



WARISAN TC HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

(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 ENDED 30 SEPTEMBER 2022**

	Quarter Ended			Year-To-Date Period Ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	RM'000	RM000	%	RM'000	RM000	%
Revenue	120,417	81,260	48	373,219	252,272	48
Cost of sales	(95,932)	(65,708)	(46)	(307,428)	(206,283)	(49)
Gross profit	24,485	15,552	57	65,791	45,989	43
Other income	772	2,947	(74)	2,495	4,061	(39)
Selling and distribution expenses	(9,863)	(7,142)	(38)	(27,927)	(22,664)	(23)
Administrative and general expenses	(14,971)	(12,437)	(20)	(44,531)	(40,397)	(10)
Interest expense	(2,049)	(1,754)	(17)	(5,553)	(5,127)	(8)
Interest income	296	309	(4)	729	984	(26)
Share of loss of equity-accounted associates, net of tax	(16)	(68)	76	(162)	(233)	30
Share of profit/(loss) of equity-accounted jointly controlled entities, net of tax	(1,174)	(1,901)	38	2,855	(5,949)	148
Loss before tax	(2,520)	(4,494)	44	(6,303)	(23,336)	73
Tax income/(expense)	1,728	(1,096)	258	387	(2,284)	117
Loss for the period	(792)	(5,590)	86	(5,916)	(25,620)	77
Loss attributable to :						
Owners of the Company	(529)	(5,235)	90	(5,116)	(24,630)	79
Non-controlling interests	(263)	(355)	26	(800)	(990)	19
	(792)	(5,590)	86	(5,916)	(25,620)	77
Loss per share (sen) attributable to owners of the Company:						
- Basic	0.81	8.04		7.86	37.83	
- 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 2021 and the accompanying explanatory notes attached to these interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	Quarter Ended			Year-To-Date Period Ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	RM'000	RM000	%	RM'000	RM000	%
Loss for the period	(792)	(5,590)	86	(5,916)	(25,620)	77
Other comprehensive 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	789	19	4,053	1,428	455	214
Foreign exchange differences from translation	162	155	5	745	273	173
Total other comprehensive income/(loss), net of tax	951	174	447	2,173	728	199
Total comprehensive income/(loss) for the period	159	(5,416)	103	(3,743)	(24,892)	85
Total comprehensive income/(loss) for the period attributable to :						
Owners of the Company	422	(5,061)	108	(2,943)	(23,902)	88
Non-controlling interests	(263)	(355)	26	(800)	(990)	19
	159	(5,416)	103	(3,743)	(24,892)	85

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
ASSETS		
Property, plant and equipment	186,027	194,196
Right-of-use assets	23,803	24,210
Investment property	43,500	43,500
Investments in associates	674	497
Investments in jointly controlled entities	33,056	30,760
Other investments	186	186
Lease receivables	1,247	2,669
Deferred tax asset	6,290	6,098
Intangible assets	10,715	10,715
Total non-current assets	305,498	312,831
Inventories	136,278	133,840
Receivables, deposits and prepayments	138,135	111,092
Derivative financial asset	1,228	11
Current tax asset	7,958	3,159
Cash and cash equivalents	79,583	102,213
Total current assets	363,182	350,315
TOTAL ASSETS	668,680	663,146
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	31,281	29,498
Retained earnings	144,972	149,698
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	239,240	242,183
Non-controlling interests	22,293	23,093
TOTAL EQUITY	261,533	265,276
LIABILITIES		
Deferred tax liability	16,099	15,912
Employee benefits	12,687	12,071
Lease liabilities	335	388
Hire purchase liabilities	2,687	3,334
Loans and borrowings	1,289	2,081
Total non-current liabilities	33,097	33,786
Payables and accruals	142,062	131,347
Contract liabilities	13,032	10,447
Lease liabilities	2,967	3,091
Hire purchase liabilities	3,812	6,133
Loans and borrowings	210,816	211,602
Derivative financial liability	133	342
Current tax liability	1,228	1,122
Total current liabilities	374,050	364,084
TOTAL LIABILITIES	407,147	397,870
TOTAL EQUITY AND LIABILITIES	668,680	663,146
	RM	RM
Net assets per share attributable to owners of the Company	3.67	3.72

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 PERIOD ENDED 30 SEPTEMBER 2022**

