



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 SEPTEMBER 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 SEPTEMBER 2021

	Quarter Ended			Year-to-date Ended		
	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes
	RM'000	RM000	%	RM'000	RM000	%
Revenue	81,260	82,609	(2)	252,272	211,927	19
Cost of sales	(64,085)	(65,612)	(2)	(201,020)	(164,468)	22
Gross profit	17,175	16,997	1	51,252	47,459	8
Other income	2,947	1,161	154	4,061	2,855	42
Selling and distribution expenses	(7,142)	(8,798)	(19)	(22,664)	(25,868)	(12)
Administrative and general expenses	(14,060)	(16,411)	(14)	(45,660)	(53,203)	(14)
Interest expense	(1,754)	(2,243)	(22)	(5,127)	(7,341)	(30)
Interest income	309	388	(20)	984	978	1
Share of loss of equity-accounted associates, net of tax	(68)	(105)	(35)	(233)	(379)	(39)
Share of loss of equity-accounted jointly controlled entities, net of tax	(1,901)	(1,186)	60	(5,949)	(4,915)	21
Loss before tax	(4,494)	(10,197)	(56)	(23,336)	(40,414)	(42)
Tax (expenses) / income	(1,096)	838	(231)	(2,284)	1,707	(234)
Loss for the period	(5,590)	(9,359)	(40)	(25,620)	(38,707)	(34)
Loss attributable to :						
Owners of the Company	(5,235)	(9,067)	(42)	(24,630)	(38,093)	(35)
Non-controlling interests	(355)	(292)	22	(990)	(614)	61
	(5,590)	(9,359)	(40)	(25,620)	(38,707)	(34)
Loss per share (sen) attributable to owners of the Company:						
- Basic	8.04	13.93		37.83	58.51	
- 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
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 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021

	Quarter Ended			Year-to-date Ended		
	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes
	RM'000	RM000	%	RM'000	RM000	%
Loss for the period	(5,590)	(9,359)	(40)	(25,620)	(38,707)	(34)
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	19	56	(66)	455	326	40
Foreign exchange differences from translation	155	(86)	(280)	273	310	(12)
Total other comprehensive income / (loss), net of tax	174	(30)	(680)	728	636	14
Total comprehensive loss for the period	(5,416)	(9,389)	(42)	(24,892)	(38,071)	(35)
Total comprehensive loss for the period attributable to :						
Owners of the Company	(5,061)	(9,097)	(44)	(23,902)	(37,457)	(36)
Non-controlling interests	(355)	(292)	22	(990)	(614)	61
	(5,416)	(9,389)	(42)	(24,892)	(38,071)	(35)

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 SEPTEMBER 2021

	As at 30.09.2021 RM'000	As at 31.12.2020 RM000
ASSETS		
Property, plant and equipment	218,903	248,198
Right-of-use assets	3,441	4,404
Investment property	43,500	43,500
Investments in associates	634	815
Investments in jointly controlled entities	28,749	35,078
Other investments	6	6
Lease receivables	3,159	2,923
Deferred tax asset	6,180	6,196
Intangible assets	12,172	12,232
Total non-current assets	316,744	353,352
Inventories	137,691	113,894
Receivables, deposits and prepayments	109,986	100,411
Derivative financial asset	66	-
Current tax asset	4,607	1,673
Cash and cash equivalents	103,580	115,908
Total current assets	355,930	331,886
TOTAL ASSETS	672,674	685,238
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	30,269	29,931
Retained earnings	157,366	181,607
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	250,622	274,525
Non-controlling interests	23,389	24,379
TOTAL EQUITY	274,011	298,904
LIABILITIES		
Deferred tax liability	15,705	14,671
Employee benefits	11,605	10,918
Lease liabilities	518	888
Hire purchase liabilities	2,614	6,634
Loans and borrowings	3,642	3,802
Total non-current liabilities	34,084	36,913
Payables and accruals	127,115	132,138
Contract liabilities	10,065	11,307
Lease liabilities	3,084	3,684
Hire purchase liabilities	7,209	9,718
Loans and borrowings	215,687	190,707
Derivative financial liability	50	440
Current tax liability	1,369	1,427
Total current liabilities	364,579	349,421
TOTAL LIABILITIES	398,663	386,334
TOTAL EQUITY AND LIABILITIES	672,674	685,238
	RM	RM
Net assets per share attributable to owners of the Company	3.85	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 SEPTEMBER 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	-	-	-	273	-	-	-	273	-	273
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	455	-	-	455	-	455
Total other comprehensive income, net of tax	-	-	-	273	455	-	-	728	-	728
Loss for the period	-	-	-	-	-	-	(24,630)	(24,630)	(990)	(25,620)
Total comprehensive loss for the period	-	-	-	273	455	-	(24,630)	(23,902)	(990)	(24,892)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(390)	390	-	-	-
At 30 September 2021	67,200	(4,213)	(40,999)	3,201	121	67,946	157,366	250,622	23,389	274,011

