



WARISAN TC HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021
(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-TO-DATE ENDED 30 JUNE 2021

	Quarter Ended			Year-to-date Ended		
	30.06.2021	30.06.2020	Changes	30.06.2021	30.06.2020	Changes
	RM'000	RM000	%	RM'000	RM000	%
Revenue	72,853	54,375	34	171,013	129,318	32
Cost of sales	(56,537)	(44,222)	28	(136,935)	(98,856)	39
Gross profit	16,316	10,153	61	34,078	30,462	12
Other income	241	495	(51)	1,114	1,694	(34)
Selling and distribution expenses	(7,782)	(6,650)	17	(15,522)	(17,070)	(9)
Administrative and general expenses	(15,060)	(17,017)	(11)	(31,600)	(36,792)	(14)
Interest expense	(1,657)	(2,487)	(33)	(3,373)	(5,098)	(34)
Interest income	244	300	(19)	675	590	14
Share of loss of equity-accounted associates, net of tax	(79)	(125)	(37)	(165)	(274)	(40)
Share of loss of equity-accounted jointly controlled entities, net of tax	(2,727)	(3,017)	(10)	(4,049)	(3,729)	9
Loss before tax	(10,504)	(18,348)	(43)	(18,842)	(30,217)	(38)
Tax (expenses) / income	(514)	413	(224)	(1,189)	869	(237)
Loss for the period	(11,018)	(17,935)	(39)	(20,031)	(29,348)	(32)
Loss attributable to :						
Owners of the Company	(10,663)	(17,797)	(40)	(19,396)	(29,026)	(33)
Non-controlling interests	(355)	(138)	157	(635)	(322)	97
	(11,018)	(17,935)	(39)	(20,031)	(29,348)	(32)
Loss per share (sen) attributable to owners of the Company:						
- Basic	16.38	27.34		29.79	44.59	
- Diluted	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021

	Quarter Ended			Year-to-date Ended		
	30.06.2021	30.06.2020	Changes	30.06.2021	30.06.2020	Changes
	RM'000	RM000	%	RM'000	RM000	%
Loss for the period	(11,018)	(17,935)	(39)	(20,031)	(29,348)	(32)
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	(40)	(120)	(67)	436	270	62
Foreign exchange differences from translation	(502)	(83)	505	118	396	(70)
Total other comprehensive income / (loss), net of tax	(542)	(203)	167	554	666	(17)
Total comprehensive loss for the period	(11,560)	(18,138)	(36)	(19,477)	(28,682)	(32)
Total comprehensive loss for the period attributable to :						
Owners of the Company	(11,205)	(18,000)	(38)	(18,842)	(28,360)	(34)
Non-controlling interests	(355)	(138)	157	(635)	(322)	97
	(11,560)	(18,138)	(36)	(19,477)	(28,682)	(32)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 30 JUNE 2021

	As at 30.06.2021 RM'000	As at 31.12.2020 RM'000
ASSETS		
Property, plant and equipment	224,211	248,198
Right-of-use assets	3,797	4,404
Investment property	43,500	43,500
Investments in associates	679	815
Investments in jointly controlled entities	30,470	35,078
Other investments	6	6
Lease receivables	3,674	2,923
Deferred tax asset	6,198	6,195
Intangible assets	12,170	12,232
Total non-current assets	324,705	353,351
Inventories	117,302	113,894
Receivables, deposits and prepayments	98,274	100,411
Derivative financial asset	182	-
Current tax asset	3,579	1,673
Cash and cash equivalents	116,264	115,908
Total current assets	335,601	331,886
TOTAL ASSETS	660,306	685,237
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	30,225	29,931
Retained earnings	162,470	181,606
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	255,682	274,524
Non-controlling interests	23,744	24,379
TOTAL EQUITY	279,426	298,903
LIABILITIES		
Deferred tax liability	14,209	14,671
Employee benefits	11,390	10,918
Lease liabilities	686	888
Hire purchase liabilities	3,494	6,634
Loans and borrowings	4,003	3,802
Total non-current liabilities	33,782	36,913
Payables and accruals	126,299	132,138
Contract liabilities	9,689	11,307
Lease liabilities	3,300	3,684
Hire purchase liabilities	8,743	9,718
Loans and borrowings	196,698	190,707
Derivative financial liability	47	440
Current tax liability	2,322	1,427
Total current liabilities	347,098	349,421
TOTAL LIABILITIES	380,880	386,334
TOTAL EQUITY AND LIABILITIES	660,306	685,237
	RM	RM
Net assets per share attributable to owners of the Company	3.93	4.22

