



WARISAN TC HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 ENDED 31 DECEMBER 2021

	Quarter Ended			Year Ended		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	122,359	83,351	47	361,965	295,278	23
Cost of sales	(101,410)	(71,157)	43	(289,764)	(235,625)	23
Gross profit	20,949	12,194	72	72,201	59,653	21
Other income	882	560	57	4,943	3,415	45
Selling and distribution expenses	(8,474)	(8,688)	(2)	(31,139)	(34,556)	(10)
Administrative and general expenses	(18,374)	(17,316)	6	(64,034)	(70,519)	(9)
Interest expense	(1,551)	(1,946)	(20)	(6,678)	(9,287)	(28)
Interest income	279	308	(9)	1,263	1,286	(2)
Fair value loss on investment property	-	(1,900)	(100)	-	(1,900)	(100)
Share of loss of equity-accounted associates, net of tax	(85)	(105)	(19)	(318)	(484)	(34)
Share of profit/(loss) of equity-accounted jointly controlled entities, net of tax	2,821	(1,569)	(280)	(3,128)	(6,484)	(52)
Loss before tax	(3,553)	(18,462)	(81)	(26,890)	(58,876)	(54)
Tax income / (expenses)	(3,762)	(8,388)	(55)	(6,046)	(6,681)	(10)
Loss for the period / financial year	(7,315)	(26,850)	(73)	(32,936)	(65,557)	(50)
Loss attributable to :						
Owners of the Company	(7,048)	(25,688)	(73)	(31,678)	(63,781)	(50)
Non-controlling interests	(267)	(1,162)	(77)	(1,258)	(1,776)	(29)
	(7,315)	(26,850)	(73)	(32,936)	(65,557)	(50)
Loss per share (sen) attributable to owners of the Company:						
- Basic	10.83	39.46		48.66	97.97	
- 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 ENDED 31 DECEMBER 2021

	Quarter Ended			Year Ended		
	31.12.2021	31.12.2020	Changes	31.12.2021	31.12.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Loss for the period / financial year	(7,315)	(26,850)	(73)	(32,936)	(65,557)	(50)
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	(373)	(373)	0	81	(47)	(273)
Foreign exchange differences from translation	(198)	(729)	(73)	74	(419)	(118)
	(571)	(1,102)	(48)	155	(466)	(133)
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of retirement benefits obligation	36	145	(75)	36	145	(75)
Revaluation of property, plant and equipment	-	14,624	-	-	14,624	-
Share of other comprehensive income / (loss) of equity-accounted jointly controlled entities	(9)	(7)	(29)	(9)	(7)	(29)
Total other comprehensive (loss) / income, net of tax	(544)	13,660	(104)	182	14,296	(99)
Total comprehensive loss for the period / financial year	(7,859)	(13,190)	(40)	(32,754)	(51,261)	(36)
Total comprehensive loss for the period / financial year attributable to :						
Owners of the Company	(7,592)	(12,028)	(37)	(31,496)	(49,485)	(36)
Non-controlling interests	(267)	(1,162)	(77)	(1,258)	(1,776)	(29)
	(7,859)	(13,190)	(40)	(32,754)	(51,261)	(36)

