



WARISAN TC HOLDINGS BERHAD

*Registration No. 199701009338 (424834-W)
(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**

(The figures have not been audited)



WARISAN TC HOLDINGS BERHAD
 Registration No. 199701009338 (424834-W)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

	Quarter Ended			Year Ended		
	31.12.2019	31.12.2018	Changes	31.12.2019	31.12.2018	Changes
	RM'000	RM000	%	RM'000	RM000	%
Revenue	111,273	120,280	(7)	439,828	496,950	(11)
Cost of sales	(82,848)	(86,878)	(5)	(322,631)	(360,244)	(10.44)
Gross profit	28,425	33,402	(15)	117,197	136,706	(14)
Other income	1,956	2,851	(31)	4,285	3,578	20
Selling and distribution expenses	(13,828)	(13,896)	(0)	(45,562)	(49,665)	(8)
Administrative and general expenses	(17,190)	(17,372)	(1)	(75,921)	(73,145)	4
Interest expense	(3,019)	(3,250)	(7)	(11,853)	(13,112)	(10)
Interest income	295	843	(65)	1,107	1,931	(43)
Share of loss of equity-accounted associate, net of tax	(75)	(80)	(6)	(373)	(384)	(3)
Share of profit of equity-accounted joint ventures, net of tax	1,292	(423)	405	6,036	3,675	64
(Loss) / Profit before tax	(2,144)	2,075	(203)	(5,084)	9,584	(153)
Tax income / (expense)	459	(566)	181	(2,350)	(2,554)	(8)
(Loss) / Profit for the period / financial year	(1,685)	1,509	(212)	(7,434)	7,030	(206)
(Loss) / Profit attributable to :						
Owners of the Company	(1,400)	1,785	(178)	(6,843)	7,488	(191)
Non-controlling interests	(285)	(276)	3	(591)	(458)	29
	(1,685)	1,509	(212)	(7,434)	7,030	(206)
(Loss) / Earnings per share (sen) attributable to owners of the Company:						
- Basic	(2.15)	2.74		(10.51)	11.50	
- 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 2018 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD
 Registration No. 199701009338 (424834-W)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

	Quarter Ended			Year Ended		
	31.12.2019	31.12.2018	Changes	31.12.2019	31.12.2018	Changes
	RM'000	RM000	%	RM'000	RM000	%
(Loss) / Profit for the period / financial year	(1,685)	1,509	(212)	(7,434)	7,030	(206)
Other comprehensive (loss) / income, 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	249	(124)	301	(187)	287	(165)
Foreign exchange differences from translation	391	33	1,085	(46)	126	(137)
	640	(91)	(803)	(233)	413	(156)
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit liabilities	(2,411)	725	(433)	(2,411)	725	(433)
Share of loss of equity-accounted joint venture	(235)	(19)	(1,137)	(235)	(19)	(1,137)
Total other comprehensive (loss) / income, net of tax	(2,006)	615	(426)	(2,879)	1,119	(357)
Total comprehensive (loss) / income for the period / financial year	(3,691)	2,124	(274)	(10,313)	8,149	(227)
Total comprehensive (loss) / income for the period / financial year attributable to :						
Owners of the Company	(3,406)	2,400	(242)	(9,722)	8,607	(213)
Non-controlling interests	(285)	(276)	3	(591)	(458)	29
	(3,691)	2,124	(274)	(10,313)	8,149	(227)

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
 Registration No. 199701009338 (424834-W)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2019

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Property, plant and equipment	271,125	277,422
Right-of-use assets	6,399	-
Investment property	45,400	45,400
Investment in an associate	1,299	1,069
Investment in joint ventures	41,342	37,348
Other investments	6	6
Lease receivables	2,494	4,343
Deferred tax assets	3,367	2,575
Intangible assets	12,577	12,520
Total non-current assets	384,009	380,683
Inventories	167,295	168,885
Receivables, deposits and prepayments	163,755	170,237
Derivative financial assets	-	38
Current tax assets	4,849	8,510
Cash and cash equivalents	85,379	75,679
Total current assets	421,278	423,349
TOTAL ASSETS	805,287	804,032
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,815	67,815
Reserves	15,549	16,174
Retained earnings	244,642	255,853
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	323,793	335,629
Non-controlling interests	11,178	11,269
TOTAL EQUITY	334,971	346,898
LIABILITIES		
Deferred tax liabilities	9,690	12,064
Employee benefits	10,231	6,324
Lease liabilities	3,125	-
Hire purchase liabilities	11,848	15,540
Borrowings	1,664	-
Total non-current liabilities	36,558	33,928
Payables and accruals	186,565	156,070
Contract liabilities	7,801	7,463
Lease liabilities	3,451	-
Hire purchase liabilities	15,200	29,994
Borrowings	218,686	227,106
Derivative financial liability	378	169
Current tax liabilities	1,677	2,404
Total current liabilities	433,758	423,206
TOTAL LIABILITIES	470,316	457,134
TOTAL EQUITY AND LIABILITIES	805,287	804,032
	RM	RM
Net assets per share attributable to owners of the Company	4.97	5.16

