



WARISAN TC HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 AND YEAR ENDED 31 DECEMBER 2022

	Quarter Ended			Year Ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	107,812	122,359	(12)	480,457	361,965	33
Cost of sales	(83,785)	(104,068)	19	(390,638)	(297,684)	(31)
Gross profit	24,027	18,291	31	89,819	64,281	40
Other income	852	980	(13)	3,347	5,041	(34)
Selling and distribution expenses	(8,074)	(8,480)	5	(36,001)	(31,144)	(16)
Administrative and general expenses	(21,870)	(15,672)	(40)	(66,400)	(56,070)	(18)
Interest expense	(1,978)	(1,647)	(20)	(7,531)	(6,774)	(11)
Interest income	336	278	21	1,065	1,262	(16)
Share of loss of equity-accounted associates, net of tax	(103)	(85)	(21)	(265)	(318)	17
Share of profit/(loss) of equity-accounted jointly controlled entities, net of tax	1,693	2,200	(23)	4,548	(3,749)	221
Loss before tax	(5,117)	(4,135)	(24)	(11,418)	(27,471)	58
Tax expense	(1,505)	(3,947)	62	(1,119)	(6,232)	82
Loss for the period / financial year	(6,622)	(8,082)	18	(12,537)	(33,703)	63
Loss attributable to :						
Owners of the Company	(6,441)	(7,815)	18	(11,556)	(32,445)	64
Non-controlling interests	(181)	(267)	32	(981)	(1,258)	22
	(6,622)	(8,082)	18	(12,537)	(33,703)	63
Loss per share (sen) attributable to owners of the Company:						
- Basic	9.89	12.00		17.75	49.84	
- 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 AND YEAR ENDED 31 DECEMBER 2022

	Quarter Ended			Year Ended		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Loss for the period / financial year	(6,622)	(8,082)	18	(12,537)	(33,703)	63
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	(1,714)	(374)	(358)	(286)	81	(453)
Foreign exchange differences from translation	(713)	(262)	(172)	32	11	191
	(2,427)	(636)	(282)	(254)	92	(376)
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of retirement benefits obligation	3,721	21	17,620	3,721	21	17,620
Share of other comprehensive income / (loss) of equity-accounted jointly controlled entities	-	(9)	100	-	(9)	100
Total other comprehensive income/(loss), net of tax	1,294	(624)	307	3,467	104	3,234
Total comprehensive loss for the period / financial year	(5,328)	(8,706)	39	(9,070)	(33,599)	73
Total comprehensive loss for the period / financial year attributable to :						
Owners of the Company	(5,147)	(8,439)	39	(8,089)	(32,341)	75
Non-controlling interests	(181)	(267)	32	(981)	(1,258)	22
	(5,328)	(8,706)	39	(9,070)	(33,599)	73

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 31 DECEMBER 2022

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
ASSETS		
Property, plant and equipment	187,160	194,196
Right-of-use assets	26,208	24,210
Investment property	43,500	43,500
Investments in associates	570	497
Investments in jointly controlled entities	34,749	30,760
Other investments	456	186
Lease receivables	663	2,669
Deferred tax asset	5,197	6,098
Intangible assets	10,867	10,715
Total non-current assets	309,370	312,831
Inventories	128,630	133,840
Receivables, deposits and prepayments	115,405	111,092
Derivative financial asset	263	11
Current tax asset	6,991	3,159
Cash and cash equivalents	84,320	102,213
Total current assets	335,609	350,315
TOTAL ASSETS	644,979	663,146
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	28,718	29,498
Retained earnings	142,389	149,698
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	234,094	242,183
Non-controlling interests	22,112	23,093
TOTAL EQUITY	256,206	265,276
LIABILITIES		
Deferred tax liability	15,110	15,912
Employee benefits	8,313	12,071
Lease liabilities	2,843	388
Hire purchase liabilities	2,504	3,334
Loans and borrowings	1,000	2,081
Total non-current liabilities	29,770	33,786
Payables and accruals	113,971	131,347
Contract liabilities	11,326	10,447
Lease liabilities	3,390	3,091
Hire purchase liabilities	3,282	6,134
Loans and borrowings	224,892	211,601
Derivative financial liability	972	342
Current tax liability	1,170	1,122
Total current liabilities	359,003	364,084
TOTAL LIABILITIES	388,773	397,870
TOTAL EQUITY AND LIABILITIES	644,979	663,146
	RM	RM
Net assets per share attributable to owners of the Company	3.60	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 YEAR ENDED 31 DECEMBER 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	-	-	-	32	-	-	-	32	-	32
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	3,721	3,721	-	3,721
Change in fair value of cash flow hedge	-	-	-	-	(286)	-	-	(286)	-	(286)
Total other comprehensive income/(loss), net of tax	-	-	-	32	(286)	-	3,721	3,467	-	3,467
Loss for the financial year	-	-	-	-	-	-	(11,556)	(11,556)	(981)	(12,537)
Total comprehensive income/(loss) for the financial year	-	-	-	32	(286)	-	(7,835)	(8,089)	(981)	(9,070)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(526)	526	-	-	-
At 31 December 2022	67,200	(4,213)	(40,999)	2,971	(539)	67,285	142,389	234,094	22,112	256,206