	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 2022	67,200	(4,213)	(40,999)	2,939	(253)	67,811	149,698	242,183	23,093	265,276
Foreign currency translation differences for foreign operations	-	-	-	745	-	-	-	745	-	745
Change in fair value of cash flow hedge	-	-	-	-	1,428	-	-	1,428	-	1,428
Total other comprehensive income, net of tax	-	-	-	745	1,428	-	-	2,173	-	2,173
Loss for the period	-	-	-	-	-	-	(5,116)	(5,116)	(800)	(5,916)
Total comprehensive income/(loss) for the period	-	-	-	745	1,428	-	(5,116)	(2,943)	(800)	(3,743)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(390)	390	-	-	-
At 30 September 2022	67,200	(4,213)	(40,999)	3,684	1,175	67,421	144,972	239,240	22,293	261,533

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 PERIOD ENDED 30 SEPTEMBER 2022**

	← Attributable to owners of the Company →									
	Share capital	Treasury shares	Non-distributable				Distributable Retained earnings	Total	Non-controlling interests	Total Equity
			Merger reserve	Translation reserve	Hedging reserve	Revaluation reserve				
	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
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 income/(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 2021 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 CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	<u>Year-To-Date Period Ended</u>	
	30.09.2022 RM'000	30.09.2021 RM'000
Cash flow from operating activities		
Loss before tax	(6,303)	(23,336)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	28,994	31,007
Depreciation of right-of-use assets	2,825	2,771
Gain on disposal of property, plant and equipment	(175)	(60)
Gain on disposal of property, plant and equipment (assets held for rental)	(5,376)	(4,038)
Interest expense	5,552	5,127
Interest income	(729)	(984)
Other non-cash items	(1,363)	9,925
Operating profit before working capital changes	23,425	20,412
Changes in working capital	(16,593)	(44,696)
Interest received	556	656
Tax paid, net of refunds	(4,352)	(4,219)
Retirement benefit paid	(304)	(196)
Acquisition of property, plant and equipment (assets held for rental)	(22,863)	(15,448)
Proceeds from disposal of property, plant and equipment (assets held for rental)	11,392	20,187
Net cash used in operating activities	(8,739)	(23,304)
Cash flows from investing activities		
Investments in an associate	(338)	-
Acquisition of other investment	-	(180)
Dividend received from jointly controlled entities	560	560
Acquisition of property, plant and equipment	(1,930)	(1,113)
Acquisition of intangible assets	(458)	(407)
Proceeds from disposal of property, plant and equipment	792	355
Interest received	173	328
Net cash used in investing activities	(1,201)	(457)
Cash flows from financing activities		
Drawdowns of bankers' acceptances	119,328	88,940
Drawdowns of term loans	-	1,157
Drawdowns of hire purchases	2,511	1,837
Drawdowns of revolving credits	158,500	158,000
Repayments of bankers' acceptances	(127,106)	(58,639)
Repayments of term loans	(1,147)	(547)
Repayments of hire purchases	(5,480)	(8,366)
Repayments of revolving credits	(151,050)	(163,500)
Repayments of lease liabilities	(3,449)	(2,986)
Interest paid	(5,323)	(4,920)
Net cash (used in)/generated from financing activities	(13,216)	10,976
Net changes in cash and cash equivalents	(23,156)	(12,785)
Cash and cash equivalents at beginning of year	101,410	115,028
Effects of exchange rate fluctuation on cash and cash equivalents	452	368
Cash and cash equivalents at 30 September	78,706	102,611
Cash and cash equivalents comprise:		
Short term deposits	2,730	10,398
Cash at bank and in hand	37,968	48,296
Fixed deposits with licensed banks	38,885	44,886
Bank overdrafts	(877)	(969)
	78,706	102,611

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021. 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 2021.

Adoption of Standards, Amendments and Interpretations 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 2022:

- Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141, Annual Improvements to MFRS Standards 2018-2020;
- Amendments to MFRS 3, Reference to the Conceptual Framework;
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use; and
- Amendments to MFRS 137, Onerous Contracts - Cost of Fulfilling a Contract.

The adoption of the amendments and new standards did not have any 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 for the quarter under review:

		<i>Effective Date</i>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to 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	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 on 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 for the period ended 30 September 2022.

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 for the period ended 30 September 2022.

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 period ended 30 September 2022.