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

	← 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 1 January 2021	67,200	(4,213)	(40,999)	2,928	(334)	68,336	181,606	274,524	24,379	298,903
Foreign currency translation differences for foreign operations	-	-	-	118	-	-	-	118	-	118
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	436	-	-	436	-	436
Total other comprehensive income, net of tax	-	-	-	118	436	-	-	554	-	554
Loss for the period	-	-	-	-	-	-	(19,396)	(19,396)	(635)	(20,031)
Total comprehensive loss for the period	-	-	-	118	436	-	(19,396)	(18,842)	(635)	(19,477)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(260)	260	-	-	-
At 30 June 2021	67,200	(4,213)	(40,999)	3,046	102	68,076	162,470	255,682	23,744	279,426

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021**

	← Attributable to owners of the Company →									Non-controlling interests	Total Equity
	← Non-distributable →						Distributable		Total		
	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 1 January 2020	67,200	(4,213)	(40,999)	3,347	(287)	54,104	244,857	324,009	11,155	335,164	
Foreign currency translation differences for foreign operations	-	-	-	396	-	-	-	396	-	396	
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	-	
Change in fair value of cash flow hedge	-	-	-	-	270	-	-	270	-	270	
Total other comprehensive income, net of tax	-	-	-	396	270	-	-	666	-	666	
Loss for the period	-	-	-	-	-	-	(29,026)	(29,026)	(322)	(29,348)	
Total comprehensive loss for the period	-	-	-	396	270	-	(29,026)	(28,360)	(322)	(28,682)	
Investments by non-controlling interests	-	-	-	-	-	-	-	-	15,000	15,000	
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(196)	196	-	-	-	
At 30 June 2020	67,200	(4,213)	(40,999)	3,743	(17)	53,908	216,027	295,649	25,833	321,482	

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2021

	Quarter and	
	Year-To-Date Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Cash flow from operating activities		
Loss before tax	(18,842)	(30,217)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	20,902	24,149
Depreciation of right-of-use assets	1,886	1,939
Gain on disposal of property, plant and equipment	(62)	(49)
Gain on disposal of assets held for rental	(3,281)	(2,151)
Other non-cash items	6,368	4,911
Non-operating items	2,698	4,508
Operating profit before working capital changes	9,669	3,090
Changes in working capital	(11,184)	35,957
Tax paid, net of refunds	(2,802)	(1,437)
Retirement benefit paid	(116)	(338)
Proceeds from disposal of assets held for rental	17,659	21,449
Net cash generated from operating activities	13,226	58,721
Cash flows from investing activities		
Dividend received from jointly controlled entities	560	560
Purchase of property, plant and equipment	(10,481)	(16,617)
Purchase of intangible assets	(250)	(116)
Proceeds from disposal of property, plant and equipment	356	144
Interest received	675	590
Net cash used in investing activities	(9,140)	(15,439)
Cash flows from financing activities		
Repayments of hire purchases	(5,472)	(9,869)
Drawdowns of bankers' acceptances	43,814	45,057
Repayments of bankers' acceptances	(37,397)	(62,646)
Drawdowns of term loans	1,222	1,696
Repayments of term loans	(403)	(271)
(Repayments) / drawdown of revolving credits	(500)	10,000
Repayments of lease liabilities	(1,867)	(1,649)
Interest paid	(3,373)	(5,098)
Investments by non-controlling interests	-	15,000
Net cash used in financing activities	(3,976)	(7,780)
Net changes in cash and cash equivalents	110	35,502
Cash and cash equivalents at beginning of year	115,028	88,217
Effects of exchange rate fluctuation on cash and cash equivalents	281	(779)
Cash and cash equivalents at end of period	115,419	122,940
Cash and cash equivalents comprise:		
Short term deposits	4,901	6,830
Cash at bank and in hand	51,203	56,886
Fixed deposits with licensed banks	60,160	60,465
Bank overdrafts	(845)	(1,241)
	115,419	122,940

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020. 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 2020.

Adoption of Standards, Amendments and Issues Committee (“IC”) Interpretations

During the current financial period, the Group has applied the following amendments and new standards that became effective mandatorily for the financial periods beginning on or after 1 January 2021:

- Amendment to MFRS 16, Leases – COVID-19-Related Rent Concessions
- Amendments to MFRS 9, Financial Instruments
- MFRS 139, Financial Instruments: Recognition and Measurement
- MFRS 7, Financial Instruments: Disclosures
- MFRS 4, Insurance contract
- MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

The adoption of the amendment and new standards did not have significant impact on the disclosures or on the amounts reported in the financial statements.

