



WARISAN TC HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 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 ENDED 30 JUNE 2024

	Quarter Ended			Year-To-Date Period Ended		
	30.06.2024	30.06.2023	Changes	30.06.2024	30.06.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	119,608	111,604	7	234,855	227,272	3
Cost of sales	(90,683)	(85,891)	(6)	(177,120)	(176,665)	(0)
Gross profit	28,925	25,713	12	57,735	50,607	14
Other income	443	889	(50)	873	1,779	(51)
Selling and distribution expenses	(13,592)	(9,912)	(37)	(24,491)	(19,642)	(25)
Administrative and general expenses	(18,154)	(15,284)	(19)	(35,598)	(31,916)	(12)
Interest expense	(3,288)	(2,578)	(28)	(6,022)	(5,098)	(18)
Interest income	533	434	23	975	786	24
Share of profit/(loss) of equity-accounted associates, net of tax	8	5	60	19	(22)	186
Share of (loss)/profit of equity-accounted jointly controlled entities, net of tax	965	1,255	(23)	100	5,945	(98)
(Loss)/Profit before tax	(4,161)	522	(897)	(6,409)	2,439	(363)
Tax expense	(1,346)	(1,002)	(34)	(2,584)	(2,379)	(9)
(Loss)/Profit for the financial year	(5,507)	(480)	(1,047)	(8,993)	60	(15,039)
(Loss)/Profit attributable to :						
Owners of the Company	(5,458)	(289)	(1,787)	(8,914)	446	(2,099)
Non-controlling interests	(49)	(191)	74	(79)	(386)	80
	(5,507)	(480)	(1,047)	(8,993)	60	(14,987)
(Loss)/Profit per share (sen) attributable to owners of the Company:						
- Basic	(8.38)	(0.44)		(13.69)	0.68	
- 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 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 COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED 30 JUNE 2024**

	Quarter Ended			Year-To-Date Period Ended		
	30.06.2024	30.06.2023	Changes	30.06.2024	30.06.2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
(Loss)/Profit for the period	(5,507)	(480)	(1,047)	(8,993)	60	(15,039)
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	658	60	997	1,167	659	77
Foreign exchange differences from translation	(366)	869	(142)	(120)	1,016	(112)
Total other comprehensive income, net of tax	292	929	(69)	1,047	1,675	(37)
Total comprehensive (loss)/profit for the financial year	(5,215)	449	(1,262)	(7,946)	1,735	(558)
Total comprehensive (loss)/profit for the financial year attributable to :						
Owners of the Company	(5,166)	640	(908)	(7,867)	2,121	(471)
Non-controlling interests	(49)	(191)	74	(79)	(386)	80
	(5,215)	449	(1,262)	(7,946)	1,735	(558)

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 30 JUNE 2024

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000 (Audited)
ASSETS		
Property, plant and equipment	210,576	201,832
Right-of-use assets	35,768	29,819
Investment property	43,500	43,500
Investments in associates	970	852
Investments in jointly controlled entities	39,261	40,282
Other investments	7,167	6,132
Finance lease receivables	2,167	125
Deferred tax asset	6,431	6,480
Intangible assets	11,207	11,137
Total non-current assets	357,047	340,159
Inventories	187,493	148,835
Receivables, deposits and prepayments	165,307	148,323
Derivative financial asset	777	9
Current tax asset	926	838
Cash and cash equivalents	75,147	87,642
Total current assets	429,650	385,648
TOTAL ASSETS	786,697	725,807
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	67,200	67,200
Reserves	41,417	40,721
Retained earnings	133,296	141,859
Treasury shares	(4,213)	(4,213)
Total equity attributable to owners of the Company	237,700	245,567
Non-controlling interests	20,643	20,722
TOTAL EQUITY	258,343	266,289
LIABILITIES		
Deferred tax liability	18,303	18,241
Retirement benefits obligation	8,337	8,429
Lease liabilities	6,946	1,283
Hire purchase liabilities	4,450	4,671
Loans and borrowings	40,160	340
Total non-current liabilities	78,196	32,964
Payables and accruals	147,017	156,200
Contract liabilities	44,922	10,571
Lease liabilities	4,047	3,051
Hire purchase liabilities	4,288	4,235
Loans and borrowings	248,103	250,412
Derivative financial liability	100	499
Current tax liability	1,680	1,586
Total current liabilities	450,158	426,554
TOTAL LIABILITIES	528,354	459,518
TOTAL EQUITY AND LIABILITIES	786,697	725,807
	RM	RM
Net assets per share attributable to owners of the Company	3.65	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 YEAR-TO-DATE PERIOD ENDED 30 JUNE 2024**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total Equity
	Share capital	Treasury shares	Non-distributable				Distributable			
			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	-	-	-	(120)	-	-	-	(120)	-	(120)
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	1,167	-	-	1,167	-	1,167
Total other comprehensive (loss)/income, net of tax	-	-	-	(120)	1,167	-	-	1,047	-	1,047
Loss for the period	-	-	-	-	-	-	(8,914)	(8,914)	(79)	(8,993)
Total comprehensive (loss)/income for the period	-	-	-	(120)	1,167	-	(8,914)	(7,867)	(79)	(7,946)
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(351)	351	-	-	-
At 30 June 2024	67,200	(4,213)	(40,999)	3,266	794	78,356	133,296	237,700	20,643	258,343