7. Dividends paid

No dividend was paid during the period ended 30 September 2022.



8. Operating segments

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

	←————— Year-To-Date Period Ended 30 September —————→									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
						Restated		Restated		
External revenue	160,401	125,281	54,265	49,632	153,403	69,378	5,150	7,981	373,219	252,272
Segment profit / (loss)	16,789	17,740	18,203	7,617	(4,749)	(4,667)	(1,034)	1,849	29,209	22,539
Segment assets	244,507	269,148	185,226	173,006	114,284	91,506	85,612	100,851	629,629	634,511
Segment liabilities	170,148	181,049	129,056	115,828	93,527	77,962	3,102	13,312	395,833	388,151

Operating segments (continued)
Year-To-Date Period Ended 30 September

	2022	2021
	RM'000	RM000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	29,209	22,539
Depreciation and amortisation	(28,994)	(31,007)
Depreciation of right-of-use assets	(2,825)	(2,771)
Interest expense	(5,552)	(5,127)
Interest income	729	984
Non-reportable segment expenses	(1,563)	(1,772)
Share of (loss)/profit from equity accounted investments, net of tax		
- associate	(162)	(233)
- jointly controlled entities	2,855	(5,949)
Consolidated loss before tax	(6,303)	(23,336)
Reconciliation of reportable segment assets		
Total assets for reportable segments	629,629	634,511
Assets for other non-reportable segment	5,321	8,780
Share of assets from equity accounted investments		
- associate	674	634
- jointly controlled entities	33,056	28,749
Consolidated assets	668,680	672,674
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	395,833	388,151
Liabilities for other non-reportable segment	11,314	10,512
Consolidated liabilities	407,147	398,663

9. Valuations of property, plant and equipment

The valuations of property, plant and equipment were brought forward without amendment from the audited financial statements for the year ended 31 December 2021.

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 has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.



12. Changes in composition of the Group

On 17 January 2022, Mayflower Holidays (Labuan) Pte Ltd incorporated a 100% owned subsidiary, Mayan Flower Travel and Virtual Tours (Taiwan) Co, Ltd in Taiwan, with a paid up capital of TWD6 mil.

Save for the above, there were no changes in the composition of the Group for the period under review.

13. Changes in contingent liabilities

There was no contingent liability as at 30 September 2022.

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 30.09.2022 RM'000	As at 30.09.2021 RM'000
Approved and contracted for	4,437	3,987
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 30.09.2022 RM'000	As at 30.09.2021 RM'000
Not later than 1 year	30,206	31,007
Later than 1 year and not later than 5 years	30,045	22,503
	60,251	53,510

**16. Related party disclosures**

Transactions with Tan Chong Motor Holdings Berhad (“TCMH”) and APM Automotive Holdings Berhad (“APM”) groups, companies in which a Director and substantial shareholder of the Company are deemed to have substantial interests are as follows:

	Individual quarter		Cumulative quarter	
	30.09.22 RM'000	30.09.21 RM'000	30.09.22 RM'000	30.09.21 RM'000
<i>With TCMH group</i>				
Rental Income	411	420	1,236	1,252
Sales	16,019	14,255	45,465	30,928
Travel agency, car rental and workshop services	817	406	2,941	1,375
Administrative and Information Technology (“IT”) services	1,009	835	2,929	2,451
Assembly services and royalty fee	3,518	739	10,038	3,509
Insurance agency services	851	1,093	3,612	3,294
Lease payments	362	443	743	1,367
Purchases	12,582	9,308	54,131	16,275
Workshop services	1,338	252	2,142	963
<i>With APM group</i>				
Rental Income	324	310	953	946
Sales	-	-	614	66
Travel agency, car rental and workshop services	195	82	434	212
Lease payments	129	129	387	387
Purchases	81	77	353	215
Workshop services	-	-	1	-

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

	Individual quarter		Cumulative quarter	
	30.09.22 RM'000	30.09.21 RM'000	30.09.22 RM'000	30.09.21 RM'000
Return of goods	-	-	-	6
Travel agency, car rental and air ticket	24	-	30	-