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

Registration No. 199701009338 (424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	← 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 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	-	-	-	-	(46)	-	-	-	(46)	-	(46)
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	(2,411)	(2,411)	-	(2,411)
Change in fair value of cash flow hedge	-	-	-	-	-	(187)	-	-	(187)	-	(187)
Share of loss of equity-accounted joint venture	-	-	-	-	-	-	-	(235)	(235)	-	(235)
Total other comprehensive loss, net of tax	-	-	-	-	(46)	(187)	-	(2,646)	(2,879)	-	(2,879)
Loss for the financial year	-	-	-	-	-	-	-	(6,843)	(6,843)	(591)	(7,434)
Total comprehensive loss for the financial year	-	-	-	-	(46)	(187)	-	(9,489)	(9,722)	(591)	(10,313)
Dividend - 2018 final	-	-	-	-	-	-	-	(1,953)	(1,953)	-	(1,953)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	-	(392)	392	-	-	-
At 31 December 2019	67,815	-	(4,213)	(41,614)	3,346	(287)	54,104	244,642	323,793	11,178	334,971

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.



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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	← 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 15	-	-	-	-	-	-	-	(664)	(664)	-	(664)
At 1 January 2018 - restated	67,815	-	(4,213)	(41,614)	3,266	(387)	54,888	249,871	329,626	(1,380)	328,246
Foreign currency translation differences for foreign operations	-	-	-	-	126	-	-	-	126	-	126
Remeasurement of retirement benefit obligations	-	-	-	-	-	-	-	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 income, net of tax	-	-	-	-	126	287	-	706	1,119	-	1,119
Profit for the financial year	-	-	-	-	-	-	-	7,488	7,488	(458)	7,030
Total comprehensive income for the financial year	-	-	-	-	126	287	-	8,194	8,607	(458)	8,149
Investment by minority shareholders	-	-	-	-	-	-	-	-	-	13,107	13,107
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)	3,392	(100)	54,496	255,853	335,629	11,269	346,898

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
 Registration No. 199701009338 (424834-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Year Ended	
	31.12.2019	31.12.2018
	RM'000	RM'000
Cash flow from operating activities		
(Loss)/Profit before tax	(5,084)	9,584
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	53,415	55,952
Depreciation of right-of-use assets	3,458	-
Property, plant and equipment written off	555	338
Gain on disposal of property, plant and equipment	(245)	(147)
Gain on disposal of assets held for rental	(4,395)	(5,511)
Gain on disposal of other investments	-	(1)
Other non-cash items	(4,985)	(223)
Non-operating items	10,746	11,181
Operating profit before working capital changes	53,465	71,173
Changes in working capital	29,013	(19,763)
Tax paid, net of refunds	(1,715)	(5,748)
Retirement benefit paid	(259)	(248)
Proceeds from disposal of assets held for rental	51,345	33,244
Net cash generated from operating activities	131,849	78,658
Cash flows from investing activities		
Acquisition of subsidiary	-	(382)
Investment in an associate	(657)	(474)
Dividend received from joint ventures	1,811	2,310
Purchase of property, plant and equipment	(65,581)	(67,291)
Purchase of intangible assets	(682)	(711)
Proceeds from disposal of property, plant and equipment	909	922
Interest received	1,107	1,931
Net cash used in investing activities	(63,093)	(63,695)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(1,953)	(2,604)
Repayment of hire purchase financing	(35,768)	(37,136)
Drawdown of bankers' acceptances	127,168	138,496
Repayment of bankers' acceptances	(137,317)	(118,790)
Drawdown of term loans	2,244	-
Repayment of term loans	(10,961)	(12,370)
Drawdown of revolving credits	12,083	(1,100)
Repayment of lease liabilities	(3,120)	-
Interest paid	(11,853)	(13,112)
Subscription of share in subsidiary by non-controlling interests	-	13,244
Net cash used in financing activities	(59,477)	(33,372)
Net changes in cash and cash equivalents	9,279	(18,409)
Cash and cash equivalents at beginning of year	74,748	92,780
Effects of exchange rate fluctuation on cash and cash equivalents	394	377
Cash and cash equivalents at end of year	84,421	74,748
Cash and cash equivalents comprise:		
Short term deposits	2,885	4,893
Cash at bank and in hand	47,319	46,396
Fixed deposits with licensed banks	35,175	24,390
Bank overdrafts	(958)	(931)
	84,421	74,748