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 YEAR ENDED 31 DECEMBER 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	-	-	-	11	-	-	-	11	-	11
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	21	21	-	21
Change in fair value of cash flow hedge	-	-	-	-	81	-	-	81	-	81
Share of other comprehensive loss of equity-accounted joint venture	-	-	-	-	-	-	(9)	(9)	-	(9)
Total other comprehensive income, net of tax	-	-	-	11	81	-	12	104	-	104
Loss for the financial year	-	-	-	-	-	-	(32,445)	(32,445)	(1,258)	(33,703)
Total comprehensive income/(loss) for the financial year	-	-	-	11	81	-	(32,433)	(32,341)	(1,258)	(33,599)
Acquisition of additional interest from non-controlling interests	-	-	-	-	-	-	-	-	(28)	(28)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(525)	525	-	-	-
At 31 December 2021	67,200	(4,213)	(40,999)	2,939	(253)	67,811	149,698	242,183	23,093	265,276

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)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Year Ended</u>	
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash flow from operating activities		
Loss before tax	(11,418)	(27,471)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	38,213	40,698
Depreciation of right-of-use assets	4,239	4,106
Gain on disposal of property, plant and equipment	(200)	(207)
Gain on disposal of property, plant and equipment (assets held for rental)	(7,274)	(6,389)
Interest expense	7,531	6,774
Interest income	(1,065)	(1,262)
Other non-cash items	3,180	11,786
Operating profit before working capital changes	33,206	28,035
Changes in working capital	(21,892)	(40,694)
Interest received	792	778
Tax paid, net of refunds	(5,789)	(6,717)
Retirement benefit paid	(358)	(272)
Acquisition of property, plant and equipment (assets held for rental)	(34,897)	(24,600)
Proceeds from disposal of property, plant and equipment (assets held for rental)	15,467	26,290
Net cash used in operating activities	(13,471)	(17,180)
Cash flows from investing activities		
Acquisition of additional interest from non-controlling interests	-	(28)
Investments in an associate	(338)	-
Acquisition of other investment	(270)	(180)
Dividend received from jointly controlled entities	560	560
Acquisition of property, plant and equipment	(2,561)	(620)
Acquisition of intangible assets	(640)	(474)
Proceeds from disposal of property, plant and equipment	829	774
Interest received	273	484
Net cash (used in)/generated from investing activities	(2,147)	517
Cash flows from financing activities		
Drawdowns of bankers' acceptances	154,452	123,856
Drawdowns of term loans	-	414
Drawdowns of hire purchases	2,992	4,138
Drawdowns of revolving credits	221,435	206,000
Repayments of bankers' acceptances	(160,256)	(93,038)
Repayments of term loans	(1,311)	(1,482)
Repayments of hire purchases	(6,673)	(11,022)
Repayments of revolving credits	(202,390)	(216,500)
Repayments of lease liabilities	(4,534)	(3,827)
Interest paid	(7,229)	(6,518)
Net cash (used in)/generated from financing activities	(3,514)	2,021
Net changes in cash and cash equivalents	(19,132)	(14,643)
Cash and cash equivalents at beginning of year	101,410	115,028
Effects of exchange rate fluctuation on cash and cash equivalents	639	1,025
Cash and cash equivalents at 31 December	82,917	101,410
Cash and cash equivalents comprise:		
Short term deposits	2,749	4,434
Cash at bank and in hand	43,666	47,646
Fixed deposits with licensed banks	37,905	50,133
Bank overdrafts	(1,403)	(803)
	82,917	101,410

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:

		<i>Effective Date</i>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information Insurance Contracts	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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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 year ended 31 December 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 year ended 31 December 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 year ended 31 December 2022.