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 31 DECEMBER 2021

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
ASSETS		
Property, plant and equipment	215,090	248,198
Right-of-use assets	3,209	4,404
Investment property	43,500	43,500
Investments in associates	561	815
Investments in jointly controlled entities	31,382	35,078
Other investments	186	6
Lease receivables	2,669	2,923
Deferred tax asset	6,066	6,195
Intangible assets	10,715	12,232
Total non-current assets	313,378	353,351
Inventories	133,838	113,894
Receivables, deposits and prepayments	94,713	100,411
Derivative financial asset	10	-
Current tax asset	3,182	1,673
Cash and cash equivalents	101,995	115,908
Total current assets	333,738	331,886
TOTAL ASSETS	647,116	685,237
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	29,553	29,931
Retained earnings	150,503	181,606
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	243,043	274,524
Non-controlling interests	23,106	24,379
TOTAL EQUITY	266,149	298,903
LIABILITIES		
Deferred tax liability	15,869	14,671
Employee benefits	12,048	10,918
Lease liabilities	321	888
Hire purchase liabilities	3,556	6,634
Loans and borrowings	2,081	3,802
Total non-current liabilities	33,875	36,913
Payables and accruals	114,635	132,138
Contract liabilities	10,447	11,307
Lease liabilities	3,059	3,684
Hire purchase liabilities	5,911	9,718
Loans and borrowings	211,602	190,707
Derivative financial liability	342	440
Current tax liability	1,096	1,427
Total current liabilities	347,092	349,421
TOTAL LIABILITIES	380,967	386,334
TOTAL EQUITY AND LIABILITIES	647,116	685,237
	RM	RM
Net assets per share attributable to owners of the Company	3.73	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 ENDED 31 DECEMBER 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	-	-	-	74	-	-	-	74	-	74
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	36	36	-	36
Change in fair value of cash flow hedge	-	-	-	-	81	-	-	81	-	81
Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted joint venture	-	-	-	-	-	-	(9)	(9)	-	(9)
Total other comprehensive income, net of tax	-	-	-	74	81	-	27	182	-	182
Loss for the financial year	-	-	-	-	-	-	(31,678)	(31,678)	(1,258)	(32,936)
Total comprehensive loss for the financial year	-	-	-	74	81	-	(31,651)	(31,496)	(1,258)	(32,754)
Changes in Non-controlling interest	-	-	-	-	-	-	15	15	(15)	-
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(533)	533	-	-	-
At 31 December 2021	67,200	(4,213)	(40,999)	3,002	(253)	67,803	150,503	243,043	23,106	266,149

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 CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**

	← Attributable to owners of the Company →								Non-controlling interests	Total Equity
	Share capital	Treasury shares	Non-distributable				Distributable Retained earnings	Total		
			Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve				
RM000	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	-	-	-	(419)	-	-	-	(419)	-	(419)
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	145	145	-	145
Change in fair value of cash flow hedge	-	-	-	-	(47)	-	-	(47)	-	(47)
Revaluation of property, plant and equipment	-	-	-	-	-	14,624	-	14,624	-	14,624
Share of other comprehensive loss of equity-accounted joint venture	-	-	-	-	-	-	(7)	(7)	-	(7)
Total other comprehensive income, net of tax	-	-	-	(419)	(47)	14,624	138	14,296	-	14,296
Loss for the financial year	-	-	-	-	-	-	(63,781)	(63,781)	(1,776)	(65,557)
Total comprehensive loss for the financial year	-	-	-	(419)	(47)	14,624	(63,643)	(49,485)	(1,776)	(51,261)
Investments by non-controlling interests	-	-	-	-	-	-	-	-	15,000	15,000
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(392)	392	-	-	-
At 31 December 2020	67,200	(4,213)	(40,999)	2,928	(334)	68,336	181,606	274,524	24,379	298,903

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)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Quarter and Year Ended	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash flow from operating activities		
Loss before tax	(26,890)	(58,876)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	41,180	47,144
Depreciation of right-of-use assets	3,510	4,413
Property, plant and equipment written off	121	347
Fair value loss on investment property	-	1,900
Gain on disposal of property, plant and equipment	(307)	(244)
Gain on disposal of assets held for rental	(6,294)	(4,993)
Goodwill written off	490	-
Interest expense	6,675	9,287
Interest income	(1,207)	(1,286)
Other non-cash items	10,893	11,506
Operating profit before working capital changes	28,171	9,198
Changes in working capital	(37,160)	44,592
Interest received	778	728
Tax paid, net of refunds	(6,707)	(4,302)
Retirement benefit paid	(272)	(774)
Proceeds from disposal of assets held for rental	26,380	48,007
Net cash generated from operating activities	11,190	97,449
Cash flows from investing activities		
Investments in unquoted shares entity	(180)	-
Dividend received from jointly controlled entities	560	560
Purchase of property, plant and equipment	(29,351)	(31,048)
Purchase of intangible assets	(473)	(290)
Proceeds from disposal of property, plant and equipment	703	597
Interest received	429	558
Net cash used in investing activities	(28,312)	(29,623)
Cash flows from financing activities		
Drawdowns of bankers' acceptances	123,856	60,743
Drawdowns of term loans	1,137	3,111
Drawdowns of hire purchases	4,138	5,398
Drawdowns of revolving credits	206,000	202,000
Repayments of bankers' acceptances	(93,038)	(84,017)
Repayments of term loans	(1,482)	(600)
Repayments of hire purchases	(11,022)	(21,816)
Repayments of revolving credits	(216,500)	(207,000)
Repayments of lease liabilities	(3,507)	(4,841)
Interest paid	(6,675)	(8,952)
Investments by non-controlling interests	-	15,000
Net cash used in financing activities	2,907	(40,974)
Net changes in cash and cash equivalents	(14,215)	26,852
Cash and cash equivalents at beginning of year	115,028	88,217
Effects of exchange rate fluctuation on cash and cash equivalents	377	(41)
Cash and cash equivalents at 31 December	101,190	115,028
Cash and cash equivalents comprise:		
Short term deposits	4,434	6,224
Cash at bank and in hand	46,703	48,610
Fixed deposits with licensed banks	50,858	61,074
Bank overdrafts	(805)	(880)
	101,190	115,028