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

Registration No. 199701009338 (424834-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE YEAR-TO-DATE PERIOD ENDED 30 JUNE 2024**

	Attributable to owners of the Company							Total	Non-controlling interests	Total Equity
	Share capital	Treasury shares	Non-distributable		Distributable		Retained earnings			
			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	-	-	-	1,016	-	-	-	1,016	-	1,016
Remeasurement of retirement benefits obligation	-	-	-	-	-	-	-	-	-	-
Change in fair value of cash flow hedge	-	-	-	-	659	-	-	659	-	659
Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	-	1,016	659	-	-	1,675	-	1,675
Profit/(Loss) for the period	-	-	-	-	-	-	446	446	(386)	60
Total comprehensive income/(loss) for the period	-	-	-	1,016	659	-	446	2,121	(386)	1,735
Portion of revaluation reserve transferred through depreciation	-	-	-	-	-	(260)	260	-	-	-
At 30 June 2023	67,200	(4,213)	(40,999)	3,978	120	67,025	143,126	236,237	21,732	257,969

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
 Registration No. 199701009338 (424834-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR-TO-DATE PERIOD ENDED 30 JUNE 2024

	Year-To-Date Period Ended	
	30.06.2024	30.06.2023
	RM'000	RM'000
Cash flow from operating activities		
(Loss)/Profit before tax	(6,409)	2,439
Adjustments for:		
Amortisation of intangible assets	227	258
Depreciation of property, plant and equipment	18,343	17,969
Depreciation of right-of-use assets	2,367	2,270
Property, plant and equipment written off	158	-
Gain on disposal of property, plant and equipment	(32)	(83)
Gain on disposal of property, plant and equipment (assets held for rental)	(5,003)	(2,789)
Interest expense	6,022	5,098
Interest income	(975)	(786)
Other non-cash items	668	(5,972)
Operating profit before working capital changes	15,366	18,404
Changes in working capital	(35,100)	(10,945)
Interest received	858	615
Tax paid, net of refunds	(2,437)	1,014
Retirement benefit paid	(590)	(82)
Acquisition of property, plant and equipment (assets held for rental)	(18,953)	(13,148)
Proceeds from disposal of property, plant and equipment (assets held for rental)	8,272	5,754
Net cash generated from/(used in) operating activities	(32,583)	1,612
Cash flows from investing activities		
Investments in an associate	-	(352)
Acquisition of other investment	(1,035)	(3,150)
Dividend received from jointly controlled entities	1,120	1,360
Acquisition of property, plant and equipment	(9,422)	(906)
Acquisition of intangible assets	(297)	(723)
Proceeds from disposal of property, plant and equipment	285	236
Interest received	117	169
Net cash used in investing activities	(9,232)	(3,366)
Cash flows from financing activities		
Drawdowns of bankers' acceptances	143,124	96,679
Proceeds from the medium term notes	40,000	-
Drawdowns of hire purchases	2,265	1,273
Drawdowns of revolving credits	98,000	82,000
Repayments of bankers' acceptances	(147,527)	(84,923)
Repayments of term loans	(445)	(435)
Repayments of hire purchases	(2,434)	(1,976)
Repayments of revolving credits	(96,000)	(87,545)
Repayments of lease liabilities	(2,058)	(2,093)
Interest paid	(5,870)	(4,943)
Net cash generated from/(used in) financing activities	29,056	(1,963)
Net changes in cash and cash equivalents	(12,759)	(3,717)
Cash and cash equivalents at beginning of year	86,444	82,918
Effects of exchange rate fluctuation on cash and cash equivalents	(66)	(150)
Cash and cash equivalents at 31 March	73,619	79,051
Cash and cash equivalents comprise:		
Short term deposits	288	3,819
Cash at bank and in hand	45,317	40,084
Fixed deposits with licensed banks	29,542	36,717
Bank overdrafts	(1,528)	(1,569)
	73,619	79,051

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 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
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 30 June 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 30 June 2024.