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

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 SEPTEMBER 2021**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total Equity		
	Share capital	Treasury shares	← Non-distributable →			Distributable Retained earnings	Total				Non-controlling interests	Total Equity
			Merger reserve	Translation reserve	Hedging reserve							
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000			
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	-	-	-	310	-	-	-	310	-	310		
Change in fair value of cash flow hedge	-	-	-	-	326	-	-	326	-	326		
Total other comprehensive income, net of tax	-	-	-	310	326	-	-	636	-	636		
Loss for the period	-	-	-	-	-	-	(38,093)	(38,093)	(614)	(38,707)		
Total comprehensive loss for the period	-	-	-	310	326	-	(38,093)	(37,457)	(614)	(38,071)		
Investments by non-controlling interests	-	-	-	-	-	-	-	-	15,000	15,000		
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(294)	294	-	-	-		
At 30 September 2020	67,200	(4,213)	(40,999)	3,657	39	53,810	207,058	286,552	25,541	312,093		

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 SEPTEMBER 2021

	Quarter and	
	Year-To-Date Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash flow from operating activities		
Loss before tax	(23,336)	(40,414)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	31,007	35,405
Depreciation of right-of-use assets	2,771	2,891
Property, plant and equipment written off	-	151
Gain on disposal of property, plant and equipment	(60)	(227)
Gain on disposal of assets held for rental	(4,038)	(3,679)
Other non-cash items	9,925	6,261
Non-operating items	4,143	6,363
Operating profit before working capital changes	20,412	6,751
Changes in working capital	(42,859)	40,876
Tax paid, net of refunds	(4,219)	395
Retirement benefit paid	(196)	(581)
Proceeds from disposal of assets held for rental	20,187	37,414
Net cash (used in) / generated from operating activities	(6,675)	84,855
Cash flows from investing activities		
Investments in jointly controlled entities	(180)	-
Dividend received from jointly controlled entities	560	560
Purchase of property, plant and equipment	(16,561)	(23,541)
Purchase of intangible assets	(407)	(143)
Proceeds from disposal of property, plant and equipment	355	603
Interest received	984	978
Net cash used in investing activities	(15,249)	(21,543)
Cash flows from financing activities		
Repayments of hire purchases	(8,366)	(13,064)
Drawdowns of bankers' acceptances	88,940	47,506
Repayments of bankers' acceptances	(58,639)	(62,485)
Drawdowns of term loans	1,157	1,696
Repayments of term loans	(547)	(439)
(Repayments) / drawdown of revolving credits	(5,500)	8,000
Repayments of lease liabilities	(2,779)	(2,608)
Interest paid	(5,127)	(7,341)
Investments by non-controlling interests	-	15,000
Net cash generated from / (used in) financing activities	9,139	(13,735)
Net changes in cash and cash equivalents	(12,785)	49,577
Cash and cash equivalents at beginning of year	115,028	88,217
Effects of exchange rate fluctuation on cash and cash equivalents	368	(559)
Cash and cash equivalents at end of period	102,611	137,235
Cash and cash equivalents comprise:		
Short term deposits	10,398	6,534
Cash at bank and in hand	48,296	54,250
Fixed deposits with licensed banks	44,886	78,349
Bank overdrafts	(969)	(1,898)
	102,611	137,235

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
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
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 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 September 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 September 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 September 2021.