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 (“MASB”), which became effective for annual periods beginning on or after 1 January 2019:

MFRSs / Amendments / Interpretations

MFRS 16	Leases
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 has not applied the following standards and amendments that have been issued by the MASB but are not yet effective:

MFRS 17	Insurance Contracts
Amendment to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendment to MFRS 2	Share-based Payment
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 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendment to MFRS 7, MFRS 9 and MFRS 139	Financial Instrument Disclosure
Amendment to MFRS 14	Regulatory Deferral Accounts
Amendment to MFRS 15	Revenue from Contracts with Customers
Amendment to MFRS 101	Presentation of Financial Statements
Amendment to MFRS 107	Statements of Cash Flows
Amendment to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to MFRS 116	Property, Plant and Equipment
Amendment to MFRS 119	Employee Benefits



Amendment to MFRS 132	Financial Instruments : Presentation
Amendment to MFRS 134	Interim Financial Reporting
Amendment to MFRS 136	Impairment of Assets
Amendment to MFRS 138	Intangible Assets
Amendment to MFRS 140	Investment Property
Amendment to IC Int 12	Service Concession Arrangements
Amendment to IC Int 19	Extinguishing Financial Liabilities with Equity Instrument
Amendment to IC Int 20	Stripping Cost in the Production Phase of a Surface Mine
Amendment to IC Int 22	Foreign Currency Transactions and Advance Consideration
Amendment to IC Int 132	Intangible Assets – Web Site Cost

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:

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>
Assets	RM’000	RM’000	RM’000
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
Liabilities			
Lease liabilities	-	6,225	6,225
Impact to liabilities	-	6,225	6,225
Equity			
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 ended 31 December 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 ended 31 December 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 ended 31 December 2019.

7. Dividends paid

A final single tier dividend of 3.0 sen for the financial year ended 31 December 2018 totaling to RM1,953,012 approved by the shareholders on 31 May 2019, was paid on 28 June 2019.



8. Operating segments

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

	← Year Ended 31 Dec →									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	195,042	247,654	150,363	168,324	27,678	55,830	66,745	25,142	439,828	496,950
Inter-segment revenue	-	-	862	1,414	-	-	-	-	862	1,414
Segment profit / (loss)	24,895	28,921	37,407	54,072	(349)	(709)	(2,141)	(5,701)	59,812	76,583
Segment assets	271,477	290,390	308,173	301,746	53,141	47,724	120,039	114,950	752,830	754,810
Segment liabilities	171,286	173,300	198,346	190,206	45,044	48,857	47,607	27,883	462,283	440,246

**Operating segments (continued)**

	Year Ended 31 Dec	
	2019	2018
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit or loss for reportable segments	59,812	76,583
Depreciation and amortisation	(53,415)	(55,952)
Depreciation of right-of-use assets	(3,458)	-
Interest expense	(11,853)	(13,112)
Interest income	1,107	1,931
Non-reportable segment expenses	(2,940)	(3,157)
Share of profit/(loss) from equity accounted investments, net of tax		
- associate	(373)	(384)
- joint ventures	6,036	3,675
Consolidated (loss)/profit before tax	(5,084)	9,584
Reconciliation of reportable segment assets		
Total assets for reportable segments	752,830	754,810
Assets for other non-reportable segment	9,816	10,805
Share of assets from equity accounted investments		
- associate	1,299	1,069
- joint ventures	41,342	37,348
Consolidated assets	805,287	804,032
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	462,283	440,246
Liabilities for other non-reportable segment	8,033	16,888
Consolidated liabilities	470,316	457,134

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.