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

		<i>Effective Date</i>
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023 (1 January 2021)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023 (1 January 2022)
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above amendments and new standard is not expected to have any significant impact on the financial position and financial performance of the Group.



2. Audit qualification of financial statements

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

3. Seasonal or cyclical factors

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

4. Nature and amount of unusual items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income, or cash flows during the current quarter and year-to-date ended 30 June 2021.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the condensed interim financial statements in the current quarter and year-to-date ended 30 June 2021.

6. Debt and equity securities

There were no other issuances, repurchases and repayments of debt and equity securities, share cancellation and resale of treasury shares during the current quarter and year-to-date ended 30 June 2021.

7. Dividends paid

No dividend was paid during the current quarter and year-to-date ended 30 June 2021.

8. Operating segments

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

	← Year-To-Date Ended 30 June →									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
						Restated		Restated		
External revenue	82,224	62,741	36,039	36,209	45,786	24,670	6,964	5,698	171,013	129,318
Inter-segment revenue	-	-	-	37	-	-	-	-	-	37
Segment profit / (loss)	11,618	6,054	4,185	2,206	(2,682)	(2,447)	(927)	(658)	12,194	5,155
Segment assets	259,826	251,287	182,223	277,612	80,138	75,718	99,009	101,031	621,196	705,648
Segment liabilities	163,526	155,593	123,316	179,480	71,554	71,406	12,509	13,993	370,905	420,472

Operating segments (continued)

	Year-To-Date Ended 30 June	
	2021	2020
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	12,194	5,155
Depreciation and amortisation	(20,902)	(24,149)
Depreciation of right-of-use assets	(1,886)	(1,939)
Interest expense	(3,373)	(5,098)
Interest income	675	590
Non-reportable segment expenses	(1,336)	(773)
Share of loss from equity accounted investments, net of tax		
- associate	(165)	(274)
- jointly controlled entities	(4,049)	(3,729)
Consolidated loss before tax	<u>(18,842)</u>	<u>(30,217)</u>
Reconciliation of reportable segment assets		
Total assets for reportable segments	621,196	705,648
Assets for other non-reportable segment	7,961	5,941
Share of assets from equity accounted investments		
- associate	679	1,025
- jointly controlled entities	30,470	37,840
Consolidated assets	<u>660,306</u>	<u>750,454</u>
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	370,905	420,472
Liabilities for other non-reportable segment	9,975	8,500
Consolidated liabilities	<u>380,880</u>	<u>428,972</u>

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 2020.

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 9 December 2020.

11. Material subsequent event

There were no material events subsequent to the end of the current quarter and year-to-date ended 30 June 2021.

12. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter and year-to-date ended 30 June 2021.

13. Changes in contingent liabilities

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

14. Capital commitments

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

	As at 30.06.2021 RM'000	As at 30.06.2020 RM'000
Approved and contracted for	2,052	919
Approved but not contracted for	-	-

15. Operating lease commitments

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

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

	As at 30.06.2021 RM'000	As at 30.06.2020 RM'000
Not later than 1 year	32,565	29,281
Later than 1 year and not later than 5 years	23,780	41,701
	56,345	70,982



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 are deemed to have substantial interests are as follows:

	Individual quarter		Cumulative quarters	
	30.06.21 RM'000	30.06.20 RM'000	30.06.21 RM'000	30.06.20 RM'000
Sales of goods and services	6,840	6,303	17,868	11,870
Rental income	733	542	1,468	1,288
	<u>7,573</u>	<u>6,845</u>	<u>19,336</u>	<u>13,158</u>
Purchases goods and services	4,414	2,297	14,475	10,389
Rental expenses	577	449	1,182	1,070
Financing and leasing	-	18	-	36
	<u>4,991</u>	<u>2,764</u>	<u>15,657</u>	<u>11,495</u>