7. Dividends paid

No dividend was paid during the year ended 31 December 2022.



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>	
	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	205,651	169,829	83,565	52,224	184,350	130,538	6,891	9,374	480,457	361,965
Segment profit / (loss)	22,557	23,818	22,230	11,423	(6,361)	(7,353)	(2,061)	(2,162)	36,365	25,726
Segment assets	232,034	259,901	178,873	166,018	106,770	104,072	85,038	94,761	602,715	624,752
Segment liabilities	166,415	183,051	122,357	113,553	85,845	83,372	2,632	7,707	377,249	387,683



Operating segments (continued)

	<u>Year Ended 31 December</u>	
	2022	2021
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	36,365	25,726
Depreciation and amortisation	(38,213)	(40,698)
Depreciation of right-of-use assets	(4,239)	(4,106)
Interest expense	(7,531)	(6,774)
Interest income	1,065	1,262
Non-reportable segment expenses	(3,148)	1,186
Share of (loss)/profit from equity accounted investments, net of tax		
- associate	(265)	(318)
- jointly controlled entities	4,548	(3,749)
Consolidated loss before tax	(11,418)	(27,471)
Reconciliation of reportable segment assets		
Total assets for reportable segments	602,715	624,752
Assets for other non-reportable segment	6,945	7,137
Share of assets from equity accounted investments		
- associate	570	497
- jointly controlled entities	34,749	30,760
Consolidated assets	644,979	663,146
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	377,249	387,683
Liabilities for other non-reportable segment	11,524	10,187
Consolidated liabilities	388,773	397,870

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 2022.

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 31 December 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 31.12.2022 RM'000	As at 31.12.2021 RM'000
Approved and contracted for	9,023	3,592
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 31.12.2022 RM'000	As at 31.12.2021 RM'000
Not later than 1 year	29,934	29,158
Later than 1 year and not later than 5 years	27,989	25,123
	57,923	54,281

**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	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
<i>With TCMH group</i>				
Rental Income	421	395	1,657	1,646
Sales	5,845	19,407	51,310	50,336
Travel agency, car rental and workshop services	1,454	610	4,395	1,943
Administrative and Information Technology (“IT”) services	1,187	1,771	4,116	4,262
Assembly services and royalty fee	1,432	2,726	11,470	6,236
Insurance agency services	1,298	1,331	4,910	4,625
Lease payments	336	190	1,441	1,558
Purchases	6,888	30,364	61,049	46,638
Workshop services	824	278	2,966	1,241
<i>With APM group</i>				
Rental Income	342	285	1,295	1,231
Sales	0	97	614	163
Travel agency, car rental and workshop services	227	67	661	279
Lease payments	129	90	516	477
Purchases	239	23	592	238
Workshop services	0	0	1	0

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

	Individual quarter		Cumulative quarter	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
Return of goods	-	-	-	6
Travel agency, car rental and air ticket	116	1	142	1

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	
	31.12.2022	31.12.2021		31.12.2022	31.12.2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	107,812	122,359	(12)	480,457	361,965	33
Operating Loss	(5,065)	(4,881)	(4)	(9,235)	(17,892)	48
Loss Before Interest and Tax	(3,475)	(2,766)	(26)	(4,952)	(21,959)	77
Loss Before Tax	(5,117)	(4,135)	(24)	(11,418)	(27,471)	58
Loss After Tax	(6,622)	(8,082)	18	(12,537)	(33,703)	63
Loss Attributable to Ordinary Equity Holders of the Company	(6,441)	(7,815)	18	(11,556)	(32,445)	64

Year ended 31 December 2022

Rebounding from the pandemic-induced economic shock, the Malaysia economy gathered momentum in 2022 as its growth rate surpassed expectation quarter after quarter. Overall, Malaysia's economic performance boosted to 8.7% in 2022 as compared to 3.1% in the previous year which is the highest annual growth recorded within the period of 22 years (2000: 8.9%) (Source: Department of Statistics Malaysia). In tandem with the improved economic performance, the Group registered an increase in revenue from RM362.0 million a year ago to RM480.5 million, representing an increase of 33%. Higher revenue and improved operational efficiencies and cost savings initiatives led to a lower loss before tax of RM11.4 million as compared to the loss before tax of RM27.5 million in prior year.