6. Debt and equity securities

On 9 May 2024, Warisan TC Holdings 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.

On 31 May 2024, WTCH completed the first issuance of RM40.0 million in nominal value ("Tranche 1 MTN") under the MTN Programme.

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 June 2024.

7. Dividends paid

No dividend was paid during the period ended 30 June 2024.



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 June →									
	<u>Machinery</u>		<u>Travel and car rental</u>		<u>Automotive</u>		<u>Other operations</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	81,462	84,293	57,777	52,008	91,617	86,941	3,999	4,030	234,855	227,272
Segment profit/(loss)	8,041	10,716	17,582	13,651	(3,375)	(1,239)	(1,110)	(295)	21,138	22,833
Segment assets	260,112	246,880	178,497	180,019	220,320	114,372	80,171	86,323	739,101	627,594
Segment liabilities	190,355	181,431	131,752	126,474	147,272	91,358	4,285	3,735	473,664	402,998



Operating segments (continued)

Year-To-Date Period Ended 30 June

	2024	2023
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reportable segments	21,138	22,833
Depreciation and amortisation	(18,570)	(18,227)
Depreciation of right-of-use assets	(2,367)	(2,270)
Interest expense	(6,022)	(5,098)
Interest income	975	786
Non-reportable segment expenses	(1,682)	(1,508)
Share of (loss)/profit from equity accounted investments, net of tax		
- associate	19	(22)
- jointly controlled entities	100	5,945
Consolidated profit/(loss) before tax	(6,409)	2,439
Reconciliation of reportable segment assets		
Total assets for reportable segments	739,101	627,594
Assets for other non-reportable segment	7,365	5,042
Share of assets from equity accounted investments		
- associate	970	900
- jointly controlled entities	39,261	39,334
Consolidated assets	786,697	672,870
Reconciliation of reportable segment liabilities		
Total liabilities for reportable segments	473,664	402,998
Liabilities for other non-reportable segment	54,690	11,903
Consolidated liabilities	528,354	414,901

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

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 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 30 June 2024.

14. Capital commitments

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

	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Approved and contracted for		
Property, plant and equipment	4,731	1,671
Other investments	369	-
Total	<u>5,100</u>	<u>1,671</u>
Approved but not contracted for		
Property, plant and equipment	<u>2,794</u>	-

15. Operating lease commitments

As lessor – for the leases of commercial vehicles and machinery:

The future minimum lease rental receivables under non-cancellable leases are as follows:

	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Not later than 1 year	31,330	31,013
Later than 1 year and not later than 5 years	28,076	25,858
	<u>59,406</u>	<u>56,871</u>



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	
	30.06.24 RM'000	30.06.23 RM'000	30.06.24 RM'000	30.06.23 RM'000
<i>With TCMH group</i>				
Rental Income	459	461	918	896
Sales	12,861	10,878	25,491	27,994
Travel agency, car rental and workshop services	1,377	2,091	2,799	3,223
Administrative and Information Technology (“IT”) services	3,126	2,626	5,660	5,030
Assembly services and royalty fee	5,779	2,147	6,220	4,406
Insurance agency services	958	1,064	3,044	2,931
Lease payments	355	315	620	659
Purchases	8,634	6,911	12,246	12,587
Workshop services	687	597	1,373	1,379
<i>With APM group</i>				
Rental Income	333	338	671	666
Sales	86	-	86	205
Travel agency, car rental and workshop services	362	218	888	871
Lease payments	150	129	272	258
Purchases	3,130	80	3,135	150
Information Technology (“IT”) services	-	-	-	3
Workshop services	1	7	3	8

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

	Individual quarter		Cumulative quarter	
	30.06.24 RM'000	30.06.23 RM'000	30.06.24 RM'000	30.06.23 RM'000
Travel agency, car rental and air ticket	16	26	53	90

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	
	30.06.2024	30.06.2023		30.06.2024	30.06.2023	
	RM'000	RM'000		RM'000	RM'000	
Revenue	119,608	111,604	7	234,855	227,272	3
Operating Profit/(Loss)	(2,378)	1,406	(269)	(1,481)	828	(279)
Profit/(Loss) Before Interest and Tax	(1,405)	2,666	(153)	(1,362)	6,751	(120)
Profit/(Loss) Before Tax	(4,161)	522	(897)	(6,409)	2,439	(363)
Profit/(Loss) After Tax	(5,507)	(480)	(1,047)	(8,993)	60	(15,039)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(5,458)	(289)	(1,787)	(8,914)	446	(2,099)

6 months ended 30 June 2024

The Group's revenue increased to RM234.9 million from RM227.3 million registered in the corresponding period prior year, representing an increase of 3% contributed mainly by Travel and Automotive Segments. This growth was primarily attributed to a strong rise in passenger traffic and a positive market response to the newly launched car model.