7. Dividends paid

No dividend was paid during the current quarter and year-to-date ended 30 September 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 September →									
	<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	125,281	104,919	49,632	51,864	69,378	46,555	7,981	8,589	252,272	211,927
Inter-segment revenue	-	-	-	39	-	-	-	-	-	39
Segment profit / (loss)	17,740	13,676	7,617	688	(4,661)	(2,800)	1,843	(637)	22,539	10,927
Segment assets	269,148	253,698	173,006	250,289	91,495	77,295	100,862	98,264	634,511	679,546
Segment liabilities	181,049	154,961	115,828	161,364	77,953	75,860	13,321	9,590	388,151	401,775

Operating segments (continued)

	<u>Year-To-Date Ended 30 September</u>	
	2021	2020
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	22,539	10,927
Depreciation and amortisation	(31,007)	(35,405)
Depreciation of right-of-use assets	(2,771)	(2,891)
Interest expense	(5,127)	(7,341)
Interest income	984	978
Non-reportable segment expenses	(1,772)	(1,388)
Share of loss from equity accounted investments, net of tax		
- associate	(233)	(379)
- jointly controlled entities	(5,949)	(4,915)
Consolidated loss before tax	(23,336)	(40,414)
Reconciliation of reportable segment assets		
Total assets for reportable segments	634,511	679,546
Assets for other non-reportable segment	8,780	5,392
Share of assets from equity accounted investments		
- associate	634	920
- jointly controlled entities	28,749	36,654
Consolidated assets	672,674	722,512
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	388,151	401,775
Liabilities for other non-reportable segment	10,512	8,644
Consolidated liabilities	398,663	410,419

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 September 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 September 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 30.09.2021 RM'000	As at 30.09.2020 RM'000
Approved and contracted for	3,921	1,133
Approved but not contracted for	3,945	-

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 30.09.2021 RM'000	As at 30.09.2020 RM'000
Not later than 1 year	31,007	35,922
Later than 1 year and not later than 5 years	22,503	29,686
	53,510	65,608



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	
	30.09.21 RM'000	30.09.20 RM'000	30.09.21 RM'000	30.09.20 RM'000
Sales of goods and services	14,744	4,506	32,612	16,376
Rental income	729	700	2,197	1,988
	15,473	5,206	34,809	18,364
Purchases of goods and services	12,302	2,318	26,777	12,707
Rental expenses	573	594	1,755	1,664
Financing and leasing	-	17	-	53
	12,875	2,929	28,532	14,424

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

	Individual quarter		Cumulative quarters	
	30.09.21 RM'000	30.09.20 RM'000	30.09.21 RM'000	30.09.20 RM'000
Sales of goods and services	-	4	(6)	11
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	
	30.09.2021	30.09.2020		30.09.2021	30.09.2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	81,260	82,609	(2)	252,272	211,927	19
Operating loss	(1,080)	(7,051)	(85)	(13,011)	(28,757)	(55)
Loss Before Interest and Tax	(3,049)	(8,342)	(63)	(19,193)	(34,051)	(44)
Loss Before Tax	(4,494)	(10,197)	(56)	(23,336)	(40,414)	(42)
Loss After Tax	(5,590)	(9,359)	(40)	(25,620)	(38,707)	(34)
Loss Attributable to Ordinary Equity Holders of the Company	(5,235)	(9,067)	(42)	(24,630)	(38,093)	(35)

9 months ended 30 September 2021

Group's revenue increased to RM252.3 million from RM211.9 million registered for the corresponding period prior year, representing an increase of 19%, 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), this has somewhat boosted the local economy. Accordingly, the Group registered a lower loss before tax of RM23.3 million as compared to a loss before tax of RM40.4 million in the corresponding period prior year; partly also due to the continuous cost optimisation measures undertaken by the Group.