The above transactions were entered into in the ordinary course of business based on normal commercial terms. These transactions were established on terms that were 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	
	30.09.2022	30.09.2021		30.09.2022	30.09.2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	120,417	81,260	48	373,219	252,272	48
Operating Profit/(Loss)	423	(1,080)	139	(4,172)	(13,011)	68
Loss Before Interest and Tax	(767)	(3,049)	75	(1,479)	(19,193)	92
Loss Before Tax	(2,520)	(4,494)	44	(6,303)	(23,336)	73
Loss After Tax	(792)	(5,590)	86	(5,916)	(25,620)	77
Loss Attributable to Ordinary Equity Holders of the Company	(529)	(5,235)	90	(5,116)	(24,630)	79

9 months ended 30 September 2022

The Group's revenue increased to RM373.2 million from RM252.3 million registered for the corresponding period prior year, representing an increase of 48%. The improvement which was across all the business segments was driven by the positive momentum from the recovery of economic activities. Higher revenue and improved operational efficiencies and cost savings initiatives led to a lower loss before tax of RM6.3 million as compared to the loss before tax of RM23.3 million in the corresponding period prior year.

Machinery Division

Revenue from the Machinery Division increased to RM160.4 million from RM125.3 million for the first nine months of prior year, representing an increase of 28%. The industry volume for heavy machinery had increased compared with the corresponding period prior year. Despite the increase in revenue, profit was marginally lower at RM16.8 million as compared to RM17.7 million recorded in the corresponding period prior year; mainly due to lower gross profit margin which resulted from rising product cost, foreign exchange volatility, lower aftermarket sales and market competition.

Travel and Car Rental Division

The Travel and Car Rental Division recorded higher revenue of RM54.3 million as compared to RM49.6 million registered in the first nine months of prior year mainly attributed to the strong rebound in the air passenger traffic following the full relaxation of the movement control order. Accordingly, coupled with better gross profit margin and lower operating cost, performance of the division improved with higher segment profit of RM18.2 million as compared to RM7.6 million recorded in corresponding period prior year.



Automotive Division

The Automotive Division recorded higher revenue of RM153.4 million compared to RM69.4 million registered in the first nine months of prior year attributed to sales conversion of various pending orders previously obtained, where deliveries were put on hold due to the lock-down in 2021 as well as changes in the recognition of sales by MUVIM (changes took effect at end of Q2 2021). Despite higher sales, the division recorded a similar loss at RM4.7 million as compared to the corresponding period prior year attributed to lower product profit margin which resulted from currency fluctuation, market competition and increased product price; coupled with higher financing cost and administrative cost attributed to new product start-up costs.

Jointly controlled entities

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, recorded a profit after tax of RM2.9 million as opposed to loss after tax of RM5.9 million in the corresponding period prior year due to spike in its business activities following the easing of movement controls and gradual reopening of economic sectors.

3 months ended 30 September 2022

The Group recorded higher revenue at RM120.4 million in the third quarter of 2022 compared to RM81.3 million in the corresponding quarter prior year. Accordingly, a lower loss before tax of RM2.5 million was recorded compared to a loss before tax of RM4.5 million in corresponding quarter prior year. This was primarily due to the economic rebound and uplift of mobility restriction, coupled with the improved operational efficiencies and cost savings initiatives.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30.09.2022	30.06.2022	
	RM'000	RM'000	
Revenue	120,417	139,758	(14)
Operating Profit/(Loss)	423	(1,079)	139
(Loss)/Profit Before Interest and Tax	(767)	649	218
Loss Before Tax	(2,520)	(948)	(166)
Loss After Tax	(792)	(1,568)	49
Loss Attributable to Ordinary Equity Holders of the Company	(529)	(1,328)	60

Despite the upswing in the economic activities, particularly the travel sector following the uplift of movement restriction in April 2022, the issues in the global supply chain and the weakening of our currency following the US Federal Reserve's aggressive monetary tightening are still persisting. As a result, issues such as shortages of supplies in the semi-conductors, increase in cost of raw materials, freight and logistics cost have continued to pose challenges to the Group. Accordingly, the Group posted a lower revenue of RM120.4 million compared to RM139.8 million in the preceding quarter. Consequently, the Group recorded higher loss before tax of RM2.5 million as compared to RM0.9 million in the preceding quarter.