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 amendments 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 31 December 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 31 December 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 31 December 2021.

7. Dividends paid

No dividend was paid during the current quarter and year-to-date ended 31 December 2021.



8. Operating segments

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

	← Year Ended 31 December →									
	<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
External revenue	169,829	148,833	52,224	64,122	130,538	71,960	9,374	10,363	361,965	295,278
Inter-segment revenue	-	-	-	39	-	-	-	-	-	39
Segment profit / (loss)	23,614	21,619	11,508	(4,811)	(7,294)	(4,946)	1,829	(1,940)	29,657	9,922
Segment assets	248,678	258,884	162,121	215,088	101,944	75,613	95,766	96,345	608,509	645,930
Segment liabilities	171,823	153,129	109,026	144,604	82,244	71,285	7,736	8,841	370,829	377,859

Operating segments (continued)

	<u>Year Ended 31 December</u>	
	2021	2020
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	29,657	9,922
Depreciation and amortisation	(41,180)	(47,144)
Depreciation of right-of-use assets	(3,510)	(4,413)
Interest expense	(6,678)	(9,287)
Interest income	1,263	1,286
Non-reportable segment expenses	(2,996)	(2,272)
Share of loss from equity accounted investments, net of tax		
- associate	(318)	(484)
- jointly controlled entities	(3,128)	(6,484)
Consolidated loss before tax	(26,890)	(58,876)
Reconciliation of reportable segment assets		
Total assets for reportable segments	608,509	645,930
Assets for other non-reportable segment	6,664	3,414
Share of assets from equity accounted investments		
- associate	561	815
- jointly controlled entities	31,382	35,078
Consolidated assets	647,116	685,237
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	370,829	377,859
Liabilities for other non-reportable segment	10,138	8,475
Consolidated liabilities	380,967	386,334

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 8 November 2021.

11. Material subsequent event

There were no material events subsequent to the end of the current quarter and year-to-date ended 31 December 2021.

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 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 31.12.2021 RM'000	As at 31.12.2020 RM'000
Approved and contracted for	<u>5,958</u>	<u>841</u>
Approved but not contracted for	<u>-</u>	<u>-</u>

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 31.12.2021 RM'000	As at 31.12.2020 RM'000
Not later than 1 year	29,159	33,720
Later than 1 year and not later than 5 years	<u>24,828</u>	<u>28,534</u>
	<u>53,987</u>	<u>62,254</u>



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	
	31.12.21 RM'000	31.12.20 RM'000	31.12.21 RM'000	31.12.20 RM'000
Sales of goods and services	20,226	10,602	52,838	27,220
Rental income	680	734	2,877	2,722
	20,906	11,336	55,715	29,942
Purchases goods and services	36,515	6,021	63,292	18,486
Rental expenses	280	542	2,035	2,206
Financing and leasing	-	1	-	54
	36,795	6,564	65,327	20,746

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

	Individual quarter		Cumulative quarters	
	31.12.21 RM'000	31.12.20 RM'000	31.12.21 RM'000	31.12.20 RM'000
Sales of goods and services	1	-	(5)	12
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	
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	122,359	83,351	47	361,965	295,278	23
Operating loss	(5,017)	(13,250)	(62)	(18,029)	(42,007)	(57)
Loss Before Interest and Tax	(2,281)	(16,824)	(86)	(21,475)	(50,875)	(58)
Loss Before Tax	(3,553)	(18,462)	(81)	(26,890)	(58,876)	(54)
Loss After Tax	(7,315)	(26,850)	(73)	(32,936)	(65,557)	(50)
Loss Attributable to Ordinary Equity Holders of the Company	(7,048)	(25,688)	(73)	(31,678)	(63,781)	(50)

Year ended 31 December 2021

Despite the Covid-19 pandemic being far from over, the Malaysian economy is on the recovery trajectory with the gradual reopening of economic and social sectors. For the whole year of 2021, the economy advanced 3.1%, recovering from a 5.6% fall in 2020 (Source : Department of Statistics Malaysia) . The Group registered an increase of 23% in revenue from RM295.3 million a year ago to RM362.0 million, mainly contributed by Automotive and Machinery divisions. In tandem with this and augmented by the continuous cost optimisation measures undertaken by the Group coupled with lower losses from the jointly controlled entities, loss before tax reduced from RM58.9 million in prior year to RM26.9 million.

