



WARISAN TC HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

(The figures have not been audited)



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024

	Quarter and Year - To - Date Ended		
	31.03.2024	31.03.2023	Changes
	RM'000	RM'000	%
Revenue	115,247	115,668	(0)
Cost of sales	(86,437)	(90,774)	5
Gross profit	28,810	24,894	16
Other income	430	890	(52)
Selling and distribution expenses	(10,899)	(9,730)	(12)
Administrative and general expenses	(17,444)	(16,632)	(5)
Interest expense	(2,734)	(2,520)	(8)
Interest income	442	352	26
Share of profit/(loss) of equity-accounted associates, net of tax	11	(27)	141
Share of (loss)/profit of equity-accounted jointly controlled entities, net of tax	(865)	4,690	(118)
(Loss)/Profit before tax	(2,248)	1,917	(217)
Tax expense	(1,238)	(1,376)	10
(Loss)/Profit for the financial year	(3,486)	541	(744)
(Loss)/Profit attributable to :			
Owners of the Company	(3,456)	737	(569)
Non-controlling interests	(30)	(196)	85
	(3,486)	541	(744)
(Loss)/Profit per share (sen) attributable to owners of the Company:			
- Basic	(5.31)	1.13	
- Diluted	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 2023 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

	Quarter and Year - To - Date Ended		
	31.03.2024	31.03.2023	Changes
	RM'000	RM'000	%
(Loss)/Profit for the financial year	(3,486)	541	(744)
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	509	599	(15)
Foreign exchange differences from translation	246	147	68
Total other comprehensive income, net of tax	755	746	1
Total comprehensive (loss)/profit for the financial year	(2,731)	1,287	(312)
Total comprehensive (loss)/profit for the financial year attributable to :			
Owners of the Company	(2,701)	1,483	(282)
Non-controlling interests	(30)	(196)	84.51
	(2,731)	1,287	(312)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 MARCH 2024

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000 (Audited)
ASSETS		
Property, plant and equipment	207,059	201,832
Right-of-use assets	29,654	29,819
Investment property	43,500	43,500
Investments in associates	959	852
Investments in jointly controlled entities	38,297	40,282
Other investments	7,122	6,132
Finance lease receivables	2,066	125
Deferred tax asset	6,486	6,480
Intangible assets	11,309	11,137
Total non-current assets	346,453	340,159
Inventories	165,161	148,835
Receivables, deposits and prepayments	170,514	148,323
Derivative financial asset	133	9
Current tax asset	961	838
Cash and cash equivalents	51,161	87,642
Total current assets	387,931	385,648
TOTAL ASSETS	734,384	725,807
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	41,288	40,721
Retained earnings	138,591	141,859
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	242,866	245,567
Non-controlling interests	20,692	20,722
TOTAL EQUITY	263,558	266,289
LIABILITIES		
Deferred tax liability	18,371	18,241
Retirement benefits obligation	8,064	8,429
Lease liabilities	1,103	1,283
Hire purchase liabilities	4,624	4,671
Loans and borrowings	228	340
Total non-current liabilities	32,391	32,964
Payables and accruals	141,376	156,200
Contract liabilities	11,477	10,571
Lease liabilities	3,209	3,051
Hire purchase liabilities	4,299	4,235
Loans and borrowings	276,334	250,412
Derivative financial liability	115	499
Current tax liability	1,626	1,586
Total current liabilities	438,436	426,554
TOTAL LIABILITIES	470,826	459,518
TOTAL EQUITY AND LIABILITIES	734,384	725,807
	RM	RM
Net assets per share attributable to owners of the Company	3.73	3.77

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD

Registration No. 199701009338 (424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

	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 2024	67,200	(4,213)	(40,999)	3,386	(373)	78,707	141,859	245,567	20,722	266,289
Foreign currency translation differences for foreign operations	-	-	-	246	-	-	-	246	-	246
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	509	-	-	509	-	509
Total other comprehensive income, net of tax	-	-	-	246	509	-	-	755	-	755
Loss for the financial year	-	-	-	-	-	-	(3,456)	(3,456)	(30)	(3,486)
Total comprehensive income/(loss) for the financial year	-	-	-	246	509	-	(3,456)	(2,700)	(30)	(2,730)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(189)	189	-	-	-
At 31 March 2024	67,200	(4,213)	(40,999)	3,632	137	78,518	138,591	242,866	20,692	263,558