3. Group's Prospects

In Q3 2022, Malaysia's economy advanced by 14.2% year-on-year, accelerating sharply from a 8.9% growth in Q2 2022 (Source : Bank Negara Malaysia Press Release 11 Nov 2022).The growth projected by Bank Negara Malaysia of between 5.3% and 6.3% for 2022 is on track; driven by strong rebound in consumption. The continuation and acceleration of mega infrastructure projects further catalysed the growth of the local market. Latest data shared by International Air Transport Association (IATA) indicated that the global traffic up to June 2022 was at 70.8% of the pre-crisis level, propelled by the ongoing strong recovery in international traffic.

Soaring inflation and rising interest rates weighed heavily on financial markets worldwide in the third quarter of 2022. Prices continued to rise significantly for food and many other goods. The issue of global supply chain is still persisting with increase in cost of raw materials, shortage in supply of semi-conductors, increase in freight and logistic costs which continue to plague the economy. The Russia-Ukraine war, which shows no sign of abating is blamed for keeping global oil prices at high levels and driving up inflation; partly causing the weakening of our currency.

Despite continuing macro uncertainties, we have seen encouraging momentum of economic activity recovery. The Group will continue to exercise caution in navigating the volatile environment, taking deliberate steps to enhance our resiliency through operational efficiencies by undertaking austerity measures to contain cost, including efforts to optimize resources, rationalize cost of operations, and review of business opportunities, in addressing market challenges. Meanwhile the Group will continue to engage with the existing and potential customers on corporate incentive business and creating and promoting awareness on the newly launched activities and/or brands.

4. Profit forecast

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

5. Tax expense / (income)

	Individual Quarter		Cumulative Quarter	
	30.09.22	30.09.21	30.09.22	30.09.21
	RM'000	RM'000	RM'000	RM'000
Tax expenses / (income)				
Current year	465	(465)	1,708	1,240
Prior year	(2,048)	5	(2,048)	(79)
Deferred tax expense / (income)				
Current year	86	1,167	83	534
Prior year	(231)	389	(130)	589
	<u>(1,728)</u>	<u>1,096</u>	<u>(387)</u>	<u>2,284</u>

The tax credit of the Group for the quarter under review was mainly due to reversal of overprovision of tax in prior year by Car Rental Division.

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 30.09.2022		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	2,687	3,812	6,499
Unsecured			
- Term loan	1,289	864	2,153
- Revolving credits	-	168,933	168,933
- Bankers' acceptances	-	40,142	40,142
- Bank overdrafts	-	877	877
	1,289	210,816	212,105
Total borrowings	3,976	214,628	218,604
Breakdown by currencies:			
RM (Ringgit Malaysia)	2,687	213,764	216,451
MMK (Burmese Kyat)	1,289	864	2,153
	3,976	214,628	218,604

	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

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 period ended 30 September 2022.

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.

	Individual Quarter		Cumulative Quarter	
	30.09.22	30.09.21	30.09.22	30.09.21
Loss attributable to owners of the Company (RM'000)	529	5,235	5,116	24,630
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)	0.81	8.04	7.86	37.83

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter		Cumulative Quarter	
	30.09.22	30.09.21	30.09.22	30.09.21
	RM'000	RM'000	RM'000	RM'000
Interest Income	(295)	(309)	(729)	(984)
Interest expenses	2,048	1,754	5,552	5,127
Allowances for doubtful debts	58	1,241	411	1,473
Bad debts written off	62	5	126	8
Depreciation and amortization	10,516	10,989	31,819	33,778
(Gain)/Loss on disposal of property, plant and equipment	(25)	2	(175)	(60)
Gain on disposal of property, plant and equipment (assets held for rental)	(1,571)	(757)	(5,376)	(4,038)
Inventories written down	216	-	131	1,141
Impairment loss of intangible assets	283	-	283	-
Net unrealized (gain)/loss on foreign exchange	(159)	189	(198)	437
Retirement benefits expense	307	295	921	882
Reversal of allowance for doubtful debts	(76)	(141)	(344)	(197)



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 September 2022, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Quarter Ended 30.09.22		Quarter Ended 30.09.21	
	Notional amount	Fair value assets	Notional amount	Fair value assets
	RM'000	RM'000	RM'000	RM'000
Less than 1 year	<u>53,007</u>	<u>1,095</u>	<u>37,129</u>	<u>16</u>

BY ORDER OF THE BOARD
LEE POH YEAN
LEE KOON SENG
Company Secretaries
Kuala Lumpur
24 November 2022