Machinery Division

Revenue from the Machinery Division increased to RM205.7 million from RM169.8 million registered in prior year, representing an increase of 21%. The industry volume for heavy machinery had increased compared with prior year. Despite the increase in revenue, profit was marginally lower at RM22.6 million as compared to RM23.8 million recorded in prior year; mainly due to lower gross profit margin, higher cost of doing business which resulted from increase in product cost, foreign exchange volatility, lower aftermarket sales and market competition.

Travel and Car Rental Division

Over the course of 2022, global air passenger traffic gained momentum and recovered substantially as travel restrictions were taken down and passengers expressed a very strong willingness to travel. Passenger traffic recovered from 41.7% of 2019 volumes in 2021 to 68.5% in 2022 (Source: International Air Transport Association). On the local front, the Malaysian Government fully relaxed the movement control orders in April



2022. In line with this phenomenon, the performance of the Travel and Car Rental Division rebounded and recorded revenue of RM83.6 million as compared to RM52.2 million registered in prior year. Accordingly, the division chalked higher segment profit of RM22.2 million as compared to RM11.4 million a year ago, underpinned by better gross profit margin, lower operating cost and higher gain on disposal of vehicles.

Automotive Division

The Automotive Division recorded higher revenue of RM184.4 million compared to RM130.5 million registered in prior year attributed to sales conversion of various pending orders previously obtained, where deliveries were put on hold due to lock-down in 2021 as well as changes in the recognition of sales by MUVIM (changes took effect from end of Q2 2021). Despite substantial increase in revenue, the division only managed to record marginally lower loss at RM6.4 million compared to RM7.4 million in prior year attributed to lower gross profit margin as a result of currency fluctuation, market competition and increased product cost; coupled with higher financing cost and administrative cost arising from the start-up programme on the new product, i.e. JMC pick-up trucks.

Jointly controlled entities

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, collectively recorded a profit after tax of RM4.5 million as opposed to loss after tax of RM3.7 million registered in period prior year due to spike in their business activities following the easing of movement controls and gradual reopening of economic sectors.

3 months ended 31 December 2022

The Group recorded lower revenue at RM107.8 million in the fourth quarter of 2022 compared to RM122.4 million in the corresponding quarter prior year. Accordingly, loss before tax increased marginally to RM5.1 million from RM4.1 million.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.12.2022	30.09.2022	
	RM'000	RM'000	
Revenue	107,812	120,417	(10)
Operating (Loss)/Profit	(5,065)	423	(1,297)
Loss Before Interest and Tax	(3,475)	(767)	(353)
Loss Before Tax	(5,117)	(2,520)	(103)
Loss After Tax	(6,622)	(792)	(736)
Loss Attributable to Ordinary Equity Holders of the Company	(6,441)	(529)	(1,118)

The Malaysian economy grew slower in the fourth quarter of 2022 (7.0%; 3Q 2022: 14.2%) as support from the stimulus measures and low base effect waned (Source: Bank Negara Malaysia). The issues in the global supply chain are still persisting with increase in cost of raw materials, shortages of supplies in the semi-conductors and increase in freight and logistics cost where these factors have continued to pose challenges to the Group and have contributed to the decrease in Group's revenue from RM120.4 million in the preceding quarter to RM107.8 million.



3. Group's Prospects

While societies and economies globally are still recovering from the protracted pandemic, the ongoing prolonged Russia-Ukraine conflict, global inflation, and disruption in the supply chain continue to serve as stumbling blocks to the recovery momentum, potentially leading to the risk of economic contraction moving forward into year 2023. The Malaysian economy grew slower in the fourth quarter of 2022 at 7% compared to 14.2% in the preceding quarter. (Source : Bank Negara Malaysia). Private sector activity remained the key driver of growth, supported by private consumption and investment. The continued growth in private consumption was mainly driven by improving labour market conditions. Meanwhile, overall export growth moderated in line with the weaker external demand. This was partly offset by the resilient performance in exports of electrical and electronic (E&E) products and higher tourism activities. Over the past year, reopenings in many economies of the Asia Pacific region allowed for passengers and airlines to return to the skies, greatly accelerating traffic growth in both domestic and international markets. The tourism industry is set to experience a strong recovery as evidenced by the International Air Transport Association (IATA)'s findings that the global traffic is projected to reach 83% of 2019 levels in 2022. The pre-pandemic level of 2019 is targeted to be achieved only in 2024.