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

	Individual quarter		Cumulative quarters	
	30.06.21 RM'000	30.06.20 RM'000	30.06.21 RM'000	30.06.20 RM'000
Sales of goods and services	<u>-</u>	<u>1</u>	<u>(6)</u>	<u>7</u>
Purchases of goods	<u>-</u>	<u>-</u>	<u>-</u>	<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 (%)	Cumulative Quarter		Changes (%)
	Current Year	Preceding Year		Current Year	Preceding Year	
	30.06.2021	30.06.2020		30.06.2021	30.06.2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	72,853	54,375	34	171,013	129,318	32
Operating loss	(6,284)	(13,019)	(52)	(11,929)	(21,706)	(45)
Loss Before Interest and Tax	(9,091)	(16,161)	(44)	(16,144)	(25,709)	(37)
Loss Before Tax	(10,504)	(18,348)	(43)	(18,842)	(30,217)	(38)
Loss After Tax	(11,018)	(17,935)	(39)	(20,031)	(29,348)	(32)
Loss Attributable to Ordinary Equity Holders of the Company	(10,663)	(17,797)	(40)	(19,396)	(29,026)	(33)

6 months ended 30 June 2021

Group revenue increased to RM171.0 million from RM129.3 million registered for the corresponding period prior year, representing an increase of 32%, mainly contributed by Machinery and Automotive divisions. With the gradual reopening of certain business sectors despite the continuous enforcement of the movement control order (MCO) and coupled with the various stimulus packages implemented by government, this has boosted the local economy. Accordingly, the Group registered a lower loss before tax of RM18.8 million as compared to a loss before tax of RM30.2 million in the corresponding period prior year.

Machinery Division

Revenue from the Machinery Division increased to RM82.2 million from RM62.7 million compared to first half of prior year, representing an increase of 31.3%. Despite the MCO/FMCO, there was a slight recovery in certain sectors since the reopening of almost all economic sectors and coupled with the stimulus packages from government has contributed to the increase in demand for heavy machinery in the construction sector and forklift business in various sectors. As a result, segment profit increased to RM11.6 million from RM6.1 million registered in the corresponding period prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded an almost similar revenue of RM36.0 million as compared to RM36.2 million registered in the first half of prior year attributed to the continuous enforcement of FMCO/MCO. However, as a result of the cost rationalization and right-sizing efforts initiated since early 2020, the Travel and Car rental Division had improved its result with a higher segment profit of RM4.2 million as compared to RM2.2 million recorded in prior year.

Automotive Division

The Automotive Division recorded higher revenue of RM45.8 million compared to RM24.7 million registered in the first half of prior year due to sales of used vehicles to related parties. Despite the higher sales, this segment recorded slightly higher loss of RM2.7 million as compared to RM2.4 million in the corresponding period prior year mainly due to the slight drop in the gross profit margin and higher administrative expenses incurred by MUVM.

Jointly controlled entities

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, recorded a marginally higher loss after tax of RM4.0 million compared to the loss after tax of RM3.7 million in the corresponding period prior year, understandably due to the prolonged lockdowns imposed by government following the resurgence of COVID-19 cases coupled with cautious consumer spending amid the rise in the unemployment within the country exacerbated by the impact of Covid-19 pandemic.

3 months ended 30 June 2021

The Group recorded higher revenue at RM72.90 million in the second quarter of 2021 compared to RM54.4 million in the corresponding quarter prior year. A loss before tax of RM10.5 million was recorded compared to a loss before tax of RM18.3 million in corresponding quarter prior year. This was primarily due to the improved performance from Travel and Car Rental Division and Machinery division following the recovery of certain sectors since the reopening of almost all economics sectors despite the on-going the MCO / FMCO coupled with the stimulus packages implemented by the government. In addition, the cost cutting measures undertaken by the Group has also helped to contain the operating expenses.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30.06.2021	31.03.2021	
	RM'000	RM'000	
Revenue	72,853	98,160	(26)
Operating Loss	(6,284)	(5,645)	11
Loss Before Interest and Tax	(9,091)	(7,053)	29
Loss Before Tax	(10,504)	(8,338)	26
Loss After Tax	(11,018)	(9,013)	22
Loss Attributable to Ordinary Equity Holders of the Company	(10,663)	(8,733)	22

The Group revenue decreased by 26% to RM72.90 million as compared to RM98.2 million in the preceding quarter. The nationwide "total lockdown" from 01 June 2021 till 14 June 2021 which was further extended till 28 June 2021 gave rise to a challenging business environment and cautious consumer sentiment during this uncertain period. As a result, the Group recorded higher loss before tax of RM10.5 million as compared to RM8.3 million in the preceding quarter.