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

	← 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 2023	67,200	(4,213)	(40,999)	2,962	(539)	67,285	142,420	234,116	22,118	256,234
Foreign currency translation differences for foreign operations	-	-	-	147	-	-	-	147	-	147
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	599	-	-	599	-	599
Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(loss), net of tax	-	-	-	147	599	-	-	746	-	746
Loss for the period	-	-	-	-	-	-	737	737	(196)	541
Total comprehensive income/(loss) for the period	-	-	-	147	599	-	737	1,483	(196)	1,287
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(130)	130	-	-	-
At 31 March 2023	67,200	(4,213)	(40,999)	3,109	60	67,155	143,287	235,599	21,922	257,521

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



WARISAN TC HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024

	Quarter and Year-To-Date Ended	
	31.03.2024	31.03.2023
	RM'000	RM'000
Cash flow from operating activities		
(Loss)/Profit before tax	(2,248)	1,917
Adjustments for:		
Amortisation of intangible assets	98	-
Depreciation of property, plant and equipment	8,863	9,023
Depreciation of right-of-use assets	1,120	1,145
Property, plant and equipment written off	155	-
Gain on disposal of property, plant and equipment	(6)	(80)
Gain on disposal of property, plant and equipment (assets held for rental)	(2,120)	(947)
Interest expense	2,734	2,520
Interest income	(442)	(352)
Other non-cash items	1,410	(4,097)
Operating profit before working capital changes	9,564	9,129
Changes in working capital	(55,775)	(24,828)
Interest received	408	260
Tax paid, net of refunds	(1,208)	(469)
Retirement benefit paid	(707)	(26)
Acquisition of property, plant and equipment (assets held for rental)	(12,035)	(3,893)
Proceeds from disposal of property, plant and equipment (assets held for rental)	3,819	2,000
Net cash generated from/(used in) operating activities	(55,935)	(17,827)
Cash flows from investing activities		
Acquisition of other investment	(990)	-
Dividend received from jointly controlled entities	1,120	1,360
Acquisition of property, plant and equipment	(2,801)	(322)
Acquisition of intangible assets	(270)	(212)
Proceeds from disposal of property, plant and equipment	236	233
Interest received	34	92
Net cash used in investing activities	(2,671)	1,151
Cash flows from financing activities		
Drawdowns of bankers' acceptances	81,098	46,033
Drawdowns of hire purchases	1,208	67
Drawdowns of revolving credits	50,000	54,065
Repayments of bankers' acceptances	(56,957)	(39,018)
Repayments of term loans	(246)	(203)
Repayments of hire purchases	(1,191)	(1,045)
Repayments of revolving credits	(48,000)	(49,610)
Repayments of lease liabilities	(966)	(1,141)
Interest paid	(2,681)	(2,440)
Net cash generated from/(used in) financing activities	22,264	6,708
Net changes in cash and cash equivalents	(36,342)	(9,968)
Cash and cash equivalents at beginning of year	86,444	82,918
Effects of exchange rate fluctuation on cash and cash equivalents	(25)	146
Cash and cash equivalents at 31 March	50,077	73,096
Cash and cash equivalents comprise:		
Short term deposits	285	3,210
Cash at bank and in hand	26,866	38,496
Fixed deposits with licensed banks	24,010	33,108
Bank overdrafts	(1,084)	(1,718)
	50,077	73,096

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023. 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 2023.

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 2024:

- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback;
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current;
- Amendments to MFRS 101, Non-current Liabilities with Covenants; and
- Amendments to MFRS 107 and MFRS 7, Supplier Finance Arrangements.

The adoption of the new standard and amendments 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 Malaysian Accounting Standard Board (“MASB”) but are not yet effective for the quarter under review:

		<i>Effective Date</i>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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 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 period ended 31 March 2024.

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 31 March 2024.

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 31 March 2024.

7. Dividends paid

No dividend was paid during the period ended 31 March 2024.