The Group reported a loss before tax of RM6.4 million, compared to a profit before tax of RM2.4 million in the corresponding period prior year. Several factors contributed to this decline in performance, notably, higher expenses incurred by WTCA in preparation for the CKD programme which significantly impacted the results. Additionally, the share of lower profit from jointly controlled entities further weakened the financial performance for the period ended Jun 2024.

Machinery Segment

Revenue from the Machinery Segment decreased to RM81.5 million from RM84.3 million for the first half of prior year. This was primarily due to the decline in sales caused by the intense competition from new players. As a result, profit before tax reduced by RM2.7 million to RM8.0 million in the first half of the financial year from RM10.7 million in prior year.

Travel and Car Rental Segment

The Travel and Car Rental Segment posted higher revenue of RM57.8 million, compared to RM52.0 million registered in the first half of prior year. This growth was driven by sustained strong demand for air travel and increased backend incentives from airlines. As a result, coupled with improved gross profit margin and lower operating cost, the segment's performance strengthened, with segment profit increased to RM17.6 million, compared with RM13.7 million in the corresponding period of prior year.



Automotive Segment

The Automotive Segment reported an increase in revenue to RM91.6 million, compared to RM86.9 million registered in the first half of prior year driven by higher sales volume from ATM and WTCA offset by lower sales from MUVM. Despite a higher revenue, the segment recorded higher loss at RM3.4 million, compared to RM1.2 million in the corresponding period of prior year. This was primarily due to higher expenses incurred by WTCA in conjunction with the preparation of the CKD programme and the official launch of the new GS3 Emzoom model in April 2024.

Jointly controlled entities

Our joint venture entities, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd, recorded a profit after tax of RM0.1 million, a significant decrease from RM5.9 million in the corresponding period of the prior year. The higher contribution in the corresponding period prior year was primarily due to a one-off gain of RM5.3 million from the disposal of the Shiseido Professional business (hair line).

3 months ended 30 June 2024

The Group achieved higher revenue of RM119.6 million in the second quarter of 2024, compared to RM111.6 million in the corresponding quarter prior year, mainly driven by increased sales in the Travel and Automotive Segments. Despite the revenue growth, the Group reported a loss before tax of RM4.2 million, compared to a profit before tax of RM0.5 million in corresponding quarter prior year. The loss position was primarily due to higher costs associated with new CKD programme start-up expenses in the Automotive Segment. Additionally, lower profit from the Machinery Segment partly contributed to the loss position.

2. Comparison with preceding quarter's results

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30.06.2024	31.03.2024	
	RM'000	RM'000	
Revenue	119,608	115,247	4
Operating Profit	(2,378)	897	(365)
Profit Before Interest and Tax	(1,405)	43	(3,339)
(Loss) Before Tax	(4,161)	(2,248)	(85)
(Loss) After Tax	(5,507)	(3,486)	(58)
(Loss) Attributable to Ordinary Equity Holders of the Company	(5,458)	(3,456)	(58)

The Group's revenue saw a modest increase of 4%, rising to RM119.6 million from RM115.2 million in the preceding quarter. The higher revenue was mainly contributed by Machinery and Automotive Segments. However, the Automotive segment faced significant pressure due to higher start-up cost for the preparation of CKD programme. Consequently, the Group recorded a higher loss before tax of RM4.2 million, compared to RM2.2 million in the preceding quarter.



3. Group's Prospects

The Malaysian economy grew by 5.9% in the second quarter of 2024, up from 4.2% in the first quarter. This growth was fueled by stronger domestic demand and an increase in exports. Household spending rose due to positive labour market conditions and increased policy support. Investment activity was bolstered by ongoing progress in multi-year projects and capacity expansion by companies.