Despite continuing macro uncertainties, we have seen encouraging momentum of economic activity recovery. For 2023, the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment.

The Group will continue to act proactively; to navigate the volatile environment, take deliberate steps to enhance our resiliency through operational efficiencies by implementing austerity measures to contain cost, including efforts to optimize resources, rationalize cost of operations, and review of business opportunities, in addressing market challenges, 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.

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	
	31.12.22	31.12.21	31.12.22	31.12.21
	RM'000	RM'000	RM'000	RM'000
Tax expense / (income)				
Current year	2,098	4,597	3,806	5,829
Prior year	247	(832)	(1,800)	(903)
Deferred tax expense / (income)				
Current year	(667)	(3,582)	(584)	(3,048)
Prior year	(173)	3,764	(303)	4,354
	1,505	3,947	1,119	6,232

The tax expense for the current year despite losses in the Group was 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 utilize 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 31.12.2022		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	2,504	3,282	5,786
Unsecured			
- Term loan	1,000	845	1,845
- Revolving credits	-	180,528	180,528
- Bankers' acceptances	-	42,116	42,116
- Bank overdrafts	-	1,403	1,403
	1,000	224,892	225,892
Total borrowings	3,504	228,174	231,678
Breakdown by currencies:			
RM (Ringgit Malaysia)	2,504	227,329	229,833
MMK (Burmese Kyat)	1,000	845	1,845
	3,504	228,174	231,678

	As at 31.12.2021		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	3,334	6,134	9,468
Unsecured			
- Term loan	2,081	1,395	3,476
- Revolving credits	-	161,483	161,483
- Bankers' acceptances	-	47,920	47,920
- Bank overdrafts	-	803	803
	2,081	211,601	213,682
Total borrowings	5,415	217,735	223,150
Breakdown by currencies:			
RM (Ringgit Malaysia)	3,334	216,890	220,224
MMK (Burmese Kyat)	2,081	845	2,926
	5,415	217,735	223,150



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 2022.

10. Loss per share

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

	Individual Quarter		Cumulative Quarter	
	31.12.22	31.12.21	31.12.22	31.12.21
Loss attributable to owners of the Company (RM'000)	<u>6,441</u>	<u>7,815</u>	<u>11,556</u>	<u>32,445</u>
Weighted average number of ordinary shares in issue ('000)				
At beginning of period	<u>65,101</u>	65,101	<u>65,101</u>	65,101
Effect of share buyback	<u>-</u>	-	<u>-</u>	-
At end of period	<u>65,101</u>	<u>65,101</u>	<u>65,101</u>	<u>65,101</u>
Basic loss per share (sen)	<u>9.89</u>	<u>12.00</u>	<u>17.75</u>	<u>50.00</u>

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	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
Interest Income	(336)	(278)	(1,065)	(1,262)
Interest expenses	1,978	1,647	7,531	6,774
Allowances for doubtful debts	4,705	792	5,116	2,323
Bad debts written off	-	137	49	145
Depreciation and amortization	10,633	10,912	42,452	44,804
Gain on disposal of property, plant and equipment	(25)	(247)	(200)	(207)
Gain on disposal of assets held for rental	(1,898)	(2,256)	(7,274)	(6,389)
Inventories written down	1,177	1,678	1,167	2,832
Impairment loss on property, plant and equipment	-	-	-	140
Impairment of intangible assets	-	874	283	1,365
Net unrealized (gain)/loss on foreign exchange	9	(40)	(190)	397
Property, plant and equipment written off	-	-	21	269
Retirement benefits expense	576	566	1,497	1,452
Reversal of allowance for doubtful debts	(136)	(674)	(480)	(1,204)

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

	Year Ended 31.12.22		Year Ended 31.12.21	
	Notional amount RM'000	Fair value assets/ (liabilities) RM'000	Notional amount RM'000	Fair value assets/ (liabilities) RM'000
Less than 1 year	40,745	(709)	36,647	(331)

BY ORDER OF THE BOARD
 LEE POH YEAN
 LEE KOON SENG
 Company Secretaries
 Kuala Lumpur
 22 FEBRUARY 2023