8. Operating segments

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

	← Year-To-Date Ended 31 March →									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
External revenue	40,190	40,412	28,224	25,030	43,845	47,433	2,989	2,793	115,247	115,668
Segment profit/(loss)	3,949	4,994	8,762	6,401	(166)	(449)	(1,144)	(154)	11,400	10,792
Segment assets	266,779	234,929	177,706	182,373	165,079	115,582	80,571	85,168	690,134	618,052
Segment liabilities	201,706	171,978	137,824	124,605	111,784	94,397	6,230	4,278	457,544	395,258



Operating segments (continued)

Year-To-Date Period Ended 31 March

	2024	2023
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	11,400	10,792
Depreciation and amortisation	(8,961)	(9,023)
Depreciation of right-of-use assets	(1,120)	(1,145)
Interest expense	(2,734)	(2,520)
Interest income	442	352
Non-reportable segment expenses	(422)	(1,202)
Share of (loss)/profit from equity accounted investments, net of tax		
- associate	11	(27)
- jointly controlled entities	(865)	4,690
Consolidated profit/(loss) before tax	(2,248)	1,917
Reconciliation of reportable segment assets		
Total assets for reportable segments	690,134	618,052
Assets for other non-reportable segment	4,994	7,707
Share of assets from equity accounted investments		
- associate	959	544
- jointly controlled entities	38,296	38,077
Consolidated assets	734,384	664,380
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	457,544	395,258
Liabilities for other non-reportable segment	13,283	11,601
Consolidated liabilities	470,826	406,859

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 2023.

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 17 November 2023.

11. Material subsequent event

On 09 May 2024, Warisan TC Holding Berhad ("WTCH") established a medium term notes ("MTNs") programme of RM500.0 million in nominal value ("MTN Programme") with a tenure of thirty (30) years from the date of first issue of MTNs under the MTN Programme.



The proceeds from the issuance of the MTNs shall be utilised by WTCH and/or its subsidiaries for the following purposes:

- (i) Capital expenditure;
- (ii) Working capital requirements;
- (iii) General corporate purposes;
- (iv) Projects, investments and asset acquisitions that are being undertaken and/or to be undertaken in the future;
- (v) Refinance and/or repay financing facilities/borrowings; and/or
- (vi) Defray all fees and expenses in relation to the establishment of the MTN Programme.

12. Changes in composition of the Group

On 16 April 2024, we received confirmation from our solicitor regarding the completion of the formation of Mayan Flower Travel & Tours LLC, following the successful filing of Certificate of Publication on 19 March 2024.

13. Changes in contingent liabilities

There was no contingent liability as at 31 March 2024.

14. Capital commitments

Commitments outstanding not provided for as at the end of the quarter are as follows:

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Approved and contracted for		
Property, plant and equipment	16,295	3,782
Other investments	414	-
Total	16,709	3,782
Approved but not contracted for		
Property, plant and equipment	2,832	-

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 31.03.2024 RM'000	As at 31.03.2023 RM'000
Not later than 1 year	32,915	31,650
Later than 1 year and not later than 5 years	27,512	25,743
Total	60,427	57,393



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	
	31.03.24	31.03.23
	RM'000	RM'000
<i><u>With TCMH group</u></i>		
Rental Income	459	435
Sales	12,630	17,116
Travel agency, car rental and workshop services	1,421	1,114
Administrative and Information Technology (“IT”) services	2,534	2,404
Assembly services and royalty fee	441	2,259
Insurance agency services	2,086	1,867
Lease payments	265	344
Purchases	3,612	5,676
Workshop services	686	782
<i><u>With APM group</u></i>		
Rental Income	338	328
Sales	-	205
Travel agency, car rental and workshop services	526	653
Lease payments	122	129
Purchases	5	70
Information Technology (“IT”) services	-	3
Workshop services	2	1

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

	Individual quarter	
	31.03.24	31.03.23
	RM'000	RM'000
Travel agency services	37	64

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 (%)
	Current Year	Preceding Year	
	31.03.2024	31.03.2023	
	RM'000	RM'000	
Revenue	115,247	115,668	(0)
Operating profit/(loss)	897	(578)	255
Profit/(Loss) Before Interest and Tax	43	4,085	(99)
Profit/(Loss) Before Tax	(2,248)	1,917	(217)
Profit/(Loss) After Tax	(3,486)	541	(744)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(3,456)	737	(569)

Quarter ended 31 March 2024

In the first quarter of 2024, the Group witnessed a marginal decrease in revenue to RM115.2 million from RM115.7 million reported in the corresponding period of the prior year. Notwithstanding the volatile global environment, the Travel and Car Rental Segment demonstrated commendable performance by registering an increase in revenue compared to Quarter 1 of 2023. This growth was primarily attributed to a substantial surge in passenger traffic, underscoring a promising trend in travel demand that was brought forward from the last fiscal year. Conversely, the Automotive Segment experienced a decline in revenue during the quarter, resulting in an overall marginal drop in total revenue.