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 2019, the Group does not have any fair value gain or loss on investment property to be recognized (2018: nil) in the statement of comprehensive income for the year ended 31 December 2019.

11. Material subsequent event

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



12. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter and year ended 31 December 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:

	As at 31.12.19 RM'000	As at 31.12.18 RM'000
Approved and contracted for	923	26,332
Approved but not contracted for	37,754	21,193

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 31.12.19 RM'000	As at 31.12.18 RM'000
Not later than 1 year	41,094	47,170
Later than 1 year and not later than 5 years	39,130	32,127
	80,224	79,297

(b) As lessee – for office premises

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

	As at 31.12.19 RM'000	As at 31.12.18 RM'000
Not later than 1 year	-	2,483
Later than 1 year and not later than 5 years	-	822
	-	3,305



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	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Sales of goods and services	10,629	9,842	32,923	38,406
Rental income	846	665	3,230	2,694
	11,475	10,507	36,153	41,100
Purchases goods and services	(13,716)	48,927	87,555	101,809
Rental expenses	726	543	2,346	2,199
Financing and leasing	693	137	5,183	918
	(12,297)	49,607	95,084	104,926

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

	Individual quarter		Cumulative quarters	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Sales of goods and services	45	44	105	138
Purchases of goods	-	-	-	-

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	
	31.12.2019	31.12.2018		31.12.2019	31.12.2018	
	RM'000	RM'000		RM'000	RM'000	
Revenue	111,273	120,280	(7)	439,828	496,950	(11)
Operating (Loss)/Profit	(637)	4,985	(113)	1	17,474	(100)
Profit Before Interest and Tax	580	4,482	(87)	5,662	20,765	(73)
(Loss)/Profit Before Tax	(2,144)	2,075	(203)	(5,084)	9,584	(153)
(Loss)/Profit After Tax	(1,685)	1,509	(212)	(7,434)	7,030	(206)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Company	(1,400)	1,785	(178)	(6,843)	7,488	(191)

Year ended 31 December 2019

Group revenue decreased by 11.5% from RM497.0 million to RM439.8 million. The decrease in revenue was primarily due to subdued performance from our Machinery and Travel and car rental Divisions as a result of sluggish global economy during the year. In line with the lower revenue, the Group registered a loss after tax of RM7.4 million compared to a profit after tax of RM7.0 million in prior year.

Machinery Division

Revenue from the Machinery Division decreased to RM195.0 million from RM247.7 million registered in prior year, representing a decline of 21.3%. In line with lower revenue, segment profit decreased by 13.8% to RM24.9 million from RM28.9 million registered in prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded 10.6% decline in revenue to RM150.4 million from RM168.3 million registered in prior year. This was primarily due to lower contribution from the Travel subdivision as a result of continuous competitive pressures in this industry coupled with slowdown in incentive tour market. As a result, segment profit decreased by 30.9% from RM54.1 million to RM37.4 million compared to the corresponding period.



Automotive Division

The Automotive Division recorded a decrease in revenue to RM27.7 million from RM55.8 million registered in prior year mainly due to reclassification of revenue generated from trading of used vehicles into Other Operations. The reclassification will enable this Division to focus on its core business of distributing commercial vehicles in Malaysia. However, segment loss of RM0.3 million was recorded compared to a loss of RM0.7 million in prior year.

Jointly controlled entities

Our share of profit from our joint ventures entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, increased by 62.2% to RM6.0 million from RM3.7 million in prior year. Higher revenue as a result of strong branding and new products gaining market traction from continuous promotional strategies has contributed to the increase in profit.

3 months ended 31 December 2019

The Group recorded lower revenue at RM111.3 million in the fourth quarter of 2019 as compared to RM120.3 million in the corresponding quarter prior year. This was primarily due to lower contributions by the Machinery Division, Travel and Car Rental Division and Automotive Division that were impacted by the market slowdown in the country. In line with lower revenue, the Group recorded loss before tax of RM2.1 million as compared to profit before tax of RM2.1 million in the corresponding quarter prior year.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.12.2019	30.09.2019	
	RM'000	RM'000	
Revenue	111,273	101,909	9
Operating Loss	(637)	(590)	(8)
Profit/(loss) Before Interest and Tax	580	991	(41)
Loss Before Tax	(2,144)	(1,543)	(39)
Loss After Tax	(1,685)	(1,790)	(6)
Loss Attributable to Ordinary Equity Holders of the Company	(1,400)	(1,699)	(18)

The Group revenue increased by 9.2% to RM111.3 million compared to RM101.9 million registered in the preceding quarter as a result of higher travel frequency during the year-end holiday period. However, lower margin as a result of competitive pricing in the market has contributed to loss before tax of RM2.1 million in the current quarter compared to RM1.5 million in the preceding quarter.