Machinery Division

Revenue from the Machinery Division increased to RM169.8 million from RM148.8 million registered in prior year, representing an increase of 14.1%. The recovery in most economic sectors since the easing of virus containment measures despite the various phases of lockdowns, 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 RM23.6 million from RM21.6 million registered in prior year.

Travel and Car Rental Division

Despite the gradual reopening of the various sectors, the Travel and Car Rental Division has yet to return to normality. Accordingly, the Division recorded a decrease in revenue to RM52.2 million from RM64.1 million a year ago. However, as a result of the cost rationalization and right-sizing efforts initiated since early 2020, the Division managed to improve its result with a segment profit of RM11.5 million as compared to segment loss of RM4.8 million recorded in prior year.

Automotive Division

The Automotive Division recorded higher revenue of RM130.5 million compared to RM72.0 million registered in prior year mainly due to changes in the recognition of sales by MUVM. In the past, when the seller and buyer concluded the sales transactions vide the bidding platform, MUVM would only recognize the seller's and buyer's premium as revenue. However, following the changes in the business model which involved transfer of ownership risk of the vehicles, MUVM began recognising 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.

Due to the continuous enforcement of lockdowns throughout the year, the Division could not proceed with most sales and promotional activities especially in the first 3 quarters which affected its performance. Accordingly, the Division posted a higher loss of RM7.3 million as compared to RM4.9 million loss in prior year.

Jointly controlled entities

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, recorded a lower loss after tax of RM3.1 million compared to the loss after tax of RM6.5 million registered in prior year. The improvement in the result is attributed to the better performance of Wacoal towards last quarter of 2021 and the gain derived from sales of a brand by Shiseido.

3 months ended 31 December 2021

With the relaxation of virus containment measures, Malaysia's economy bounced back to growth in the final quarter of 2021. Consequently, the Group recorded higher revenue of RM122.4 million in the fourth quarter of 2021 compared to RM83.4 million in the corresponding quarter prior year. Accordingly, a lower loss before tax of RM3.6 million was recorded compared to loss before tax of RM18.5 million in corresponding quarter prior year. The improvement was primarily due to better performance from Travel and Car Rental division attributed to the continuous efforts on its cost optimisation and right sizing exercises as well as profit contribution from the better performance of the jointly controlled entities. In addition, the loss of the corresponding quarter prior year was aggravated by the recognition of the fair value loss on revaluation of investment properties of RM1.9 million and additional provision of doubtful debts and loss of car totalling RM2 million.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.12.2021	30.09.2021	
	RM'000	RM'000	
Revenue	122,359	81,260	51
Operating Loss	(5,017)	(1,080)	365
Loss Before Interest and Tax	(2,281)	(3,049)	(25)
Loss Before Tax	(3,553)	(4,494)	(21)
Loss After Tax	(7,315)	(5,590)	31
Loss Attributable to Ordinary Equity Holders of the Company	(7,048)	(5,235)	35

The Group's revenue increased by 50% to RM122.4 million as compared to RM81.3 million in the preceding quarter. Available data suggests that economic conditions improved in Q4 2021, largely due to easing of Covid-19 curbs. Easing of movement and gradual reopening of the economic sectors, has helped to spur the business activities of the Group. Accordingly, the Group registered a lower loss before tax of RM3.6 million as compared to RM4.5 million in the preceding quarter underpinned by the better performance from the jointly controlled entities. For this quarter, the jointly controlled entities generated profit after tax of RM 2.8 million as opposed to loss after tax of RM1.9 million in the preceding quarter.

3. Group's Prospects

The Malaysian economy is recovering in 3Q2021 after two years into Covid-19 pandemic and is on a path to recovery in 2022, supported by the reopening of economic and social sectors. Available data such as Industrial Production Index suggests that economic conditions improved in Q4 2021, largely due to relaxation of virus containment measures, amid a markedly higher vaccination rate. This is further supported by robust fiscal policy and 2022 Budget; aiming at pump priming the economic activities.