3. Group's Prospects

The COVID-19 pandemic continues to impact global economy, more so with the emergence of the deadlier Delta variant. This remains a significant factor impacting many businesses and economy of the country amidst the acceleration in the inoculation drive by the Government. On 15 June 2021, the Government has announced the National Recovery Plan (NRP) which is a four-phase exit strategy from the COVID-19 crisis. With the target of achieving herd immunity by October 2021, most states would likely move into phase four or the final phase of the country's COVID-19 exit strategy by then, at the earliest, whereby there would be total reopening of the economic and social sectors including uplift of travel ban within domestic and international borders.

Meanwhile, most of the Group's divisions, particularly Travel and Automotive businesses remain impacted by the on-going pandemic. These divisions continue to undertake the austerity measures to contain cost while engaging with the existing and potential customers on corporate incentive business and creating and promoting awareness on the newly launched activities and/or brands. The Machinery division is, however, more resilient and able to continue to perform and deliver satisfactory results. The Group is hopeful that the Government's intensified vaccination program would curtail the spread of COVID-19 infections thus giving the economy greater confidence to return to normalcy in near future.

The Group remains cautious and will continue to strengthen our fundamentals; including efforts to optimize resources, rationalize cost of operations, and review of business opportunities, in addressing market challenges.

4. Profit forecast

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

5. Tax expenses/(income)

	Quarter Ended		Year-To-Date Ended	
	30.06.21 RM'000	30.06.20 RM'000	30.06.21 RM'000	30.06.20 RM'000
Tax expenses / (income)				
Current year	941	398	1,705	576
Prior year	(66)	(91)	(83)	(91)
Deferred tax expense / (income)				
Current year	(558)	(295)	(633)	(567)
Prior year	197	(425)	200	(787)
	<u>514</u>	<u>(413)</u>	<u>1,189</u>	<u>(869)</u>

The tax expenses for the current quarter and year to date despite losses in the Group were mainly due to tax charges in certain profitable subsidiaries of the Company, certain expenses being disallowed for tax purposes and the absence of Group Tax Relief to utilise some of the tax losses in the subsidiaries of the Company.

6. Status of corporate proposals

There were no corporate proposals 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 30.06.2021		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	3,494	8,473	12,237
Unsecured			
- Term loan	4,003	851	4,854
- Revolving credits	-	171,483	171,483
- Bankers' acceptances	-	23,519	23,519
- Bank overdrafts	-	845	845
	4,003	196,698	200,701
Total borrowings	7,497	205,441	212,938
Breakdown by currencies:			
RM (Ringgit Malaysia)	4,794	204,590	209,384
MMK (Burmese Kyat)	2,703	851	3,554
	7,497	205,441	212,938

	As at 30.06.2020		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	8,848	10,475	19,323
Unsecured			
- Term loan	2,912	798	3,710
- Revolving credits	-	186,983	186,983
- Bankers' acceptances	-	22,787	22,787
- Bank overdrafts	-	1,241	1,241
	2,912	211,809	214,721
Total borrowings	11,760	222,284	234,044
Breakdown by currencies:			
RM (Ringgit Malaysia)	8,848	221,486	230,334
MMK (Burmese Kyat)	2,912	798	3,710
	11,760	222,284	234,044

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 second quarter ended 30 June 2021.

10. Loss per share

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

	Quarter Ended		Year-To-Date Ended	
	30.06.21	30.06.20	30.06.21	30.06.20
Loss attributable to owners of the Company (RM'000)	10,663	17,797	19,396	29,026
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	65,101	65,101	65,101	65,101
Effect of share buyback	-	-	-	-
At end of period	65,101	65,101	65,101	65,101
Basic loss per share (sen)	16.38	27.34	29.79	44.59

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Quarter Ended		Year-To-Date Ended	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Interest Income	(244)	(300)	(675)	(590)
Interest expenses	1,657	2,487	3,373	5,098
Depreciation and amortization	11,209	12,611	22,788	26,088
Allowance for doubtful debts	157	-	232	-
Bad debts written off	-	-	3	147
Write back of allowance for doubtful debts	(19)	-	(57)	-
Inventories written down	1,141	-	1,141	-
Loss/(Gain) on disposal of property, plant and equipment	19	17	(62)	(49)
Gain on disposal of assets held for rental	(1,626)	(18)	(3,281)	(2,151)
Net unrealized loss/(gain) on foreign exchange	181	(19)	247	173



12. Derivative financial instruments

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

As at 30 June 2021, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Notional amount 30.06.21 RM'000	Fair value assets/ (liabilities) 30.06.21 RM'000
Less than 1 year	<u>93,739</u>	<u>135</u>

BY ORDER OF THE BOARD
ANG LAY BEE
Company Secretary
Kuala Lumpur
26 August 2021