Machinery Division

Revenue from the Machinery Division increased to RM125.3 million from RM104.9 million registered during the first nine months of prior year, representing an increase of 19.4%. Despite the MCO, there was a slight recovery in certain sectors since the easing of operation of almost all economic sectors, coupled with the stimulus packages from the government has contributed to the increase in demand for heavy machinery and forklift businesses in various sectors. As a result, segment profit increased to RM17.7 million from RM13.7 million registered in the corresponding period prior year.

Travel and Car Rental Division

The Travel and Car Rental Division recorded a slightly lower revenue of RM49.6 million as compared to RM51.9 million registered in the first nine months of prior year attributed to the continuous enforcement of MCO. However, as a result of the cost rationalization and right-sizing efforts initiated since early 2020, the Travel and Car rental Division had managed to improve its result with a higher segment profit of RM7.6 million as compared to RM0.7 million recorded in prior year.

Automotive Division

The Automotive Division recorded higher revenue of RM69.4 million compared to RM46.6 million registered in the first nine months of prior year mainly due to changes in the recognition of sales by MUVVM. In the past, when the seller and buyer concluded the sales transactions vide the bidding platform, MUVVM would only recognize the sellers' and buyers' premium as revenue. However, following the changes in the transfer of ownership risk of the vehicles, MUVVM will recognize the sales of vehicles by the seller as purchases and subsequently, upon transferring the vehicles to the ultimate buyer, the transaction would be taken up as sales. This practice was adopted towards late second quarter of the year. Due to the continuous enforcement of lockdowns, the division was affected with most sales and promotional activities been held back and accordingly, recorded a higher loss of RM4.7 million as compared to RM2.8 million in the corresponding period prior year.

Jointly controlled entities

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, recorded a higher loss after tax of RM5.9 million compared to the loss after tax of RM4.9 million in the corresponding period prior year, understandably due to the prolonged lockdowns imposed by government 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 September 2021

The Group recorded lower revenue at RM81.3 million in the third quarter of 2021 compared to RM82.6 million in the corresponding quarter prior year. A loss before tax of RM4.5 million was recorded compared to a loss before tax of RM10.2 million in corresponding quarter prior year. This was primarily due to the compensation received from Mitsubishi Motors Malaysia Sdn Bhd for shortfall in contracted volume and the continuous efforts on curtailing wastages, cost optimisation as well as right sizing of its operations and structures in order to improve productivities and efficiencies.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30.09.2021	30.06.2021	
	RM'000	RM'000	
Revenue	81,260	72,853	12
Operating Loss	(1,080)	(6,284)	(83)
Loss Before Interest and Tax	(3,049)	(9,091)	(66)
Loss Before Tax	(4,494)	(10,504)	(57)
Loss After Tax	(5,590)	(11,018)	(49)
Loss Attributable to Ordinary Equity Holders of the Company	(5,235)	(10,663)	(51)

The Group's revenue increased by 12% to RM81.3 million as compared to RM72.9 million in the preceding quarter. In this quarter, most of the states entered into various phases of the four-phase National Recovery Plan (NRP), which was introduced to help the country emerge from the COVID-19 pandemic and its economic fallout. On 10 September 2021, Selangor, Kuala Lumpur and Putrajaya successfully moved to Phase 2, with inter district travel permitted for fully-vaccinated individuals. With easing of movement and gradual reopening of the economic sectors, this has helped to spur the business activities of the nation. Advertently, the performance of the Group improved and recorded lower loss before tax of RM4.5 million as compared to RM10.5 million in the preceding quarter.