The Group reported a loss before tax of RM2.2 million for the quarter, as compared to the profit before tax of RM1.9 million recorded in the same period of the prior year. Several factors contributed to the decline in performance. Notably, higher expenses incurred by WTCA in preparation for the CKD program played a significant role. Additionally, the sharing of losses from jointly controlled entities exerted further pressure on the financial performance for the quarter.

Machinery Segment

The Machinery Segment reported marginally decrease in revenue of RM40.1 million as compared to RM40.4 million registered in the corresponding period of the prior year. Although the revenue was marginally reduced, the Machinery Segment recorded a decrease in profit before tax from RM5.0 million in the corresponding period of prior year to RM3.9 million, primarily attributed to two key factors; the increase in incidental cost in relation to the implementation of new ERP system and rising in financing cost associated with the increase in the inventory level.

Travel and Car Rental Segment

The Travel and Car Rental Segment recorded higher revenue of RM28.2 million as compared to RM25.0 million in the corresponding period prior year. This growth can be attributed to the sustained strong demand in air travel. Total traffic demand in March 2024 (measured in revenue passenger kilometres or RPKs) rose 13.8% compared to the same period of 2023. This positive trend has significantly benefitted our segment and



consequently, the segment chalked a higher segment profit of RM8.8 million as compared to RM6.4 million recorded in corresponding period of prior year.

Automotive Segment

The Automotive Segment witnessed a decline in revenue, decreasing from RM47.4 million in the prior year corresponding period to RM43.8 million, indicating an 8% decline. The decline can be primarily attributed to a reduced volume of vehicles transacted by MUV Marketplace. In addition, WTCA incurred higher expenses in conjunction with the preparation of the CKD program and the official launch of the new GS3 Emzoom model in April 2024. However, these higher expenses were partially offset by cost rationalization initiatives implemented by MUV Marketplace. As a result, the reported loss decreased to RM0.2 million, compared to RM0.4 million in the corresponding prior period.

Jointly controlled entities

The Group’s share of losses after tax from the joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, amounted to RM0.9 million as compared to profit after tax of RM4.7 million in the corresponding period of the prior year. This was mainly contributed by the one-off gain from the disposal of Shiseido Professional business (hair line) of RM5.3 million in the corresponding period prior year.

2. Comparison with preceding quarter’s results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.03.2024	31.12.2023	
	RM'000	RM'000	
Revenue	115,247	126,333	(9)
Operating Profit	897	1,253	(28)
Profit Before Interest and Tax	43	1,162	(96)
(Loss) Before Tax	(2,248)	(1,053)	(114)
(Loss) After Tax	(3,486)	(2,064)	(69)
(Loss) Attributable to Ordinary Equity Holders of the Company	(3,456)	(1,975)	(75)

Group revenue decreased by 9% to RM115.2 million from RM126.3 million in the preceding quarter, mainly attributed to lower revenue from Machinery Segment which encountered stiff competition from the China branded machineries. The Group posted a higher loss before tax of RM2.2 million as compared to RM1.0 million in the preceding quarter.

3. Group’s Prospects

The Malaysian Economic Statistics Review, released by the Department of Statistics Malaysia on 30 April 2024, indicated the advance Gross Domestic Product (“GDP”) estimates expanded by 3.9% in the first quarter of 2024, an acceleration from a 3.0% growth in the previous period. This growth marked the fastest economic expansion in exactly a year, driven by positive contributions from all sectors, notably led by the services sector, the transportation & storage, and business services sub-sectors.

The global economy continues its moderate expansion, supported by domestic demand and improvements in trade activity, favourable labour market conditions in some countries are bolstering consumption activity.



Looking forward, growth in regional economies is anticipated to improve, although China’s growth is expected to remain modest due to ongoing weakness in the property market. Global trade is forecasted to strengthen as the global tech upcycle gains momentum. Global headline and core inflation have slightly decreased in recent months, with the possibility of monetary easing in some countries in the second half of the year.