While the local economy is staging a rebound moving forward, it is not without threats. The fast-spreading Omicron coronavirus variant and the significant economic slowdown in China, Malaysia's largest trading partner, somehow pose major challenges to the Malaysian economic outlook. In preparation for the eventualities, the Group remains cautious and vigilant. The Group continues to embark on its austerity drives to contain cost while engaging with the existing and potential customers on corporate incentive business and creating and promoting awareness on newly launched activities and/or brands. In November 2021, the Automotive division secured an Exclusive Agreement of Distribution from GAC Motor international Limited, whereby one of the companies within the division is appointed as sole and exclusive distributor to import, assemble, distribute and perform after-sale services for GAC vehicles in Malaysia. The vehicle was officially launched in December 2021.

The Group remains positive and will continue to strengthen our fundamentals, including efforts to optimize resources, rationalise cost of operations and review of business opportunities, in addressing the 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 Ended	
	31.12.21 RM'000	31.12.20 RM'000	31.12.21 RM'000	31.12.20 RM'000
Tax expenses / (income)				
Current year	4,586	15,290	5,826	5,681
Prior year	(870)	990	(949)	907
Deferred tax expense / (income)				
Current year	(175)	(6,508)	359	(7,722)
Prior year	221	8,616	810	7,815
	3,762	8,388	6,046	6,681

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 31.12.2021		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	3,556	5,911	9,467
Unsecured			
- Term loan	2,081	1,395	3,476
- Revolving credits	-	161,482	161,482
- Bankers' acceptances	-	47,920	47,920
- Bank overdrafts	-	805	805
	2,081	211,602	213,683
Total borrowings	5,637	217,513	223,150
Breakdown by currencies:			
RM (Ringgit Malaysia)	3,556	216,668	220,224
MMK (Burmese Kyat)	2,081	845	2,926
	5,637	217,513	223,150

	As at 31.12.2020		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	6,634	9,718	16,352
Unsecured			
- Term loan	3,802	742	4,544
- Revolving credits	-	171,983	171,983
- Bankers' acceptances	-	17,102	17,102
- Bank overdrafts	-	880	880
	3,802	190,707	194,509
Total borrowings	10,436	200,425	210,861
Breakdown by currencies:			
RM (Ringgit Malaysia)	7,934	199,683	207,617
MMK (Burmese Kyat)	2,502	742	3,244
	10,436	200,425	210,861

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 fourth quarter ended 31 December 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 Ended	
	31.12.21	31.12.20	31.12.21	31.12.20
Loss attributable to owners of the Company (RM'000)	7,048	25,688	31,678	63,781
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	65,100	65,100	65,100	65,100
Effect of share buyback	-	-	-	-
At end of period	65,100	65,100	65,100	65,100
Basic loss per share (sen)	10.83	39.45	48.66	97.97

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 Ended	
	31.12.21 RM'000	31.12.20 RM'000	31.12.21 RM'000	31.12.20 RM'000
Interest Income	(223)	(308)	(1,207)	(1,286)
Interest expenses	1,548	1,946	6,675	9,287
Depreciation and amortization	10,912	13,261	44,690	51,557
Allowance for doubtful debts	792	2,514	2,265	2,604
Bad debts written off	137	-	145	149
Goodwill written off	490	-	490	-
Gain on disposal of property, plant and equipment	(247)	(17)	(307)	(244)
Gain on disposal of assets held for rental	(2,256)	(1,314)	(6,294)	(4,993)
Impairment loss on property, plant and equipment	269	68	269	68
Inventories written down	874	-	874	-
Impairment loss of intangible asset				
Net unrealized loss/(gain) on foreign exchange	(40)	54	398	49
Property, plant and equipment written off	-	347	-	347
Retirement benefits expenses	566	769	1,448	1,651
Reversal of allowance for doubtful debts	(674)	(267)	(871)	(415)



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

	Year Ended 31.12.21		Year Ended 31.12.20	
	Notional amount	Fair value assets/ (liabilities)	Notional amount	Fair value assets/ (liabilities)
	RM'000	RM'000	RM'000	RM'000
Less than 1 year	36,647	(342)	24,323	(440)

BY ORDER OF THE BOARD
ANG LAY BEE
RAYMOND LEE KOON SENG
Company Secretaries
Kuala Lumpur
23 FEBRUARY 2022