As of 13 August 2024, the ringgit has appreciated by 3.1% against the US dollar. On a nominal effective exchange rate (NEER) basis, it has also risen by 5.3%. This appreciation was partly driven by increasing expectations among financial market participants of US policy rate cuts, which have eased pressure on regional currencies, including the ringgit. (Source: Economic and Financial Development by Bank Negara Malaysia on 16 Aug 2024)

The global economy is expected to remain stable in the second half of this year, supported by positive labour market conditions and moderating inflation. Monetary policy easing by advanced economies will further bolster growth in the short to medium term. (Source: Quarterly Bulletin by Bank Negara Malaysia on 16 Aug 2024)

The Group remains focused on improving its performance, leveraging on the growth and recovery of the Travel business and increasing the scale and volume of its new vehicle franchise, as well as the opportunities that come with it. At the same time, the Group will work towards optimizing operational efficiency and navigating the evolving business landscape, particularly the strong competition from other brands. As the year progresses, maintaining vigilance, adaptability, and decisive action will be essential for guiding the Group toward sustained growth and profitability.

4. Profit forecast

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

5. Tax expense

	Individual Quarter		Cumulative Quarter	
	30.06.24 RM'000	30.06.23 RM'000	30.06.24 RM'000	30.06.23 RM'000
Tax expense/(income)				
Current year	1,303	1,161	2,440	2,561
Prior year	2	(17)	2	(17)
Deferred tax expense/(income)				
Current year	(59)	(164)	43	(575)
Prior year	99	22	99	410
	1,346	1,002	2,584	2,379

The tax expense for the current year despite losses in the Group were mainly 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 30.06.2024		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	4,450	4,288	8,738
Unsecured			
- Medium term notes	40,000	-	40,000
- Term loan	160	470	630
- Revolving credits	-	179,983	179,983
- Bankers' acceptances	-	66,122	66,122
- Bank overdrafts	-	1,528	1,528
	40,160	248,103	288,263
Total borrowings	44,610	252,391	297,001
Breakdown by currencies:			
RM (Ringgit Malaysia)	44,450	251,921	296,371
MMK (Burmese Kyat)	160	470	630
	44,610	252,391	297,001

	As at 30.06.2023		
	Long Term	Short Term	Total borrowings
	RM'000	RM'000	RM'000
Secured			
- Hire purchase	2,116	2,968	5,084
Unsecured			
- Term loan	623	903	1,526
- Revolving credits	-	174,983	174,983
- Bankers' acceptances	-	53,871	53,871
- Bank overdrafts	-	1,569	1,569
	623	231,326	231,949
Total borrowings	2,739	234,294	237,033
Breakdown by currencies:			
RM (Ringgit Malaysia)	2,116	233,391	235,507
MMK (Burmese Kyat)	623	903	1,526
	2,739	234,294	237,033



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 June 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.

	Individual Quarter		Cumulative Quarter	
	30.06.24	30.06.23	30.06.24	30.06.23
(Loss)/Profit attributable to owners of the Company (RM'000)	(5,458)	(289)	(8,914)	446
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)/earnings per share (sen)	(8.38)	(0.44)	(13.69)	0.68

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter		Cumulative Quarter	
	30.06.24 RM'000	30.06.23 RM'000	30.06.24 RM'000	30.06.23 RM'000
Interest Income	(533)	(434)	(975)	(786)
Interest expenses	3,288	2,578	6,022	5,098
Allowance for doubtful debts	84	-	128	142
Bad debts written off	9	-	51	-
Depreciation of property, plant and equipment	9,480	8,981	18,343	17,969
Depreciation of right-of-use assets	1,247	1,125	2,367	2,270
Amortisation of intangible assets	129	223	227	258
Gain on disposal of property, plant and equipment	(26)	(3)	(32)	(83)



Gain on disposal of assets held for rental	(2,883)	(1,842)	(5,003)	(2,789)
Inventories written down	(24)	2	50	2
Net unrealized loss on foreign exchange	192	148	350	268
Retirement benefits expense	156	222	498	454
Reversal of allowance for doubtful debts	(187)	(851)	(290)	(911)
Reversal of impairment of inventories	-	(172)	-	(47)
Property, plant and equipment written off	3	-	158	-

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

	Quarter Ended 30.06.24		Quarter Ended 30.06.23	
	Notional amount	Fair value assets/ (liabilities)	Notional amount	Fair value assets/ (liabilities)
	RM'000	RM'000	RM'000	RM'000
Less than 1 year	69,966	677	45,181	(51)

BY ORDER OF THE BOARD
 LEE POH YEAN
 LEE KOON SENG
 Company Secretaries
 Kuala Lumpur
 28 August 2024