3. Group's Prospects

Malaysia's economy shrank 4.5% in the third quarter, contracting more than expected after its rebound in the second quarter, but it is expected a quick recovery as coronavirus restrictions are eased and economic activities resume. While the country is expected to fully reopen its economy by end of 2021, we believe that Malaysia's economy is expecting a strong recovery in the coming quarters as restrictions are eased further and normal economic life returns as more people are vaccinated. This will also be supported by robust fiscal policy, with the recent 2022 budget targeting economic resurgence in the country. Various key indicators point to strong recovery momentum, especially as the nation enters Q4 2021 which include improvements in the labour market.

While the economic outlook seems promising moving forward, the Group remains cautious and vigilant as we believe that the nation is not totally out of the woods yet due to the possibility of emergence of more severe and vaccine-resistant Covid-19 VOCs (Variants of Concern) which could lead to widespread lockdowns. As precautionary measures, the Group continues to undertake austerity drives 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. On 13 October 2021, the Automotive division officially launched a new brand of pick-up truck under the collaboration arrangement with Jiangling Motors Corporation Ltd., which, at this juncture, has garnered encouraging results. The Machinery division is, however, more resilient and able to continue to perform and deliver satisfactory results.

The Group remains positive and 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	
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Tax expenses / (income)				
Current year	(465)	(185)	1,240	391
Prior year	5	8	(79)	(83)
Deferred tax expense / (income)				
Current year	1,167	(647)	534	(1,214)
Prior year	389	(14)	589	(801)
	<u>1,096</u>	<u>(838)</u>	<u>2,284</u>	<u>(1,707)</u>

The tax expenses for the current 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 30.09.2021		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	2,614	7,209	9,823
Unsecured			
- Term loan	3,642	832	4,474
- Revolving credits	-	166,483	166,483
- Bankers' acceptances	-	47,403	47,403
- Bank overdrafts	-	969	969
	3,642	215,687	219,329
Total borrowings	6,256	222,896	229,152
Breakdown by currencies:			
RM (Ringgit Malaysia)	3,914	222,064	225,978
MMK (Burmese Kyat)	2,342	832	3,174
	6,256	222,896	229,152

	As at 30.09.2020		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	7,862	10,420	18,282
Unsecured			
- Term loan	2,758	833	3,591
- Revolving credits	-	184,983	184,983
- Bankers' acceptances	-	25,397	25,397
- Bank overdrafts	-	1,898	1,898
	2,758	213,111	215,869
Total borrowings	10,620	223,531	234,151
Breakdown by currencies:			
RM (Ringgit Malaysia)	7,862	222,698	230,560
MMK (Burmese Kyat)	2,758	833	3,591
	10,620	223,531	234,151

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 third quarter ended 30 September 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	
	30.09.21	30.09.20	30.09.21	30.09.20
Loss attributable to owners of the Company (RM'000)	5,235	9,067	24,630	38,093
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	65,100	65,101	65,100	65,101
Effect of share buyback	-	(1)	-	(1)
At end of period	65,100	65,100	65,100	65,100
Basic loss per share (sen)	8.04	13.93	37.83	58.51

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	
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Interest Income	(309)	(388)	(984)	(978)
Interest expenses	1,754	2,243	5,127	7,341
Depreciation and amortization	10,989	12,208	33,778	38,296
Allowance for doubtful debts	1,241	90	1,473	90
Bad debts written off	5	2	8	149
Write back of allowance for doubtful debts	(141)	(148)	(197)	(148)
Inventories written down	-	-	1,141	-
Loss/(Gain) on disposal of property, plant and equipment	2	(178)	(60)	(227)
Gain on disposal of assets held for rental	(757)	(1,528)	(4,038)	(3,679)
Net unrealized loss/(gain) on foreign exchange	189	179	437	(6)



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.

The notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Year-To-Date Ended 30.09.21		Year-To-Date Ended 30.09.20	
	Notional amount	Fair value assets/ (liabilities)	Notional amount	Fair value assets/ (liabilities)
	RM'000	RM'000	RM'000	RM'000
Less than 1 year	37,129	16	17,254	(52)

BY ORDER OF THE BOARD
ANG LAY BEE
Company Secretary
Kuala Lumpur
25 November 2021