, stringent loan approval and currency fluctuations remain the key challenges in this division. 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 continues to perform satisfactorily despite cautious customer spending habit as a result of their strong branding, quality and customer loyalty.

Despite the expected market challenges in 2019, 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	
	31.03.19 RM'000	31.03.18 RM'000
<b>Tax expenses</b>		
Current year	694	939
Prior year	-	230
<b>Deferred tax expense</b>		
Current year	194	(636)
Prior year	279	(42)
	<u>1,167</u>	<u>491</u>

The Group's effective tax rates for the quarter ended 31 March 2019 were higher than the prima facie tax rate mainly due to losses of certain subsidiaries and certain expenses which were not deductible for tax purposes.

#### 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 31.03.2019		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
<b>Secured</b>			
- Hire purchase	11,150	26,675	37,825
<b>Unsecured</b>			
- Term loan	-	9,500	9,500
- Revolving credits	-	179,900	179,900
- Banker acceptances	-	40,557	40,557
- Bank overdrafts	-	1,329	1,329
	-	231,286	231,286
<b>Total borrowings</b>	<b>11,150</b>	<b>257,961</b>	<b>269,111</b>
	As at 31.03.2018		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
<b>Secured</b>			
- Hire purchase	30,259	34,759	65,018
<b>Unsecured</b>			
- 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
<b>Total borrowings</b>	<b>39,759</b>	<b>241,686</b>	<b>281,445</b>

The above borrowings were denominated in Ringgit Malaysia.

**8. Material litigation**

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

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

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

## 9. Dividend

No dividend has been recommended for the first quarter ended 31 March 2019.

## 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	
	31.03.19	31.03.18
Profit attributable to owners of the Company (RM'000)	<u>896</u>	<u>2,038</u>
Weighted average number of ordinary shares in issue ('000)		
At beginning of period	65,100	65,101
Effect of share buyback	-	-
At end of period	<u>65,100</u>	<u>65,101</u>
Basic earnings per share (sen)	<u>1.38</u>	<u>3.13</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	
	31.03.19	31.03.18
	RM'000	RM'000
Depreciation and amortization	13,316	14,019
(Write back of)/Provision for doubtful debts	-	-
Bad debts written off	25	2
Provision for inventories	-	281
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	4	(168)
(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 2019, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	<b>Notional amount 31.03.19 RM'000</b>	<b>Fair value assets/ (liabilities) 31.03.19 RM'000</b>
Less than 1 year	<b>18,657</b>	<b>(30)</b>

BY ORDER OF THE BOARD  
ANG LAY BEE  
Company Secretary  
Kuala Lumpur  
16 May 2019