3. Group's Prospects

The business environment in Malaysia remains challenging with weak consumer sentiments, intensifying competitive pricing, weakening of Malaysian Ringgit against US Dollars and the effect of trade tension between USA and China have increased the uncertainty in the prospect of the global economy and may have impact on the Group's business segment.

Similar to the 2003 SARS epidemic, the recent Covid-19 outbreak will have direct impact on tourism related industries such as airline, transport, hotel and retail outlets. This will have adverse impact on the Travel and Car Rental Division. Notwithstanding the expected challenges ahead, this Division will continue to remain vigilant and take decisive actions in managing any anticipated changes in the external environment to ensure sustainable growth.

The Machinery and Automotive Divisions will continue to be impacted by the softened domestic demand for commercial vehicles, stringent loan approval and weakening of Malaysian Ringgit against US Dollars. Identifying new products and new markets will be the key imperative for the future prospect of these divisions.

Despite strong branding and customer loyalty in Shiseido and Wacoal, our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd will expect challenging market condition in Year 2020 due to the expected impact of Covid-19 outbreak on retail industry.

Market condition is expected to remain challenging for Year 2020 and concerns over global economic uncertainties is expected to have adverse impact on the customers spending habit. Against the backdrop of such uncertainties and challenges faced, the Group will remain resilient and take decisive actions in managing such changes.

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	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Tax expenses				
Current year	2,079	5,842	3,828	6,014
Prior year	(31)	30	822	2,170
Deferred tax expense				
Current year	(3,179)	(2,850)	(2,405)	(3,089)
Prior year	672	(2,456)	105	(2,541)
	(459)	566	2,350	2,554

The tax expenses despite loss recorded during the year are mainly due to losses of certain subsidiaries and certain expenses which are not deductible for tax purposes. Furthermore, in accordance to the amendment to Section 44 of the Income Tax Act during the National Budget 2019, the Group is no longer eligible for the group relief incentive.



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 31.12.2019		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	11,848	15,200	27,048
Unsecured			
- Term loan	1,664	369	2,033
- Revolving credits	-	176,983	176,983
- Banker acceptance	-	40,376	40,376
- Bank overdrafts	-	958	958
	1,664	218,686	220,350
Total borrowings	13,512	233,886	247,398
Breakdown by currencies:			
RM (Ringgit Malaysia)	11,848	233,517	245,365
MMK (Burmese Kyat)	1,664	369	2,033
	13,512	233,886	247,398

	As at 31.12.2018		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	15,540	29,994	45,534
Unsecured			
- Term loan	-	10,750	10,750
- Revolving credits	-	164,900	164,900
- Banker acceptance	-	50,525	50,525
- Bank overdrafts	-	931	931
	-	227,106	227,106
Total borrowings	15,540	257,100	272,640

2018 Group 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

No dividend was recommended or declared for the financial year ended 31 December 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		Year Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
(Loss)/Profit attributable to owners of the Company (RM'000)	(1,400)	1,785	(6,843)	7,488
Weighted average number of ordinary shares in issue ('000)				
At beginning of period / financial year	65,100	65,101	65,100	65,101
Effect of share buyback	-	(1)	-	(1)
At end of period / financial year	65,100	65,100	65,100	65,100
Basic (loss)/earnings per share (sen)	(2.15)	2.74	(10.51)	11.50

**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 Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization	13,484	14,131	53,415	55,952
Provision for doubtful debts	-	582	-	683
Bad debts written off	-	-	-	-
Provision for inventories	-	1,769	-	1,924
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	(265)	(232)	(291)	(245)
(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 2019, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Notional amount	Fair value assets/ (liabilities)
	31.12.19	31.12.19
	RM'000	RM'000
Less than 1 year	25,175	(378)

BY ORDER OF THE BOARD
ANG LAY BEE
NG BOON NGEE
Company Secretaries
Kuala Lumpur
20 February 2020