Moving forward, growth in the local front is going to improve; driven by recovery in exports and resilient domestic expenditure. Tourist arrivals and spending are poised to rise further. Continued employment and wage growth remain supportive of household spending. The growth outlook is subject to the downside risks stemming from weaker than expected external demand and larger declines in commodity production. (Source: Monetary Policy Statement by Bank Negara Malaysia on 7 Mar 2024)

The Group remains committed to leveraging its strengths, addressing weaknesses, and seizing emerging opportunities. Strategic measures aimed at optimizing operational efficiency, diversifying revenue streams, and effectively managing costs will be crucial in navigating the evolving business landscape. As the year progresses, continued vigilance, adaptability, and decisive action will be essential in guiding the Group towards sustained growth and profitability.

4. Profit forecast

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

5. Tax expense

	Quarter Ended	
	31.03.24	31.03.23
	RM'000	RM'000
Tax expense		
Current year	1,137	1,400
Prior year	-	-
Deferred tax expense		
Current year	101	(412)
Prior year	-	388
	<u>1,238</u>	<u>1,376</u>

The Group’s effective tax rate for the financial period ended 31 March 2024 is higher than the statutory tax rate largely due to tax charges in certain profitable subsidiaries of the Group, certain expenses being disallowed for tax purposes and deferred tax assets not recognized for some of the loss making subsidiaries.

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 31.03.2024		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	4,624	4,299	8,923
Unsecured			
- Term loan	228	602	830
- Revolving credits	-	179,983	179,983
- Bankers' acceptances	-	94,665	94,665
- Bank overdrafts	-	1,084	1,084
	228	276,334	276,562
Total borrowings	4,852	280,633	285,485
Breakdown by currencies:			
RM (Ringgit Malaysia)	4,624	280,031	284,655
MMK (Burmese Kyat)	228	602	830
	4,852	280,633	285,485

	As at 31.03.2023		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	1,875	2,934	4,809
Unsecured			
- Term loan	776	878	1,654
- Revolving credits	-	184,983	184,983
- Bankers' acceptances	-	49,131	49,131
- Bank overdrafts	-	1,717	1,717
	776	236,709	237,485
Total borrowings	2,651	239,643	242,294
Breakdown by currencies:			
RM (Ringgit Malaysia)	1,875	238,765	240,640
MMK (Burmese Kyat)	776	878	1,654
	2,651	239,643	242,294



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 31 March 2024.

10. (Loss) / Earnings per share

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

	Quarter Ended	
	31.03.24	31.03.23
(Loss)/Profit attributable to owners of the Company (RM'000)	<u>(3,456)</u>	<u>737</u>
Weighted average number of ordinary shares in issue ('000)		
At beginning of period	65,101	65,101
Effect of share buyback	-	-
At end of period	<u>65,101</u>	<u>65,101</u>
Basic (loss)/earnings per share (sen)	<u>(5.31)</u>	<u>1.13</u>

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Quarter Ended	
	31.03.24 RM'000	31.03.23 RM'000
Interest Income	(442)	(352)
Interest expenses	2,734	2,520
Depreciation and amortization	9,983	10,168
Allowance for doubtful debts	44	240
Bad debts written off	42	7
Gain on disposal of property, plant and equipment	(6)	(80)
Gain on disposal of assets held for rental	(2,120)	(947)
Inventories written down, net of write back	74	125
Net unrealized loss on foreign exchange	158	120
Retirement benefits expense	<u>342</u>	<u>232</u>



Reversal of allowance for doubtful debts	(103)	(158)
Property, plant and equipment written off	155	-

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 March 2024, the notional amount, fair value and maturity period of the forward foreign currency contracts are as follows:

	Quarter Ended 31.03.24		Quarter Ended 31.03.23	
	Notional amount	Fair value assets/ (liabilities)	Notional amount	Fair value assets/ (liabilities)
	RM'000	RM'000	RM'000	RM'000
Less than 1 year	76,200	18	49,800	(111)

BY ORDER OF THE BOARD
 LEE POH YEAN
 LEE KOON SENG
 Company Secretaries
 Kuala Lumpur
 27 May 2024